

## ASSIGNMENT OF REAL ESTATE PURCHASE AND SALE AGREEMENT

WHEREAS, Cascade Land Conservancy has the right to purchase a certain parcel of land owned by David James Lloyd, Jessie Lloyd and Hannah Elizabeth Lloyd (the "Property") under a Bargain Sale Real Estate Purchase and Sale Agreement With An Option To Purchase entered into on July 27, 2000 (the "Purchase and Sale Agreement"), attached hereto as Attachment A and incorporated herein by this reference; and

WHEREAS, the Property consists of the Fee Property, including the Remainder Interest Portion of the Fee Property, and the Option Property, as defined in the Purchase and Sale Agreement;

WHEREAS, Cascade Land Conservancy has deposited the sum of Ten Thousand dollars (\$10,000) into an escrow account in accordance with the terms of the Purchase and Sale Agreement and has incurred substantial transactional expenses during the three years of negotiating the Purchase and Sale Agreement;

WHEREAS, the Property possesses ecological, open space and historic values important to Cascade Land Conservancy and the citizens of Snohomish County; and

WHEREAS, Cascade Land Conservancy and Snohomish County desire that the Property be preserved in perpetuity for open space and passive recreational purposes; and

WHEREAS, Cascade Land Conservancy and Snohomish County desire that a portion of the Property, identified as the Remainder Interest Portion of the Fee Property under the Purchase and Sale Agreement, specifically become a park and/or museum, named the "James and Eliza Lloyd Family Farmstead Park", to preserve the historic homesite on the Lloyd Family Farmstead Property for future generations to admire, and which will be used exclusively for open space and passive recreational purposes;

NOW, THEREFORE, Cascade Land Conservancy, a Washington non-profit corporation ("Assignor"), does hereby assign, transfer and set over to Snohomish County, a political subdivision of the State of Washington ("Assignee"), the said Purchase and Sale Agreement, and Assignee agrees to accept such assignment, under the following terms and conditions:

1. Assignee shall assume all of Assignor's rights, duties and obligations under said Purchase and Sale Agreement and agrees to fulfill the terms and conditions of said Purchase and Sale Agreement.
2. Upon closing of the Fee Property, Assignee shall record a declaration of protective covenants, conditions and restrictions to preserve the Fee Property,

including the Remainder Interest Portion of the Fee Property, in perpetuity as open space, which such declaration shall be in a form substantially similar to that form found in Exhibit E to Attachment A.

3. Should Assignee decide to exercise its option to acquire the Option Property, Assignee shall record a declaration of protective covenants, conditions and restrictions to preserve the Option Property in perpetuity as open space, which such declaration shall be in a form substantially similar to that form found in Exhibit E to Attachment A.
4. Upon closing, Assignee shall pay an assignment fee to the Assignor of Eighty Thousand and No/Dollars (\$80,000.00) inclusive of the escrow deposit and all the Assignor's costs and fees. Assignor shall forgive up to Twenty Thousand and No/Dollars (\$20,000.00) of the assignment fee in the event that equivalent funds, made payable to Assignor, from another source are not deposited into escrow for the acquisition of the Fee Property.
5. This Agreement shall be governed by the laws of the State of Washington. In the event of default under this Agreement by Assignee, Assignor shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Assignee's obligations hereunder. In the event of litigation between the parties arising out of or relating to this Agreement, the prevailing party, in addition to all other rights and remedies, shall be entitled to recover reasonable attorneys' fees, costs and litigation-related expenses from the non-prevailing party.

DATED this 14 day of August, 2000.

Signed in Counterparts.

ASSIGNOR:  
**CASCADE LAND CONSERVANCY**

By: 

Its: EXEC. DIR.

Approved as to form:

for Snohomish County  
only -

By Angela Belbeck  
on 8-11-00 - <sup>orig</sup> Sign  
in Park 3

Snohomish County file - DH  
Deputy Prosecuting Attorney

I certify that I know or have satisfactory evidence that Bene G. Duvorny is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated he was authorized to execute this instrument and acknowledged it as the Exec. Director of **CASCADE LAND CONSERVANCY** to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 14 day of August, 2000.



Carol B. Koppelman  
Printed Name Carol B. Koppelman  
NOTARY PUBLIC in and for the State of  
Washington, residing at King County  
My Commission Expires: 4-26-03

ASSIGNEE:  
SNOHOMISH COUNTY, WASHINGTON

By: Gary Weikel  
Its: GARY WEIKEL  
Executive Director

I certify that I know or have satisfactory evidence that Gary Weikel is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated he/she was authorized to execute this instrument and acknowledged it as Executive Director of SNOHOMISH COUNTY to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 31<sup>st</sup> day of August, 2000.



Sherri Kelley  
Printed Name Sherri Kelley  
NOTARY PUBLIC in and for the State of  
Washington, residing at Everett, WA  
My Commission Expires: 12-24-2001

8/30/00  
D-3

**Attachment A**

**Bargain Sale Real Estate Purchase and Sale Agreement  
With An Option to Purchase**

(see attached)

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**BARGAIN SALE REAL ESTATE PURCHASE AND SALE AGREEMENT  
WITH AN OPTION TO PURCHASE**

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This Agreement is made effective ("Effective Date") as of the date this instrument is fully executed by and between DAVID JAMES LLOYD, JESSIE LLOYD AND HANNAH ELIZABETH LLOYD, each as their separate estate, as to that portion of Parcel A lying within the southeast quarter of section 30 and all of Parcels D, E and F; JESSIE LLOYD and DAVID J. LLOYD, as to that portion of Parcel A lying within the southwest quarter of section 30; JESSIE LLOYD, as to Parcel B; HANNAH ELIZABETH LLOYD, JESSIE LLOYD and DAVID J. LLOYD, as to Parcel C; and HANNAH ELIZABETH LLOYD, JESSIE LLOYD AND DAVID J. LLOYD, as to Parcel G (individually and collectively "Seller"), and CASCADE LAND CONSERVANCY, a Washington nonprofit corporation, and its successors and assigns ("Buyer"), for purchase and sale of the Fee Property, including purchase and sale of the Remainder Interest Portion of the Fee Property, for an option to purchase timber rights on the Timber Rights Portion of the Fee Property, and for an option to purchase the Option Property; all property is as hereinafter described and defined in this Agreement.

**RECITALS**

- A. This Agreement is made with respect to improved and unimproved real property, Parcels A through G, consisting of approximately 790 acres, located in Snohomish County, Washington, more fully described in Exhibit "A" and shown on Exhibit "B" attached hereto and incorporated herein by this reference (collectively the "Property").
  - A.1 As shown on Exhibit B, Parcels A, B (except for the NW  $\frac{1}{4}$ , SW  $\frac{1}{4}$ , and SE  $\frac{1}{4}$  of the SW  $\frac{1}{4}$ , Section 31, Township 27 N, Range 6 E, W.M.), C, D, E, F and G consisting of approximately 664 acres, together with all improvements thereon, if any, and all rights, hereditaments, easements, and appurtenances thereto belonging, subject to the reservation by Seller of timber rights on a portion of the parcels, as subsequently defined herein, and a life estate on the Remainder Interest Portion of the Fee Property, as subsequently defined herein, are herein described as the "Fee Property".
  - A.2 As shown on Exhibit B, that portion of Parcel D, described as the NE  $\frac{1}{4}$  of the NE  $\frac{1}{4}$ , Section 31, Township 27 N, Range 6 E, W.M., lying south of the County Road and the north 330 feet of the SE  $\frac{1}{4}$  of the NE  $\frac{1}{4}$ , Section 31, Township 27 N, Range 6 E, W.M., consisting of approximately 29 acres, together with all improvements thereon, if any, and all rights, hereditaments, easements, and appurtenances thereto belonging, are herein described as the "Remainder Interest Portion of the Fee Property".
  - A.3 As shown on Exhibit B, that portion of Parcel B, described as the NW  $\frac{1}{4}$ , SW  $\frac{1}{4}$ , and SE  $\frac{1}{4}$  of the SW  $\frac{1}{4}$ , Section 31, Township 27 N, Range 6 E, W.M., consisting of approximately 126 acres, together with all improvements thereon, if any, and all rights, hereditaments,

easements, and appurtenances thereto belonging, are herein described as the "Option Property".

- A.4 As shown on Exhibit B, that portion of Parcels B, C and D, excluding the Remainder Interest Portion of the Fee Property and the Option Property, is herein described as the "Timber Rights Interest Portion of the Fee Property".
- B. Buyer desires to purchase the Property because of its ecological, open space and historic values. Buyer is a conservation organization having among its purposes the acquisition of open space and critically important ecological systems in King, Snohomish and Pierce counties and surrounding counties. Buyer is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended from time to time, the "Code") and is included in the "Cumulative List of Organizations" described in Section 170(c) of the Internal Revenue Code published by the Internal Revenue Service. Buyer is not a private foundation within the meaning of Section 509(a) of the Code.
- C. Seller believes that the purchase price for the Property which is specified in this Agreement is below the fair market value. Seller intends that the difference between the purchase price and fair market value shall be a charitable contribution to Buyer. However, Buyer makes no representation as to the tax consequences of the transaction contemplated by this Agreement. Seller will obtain independent tax counsel and be solely responsible for compliance with the gift value substantiation requirements of the Code. To the extent that the purchase price is below fair market value, the parties agree that it does not reflect the existence of defects in the Property, such as environmental conditions requiring remediation, known to Seller or Buyer.
- D. Buyer intends that the Property will be preserved in perpetuity as open space. Upon conveyance of title to the Remainder Interest Portion of the Fee Property, Buyer intends this property to become a park and/or museum, named the "James and Eliza Lloyd Family Farmstead Park", which will preserve the historic homesite on the property for future generations to admire, and which will be used exclusively for open space and passive recreational purposes.
- E. Seller acknowledges that upon execution of this Agreement or acquisition of the Property, Buyer intends to assign its interest in this Agreement and the Property for any price Buyer, in its sole discretion, deems appropriate to Snohomish County, subject to whatever restrictions Buyer, in its sole discretion, deems appropriate to preserve the Property in perpetuity for open space purposes.



## AGREEMENT

### 1 PURCHASE PRICE AND EARNEST MONEY CONSIDERATION:

- 1.1 Purchase Price. The total purchase price for the Fee Property, including the Remainder Interest Portion of the Property, for the option to purchase the timber rights on the Timber Rights Interest Portion of the Fee Property, and for the option to purchase the Option Property, is One Million, Nine Hundred Thousand and No/100 Dollars (US \$1,900,000) ("Purchase Price"). The Purchase Price is payable at closing (the "First Closing") in cash.
- 1.2 Timber Rights Option Purchase Price. The purchase price for the timber rights on the Timber Rights Interest Portion of the Fee Property is One Million One Hundred Thousand and No/100 Dollars (US \$1,100,000) ("Timber Rights Option Purchase Price"). The Timber Rights Option Purchase Price is payable upon exercise of the Timber Rights option at closing (the "Second Closing") in cash.
- 1.3 Option Property Purchase Price. In the event Buyer exercises the Option, the purchase price for the Option Property shall be its then current fair market value, as determined by a full narrative written appraisal of the Option Property prepared by an M.A.I. appraiser mutually selected by Buyer and Seller, which appraisal shall be acceptable to both Buyer and Seller in all respects ("Option Purchase Price"). The cost of the appraisal shall be shared equally by Buyer and Seller. The Option Purchase Price is payable upon exercise of the Option Property option at closing (the "Third Closing") in cash.
- 1.4 Earnest Money Consideration. Buyer, at the time of execution of this Agreement, herewith deposits the sum of Ten Thousand and No/100 Dollars (US \$10,000) with Chicago Title Insurance Company, to serve as earnest money consideration in this transaction. When an escrow account is opened for this transaction, said deposit shall be deposited to the Escrow Agent and applied, with any interest accruing to the deposit, to the Purchase Price at the First Closing.

### 2 TITLE:

- 2.1 Acquisition of Fee Property. At the First Closing, Seller will execute and deliver to Buyer a Statutory Warranty Deed, in a form acceptable to Buyer, conveying and warranting good and marketable title to the Fee Property free and clear of all defects or encumbrances except for reservation of the timber rights on the Timber Rights Interest Portion of the Fee Property, reservation of a life estate interest on the Remainder Portion of the Fee Property, the lien of real estate taxes not yet due and payable, and those defects and/or encumbrances (if any) identified on Exhibit "C" attached hereto and incorporated herein (collectively, "Permitted Exceptions") which are applicable to the Fee Property. The reservation of a life estate interest shall be inclusive of the lives of David James Lloyd, Jessie Lloyd and Hannah Elizabeth Lloyd, and shall provide that possession by Buyer of the life estate interest shall

occur within six (6) months of the death of the last surviving Seller. Buyer shall designate the life estate property with physical signage on the north boundary with Paradise Lake Road, on the south boundary with Paradise Lake Road, and at the driveway.

## 2.2 Timber Rights:

- 2.2.1 Option to Acquire Timber Rights. Buyer shall have the right to exercise its option to purchase the timber rights on the Timber Rights Interest Portion of the Fee Property at the Timber Rights Option Price by notice to Seller, which notice must be provided within three (3) years from the Effective Date of this Agreement for closing as described in paragraph 7. At the Second Closing, Seller will execute and deliver to Buyer a Timber Deed, in a form acceptable to Buyer, conveying and warranting good and marketable title to the timber rights on the Timber Rights Interest Portion of the Fee Property free and clear of all defects and encumbrances except for the lien of real estate taxes not yet due and payable, and the Permitted Exceptions applicable to the timber rights on the Timber Rights Interest Portion of the Fee Property.
- 2.2.2 Right of First Refusal. In the event of the expiration of the said option to acquire the timber rights on the Timber Rights Interest Portion of the Fee Property, as set forth in the preceding paragraph, if the Seller, or its heirs, successors, assigns or donees, thereafter elect to harvest the timber thereon, or sell, assign, or transfer such rights to harvest the timber thereon, then Seller, or its heirs, successors, or assigns, shall notify Buyer within thirty (30) days of Seller's intent to so sell or transfer such timber rights on the Timber Rights Interest Portion of the Fee Property and the bona fide sale price of the proposed buyer of such Timber Rights, and Buyer shall have ninety (90) days whereafter to tender to Seller the sum of any bona fide offering price for the timber rights on the Timber Rights Portion of the Fee Property, after which closing shall take place as set forth herein.
- 2.2.3 Sale of Timber Rights to a Party Other Than Owner of Underlying Property. In the event the timber rights on the Timber Rights Interest Portion of the Fee Property are sold or transferred for purposes of timber harvesting, to a party other than the owner of the underlying property (Buyer or Buyer's successor or assign), Seller agrees to work with the Buyer or Buyer's successor or assign to develop a timber sale contract, which, at a minimum, limits the time of performance to not more than two years and addresses access and harvest methods and liability insurance provisions reasonably acceptable to Buyer or Buyer's successor or assign.
- 2.3 Option to Acquire Option Property. Buyer shall have the right to exercise its option to purchase the Option Property at the Option Purchase Price by notice to Seller, which notice must be provided within five (5) years from the Effective Date of this Agreement for closing as described in paragraph 7. At the Third Closing, Seller will execute and deliver to Buyer a Statutory Warranty Deed conveying and warranting good and marketable title to the Option Property free and clear of all defects and encumbrances except for the lien of real

estate taxes not yet due and payable and the Permitted Exceptions applicable to the Option Property.

- 2.4 Taxes. During the period of the reserved life estate on the Remainder Interest Portion of the Fee Property, Seller, at its sole cost and expense, covenants to pay before delinquency all taxes, assessments, fees, charges of whatever description levied on or assessed against the Remainder Interest Portion of the Fee Property by competent authority ("collectively, "taxes"), and shall furnish Buyer with satisfactory evidence of payment upon request. If Seller fails to pay any taxes when due, Buyer is authorized, but in no event obligated, to make or advance such payment of taxes upon three (3) days prior written notice to Seller in accordance with any bill, statement, or estimate procured from the appropriate authority, without inquiry into the validity of the taxes or the accuracy of the bill statement, or estimate, and the obligation created by such payment shall bear interest until paid by Seller at the maximum rate allowed by law. In the event that the Remainder Interest Portion of the Fee Property is not established as a separate tax parcel from the remainder of the Property, the taxes allocable to the Remainder Interest Portion of the Fee Property and payable by Seller shall consist of all of the taxes on the improvements plus that portion of the taxes on the land equal to the ratio of the acreage of the Remainder Interest Portion of the Fee Property to the total acreage of the Property.
- 2.5 Liability Insurance. During the period of the reserved life estate on the Remainder Interest Portion of the Fee Property, Seller, at its sole cost and expense, covenants to maintain adequate and appropriate insurance on the Remainder Interest Portion of the Fee Property. Such coverage need not include the replacement value of improvements located on the Remainder Interest Portion of the Fee Property. Additionally, during the period of the reserved life estate on the Remainder Interest Portion of the Fee Property, and/or the period during which Seller reserves the Timber Rights on the Fee Property, Seller, at its sole cost and expense, covenants to maintain general liability insurance on the Remainder Interest Portion of the Fee Property on an occurrence basis (with Buyer, its agents, directors, employees, permittees and licensees being named as additional insureds) against claims for personal injury (including without limitation bodily injury or death), property damage and liability, with a coverage limit of not less than \$1,000,000. Seller shall deliver to Buyer certificates of insurance evidencing such coverages as a condition of closing. All certificates shall provide at least sixty (60) days written notice to Buyer in the event of cancellation or material change in coverage.
- 2.6 Title Insurance. At the First Closing, Second Closing and Third Closing, Buyer shall receive (at Seller's expense) an owner's Standard ALTA policy of title insurance (1970 with 1984 revisions) covering the property conveyed therein, dated as of the respective closing date and insuring Buyer in the amount of the Purchase Price, the Timber Rights Option Purchase Price, and the Option Purchase Price, respectively, against loss or damage by reason of defect in Buyer's title to the Property subject only to the printed exclusions appearing in the policy form and any Permitted Exceptions applicable to such property.

- 2.7 Memorandum of Option. Concurrently with the First Closing, the parties hereto shall sign a Memorandum of Option, as found in Exhibit "F", attached hereto and incorporated herein by this reference, with respect to the Timber Rights and Option Property in a form satisfactory to Seller and Buyer, which Memorandum of Option shall be recorded at the First Closing. In the event Buyer does not exercise these options within the terms of this Agreement, Buyer shall, if requested to do so by Seller, deliver upon demand a quitclaim deed in a form suitable for recordation covering the Timber Rights and/or Option Property so as to eliminate any cloud on Seller's title to the Timber Rights and/or Option Property.

### 3 CONTINGENCIES:

- 3.1 Inspection Contingency. The sale of the Property is contingent on a determination by Buyer based upon a Level I (or II) Environmental Site Assessment, and/or such other property assessments deemed appropriate by Buyer, that the Property is suitable for Buyer's use and there are not and have not been any significant releases, in Buyer's sole determination, of hazardous materials on the Property. Seller hereby grants Buyer's employees, agents or contractors a right of entry onto the Property for any site inspections performed in connection with such assessment(s). Such right of entry shall continue until the expiration of this contingency as to the Fee Property or the expiration of the respective option periods as to the Timber Rights Interest Portion of the Fee Property and the Option Property. In connection with such inspections, Buyer agrees to hold harmless, indemnify and defend Seller from and against all claims, losses, or liability, for injuries, sickness or death of persons, including employees of Buyer caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering Seller's property for the above purposes, to the extent not caused by or arising out of any act, error or omission of Seller.
- 3.2 Property Division Contingency. The parties acknowledge that it may be necessary to secure legal division of the Remainder Interest Portion of the Fee Property and the Option Property from the remainder of the Property into separate parcels. Buyer agrees to secure prior to the end of the Contingency Period described in paragraph 3.3 below, what approvals, if any, may be necessary for the Remainder Interest of the Fee Property and the Option Property to be legally recognized as separate parcels. Buyer agrees to pay all costs, if any, of securing such subdivision, including the costs of any necessary survey or filing fees. Seller agrees to cooperate as necessary to achieve such subdivision.
- 3.3 Expiration of Contingency. The above contingency shall expire sixty (60) days from the Effective Date of this Agreement, or seven (7) days from approval of any required legal division of the Remainder Interest Portion of the Fee Property and the Option Property from the remainder of the Property, whichever comes later, as to the Fee Property unless Buyer, before such date, gives Seller written notice that it elects to cancel this Agreement because of Buyer's reasonable determination that the Property is not suitable for its use, any required

subdivision cannot be achieved, or because of the presence of significant releases, in Buyer's sole determination, of hazardous materials on the Fee Property and a Level I (or II) report to that effect. The above contingency shall expire as to the Option Property no later than sixty (60) days from the date Buyer exercises its option to purchase the Option Property unless Buyer gives Seller written notice before such date that it elects to cancel this Agreement because of Buyer's reasonable determination that the Property is not suitable for its use or because of the presence of significant releases, in Buyer's sole determination, of hazardous materials on the Option Property and a Level I (or II) report to that effect. Buyer may remove the said contingency by written notice at any time before the expiration of the contingency under this paragraph. Buyer shall provide Seller with a copy of any Level I (or II) report if it elects to cancel this Agreement due to environmental matters.

- 4 **RISK OF LOSS.** All risk of loss shall remain with Seller with respect to the Fee Property, the Timber Rights and the Option Property until the First Closing, Second Closing, and Third Closing, respectively. In the event that the Fee Property, the Timber Rights or the Option Property is destroyed and damaged after Buyer has entered this Agreement but before the relevant close of escrow, Buyer may rescind this Agreement and be refunded its Earnest Money Consideration.

- 5 **RIGHT TO FARM AND RIGHT TO PRACTICE FORESTRY DISCLOSURES:** Portions of the Property are "designated farmland" or situated within 1300 feet of "designated farmland" in Snohomish County, Washington. Portions of the Property are "designated forest land" or situated within 300 feet of "designated forest land" in Snohomish County, Washington. Other required or relevant disclosures from Seller to Buyer may be found in Exhibit "D", attached hereto and incorporated herein by this reference.

6 **REPRESENTATIONS, WARRANTIES AND COVENANTS:**

- 6A. **Seller**, individually as to its ownership interests, represents, warrants and covenants to the Buyer at the date of execution of this Agreement and the relevant dates of closing that:

- 6.1 Authority. Seller has full power and authority to execute this Agreement and perform Seller's obligations hereunder.
- 6.2 Property Not Subject to Community Interest of Spouses. The Property is not subject to the community interest of any spouses of Seller. Jessie Lloyd was unmarried as of February 2, 1938, and Hannah Elizabeth Lloyd, Jessie Lloyd or David J. Lloyd were unmarried as of November 23, 1951 and March 31, 1971.
- 6.3 No Leases. The Property is not subject to any leases, tenancies or rights of persons in possession other than Buyer or Buyer's successors and assigns.

- 6.4 Contamination. To Seller's knowledge: Seller has not caused or allowed the general treatment, storage or disposal of hazardous substances on the Property, except in accordance with local, state, and federal statutes and regulations, nor caused or allowed the release of any hazardous substance onto, at, or near the Property; Seller is in compliance with all applicable laws, rules and regulations regarding the handling of hazardous substances, has secured all necessary permits, licenses and approvals necessary to Seller's activities on the Property and is in compliance with such permits; Seller has not received notice of any proceedings, claims, or lawsuits arising out of its operations on the Property; the Property is not, nor has it ever been subject to the release of hazardous substances.
- 6.5 Debris. Seller will remove all debris and personal property remaining on the Property prior to closing at Seller's cost and expense; provided, however, that Seller may retain personal property on the Remainder Interest Portion of the Fee Property as long as such property shall be removed by the Estate of the last surviving Seller not later than six months from the death of the last surviving Seller. Seller will indemnify and hold Buyer harmless from all claims and expenses arising from such removals.
- 6.6 Fees and Commissions. Seller shall pay for any broker's or other commissions or fees incurred by the Seller in connection with the sale of the Property and Seller shall indemnify and hold Buyer harmless from all such claims for commission and/or fees.
- 6.7 Assignment. Seller consents to the assignment to Snohomish County of any or all of Buyer's rights and obligations under this Agreement. Buyer intends to require as a condition of such assignment that Snohomish County record a declaration of protective covenants, conditions and restrictions to preserve the Property in perpetuity as open space, which such declaration shall be in a form substantially similar to that form attached hereto as Exhibit "E" and incorporated herein by this reference.
- 6.8 FIRPTA Certification. To inform Buyer that withholding of tax is not required under Section 1445 of the Internal Revenue Code and under penalties of perjury, the Seller hereby certifies that the Seller is not a non-resident alien or a foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined for purposes of federal income tax and that the Seller's social security number/federal taxpayer identification number is as set out below. The Seller understands that this certification may be disclosed to the Internal Revenue Service and that any false statement made could be punished by fines, imprisonment or both.
- 6B. **Buyer** represents, warrants and covenants to the Seller at the date of execution of this Agreement and the relevant date of closing that:
- 6.9 Authority. Buyer, and the person signing on behalf of Buyer, has full power and authority to execute this Agreement and perform Buyer's obligations hereunder.

6.10 Assignment. Buyer warrants that it will not assign any of its rights or obligations hereunder without the prior, written consent of Seller, which may be withheld at Seller's discretion; provided, however, that pursuant to paragraph 6.7 above, Seller consents to the assignment to Snohomish County of any and all of Buyer's rights and obligations under this Agreement.

6C. **Buyer and Seller agree to indemnify**, defend, and hold harmless each other, its employees, agents, heirs and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorney's and other fees, arising out of or in any way connected to the breach of any representation or warranty contained herein. Such duty of indemnification shall include, but not be limited to damage, liability, or loss pursuant to all federal environmental laws, Washington State environmental laws, strict liability and common law.

## 7 CLOSING:

7.1 Time for Closing. The First Closing will be closed in the office of the Closing Agent within thirty (30) days of removal of all contingencies. The Second Closing will be closed in the office of the Closing Agent within sixty (60) days after the giving of timely notice by Buyer of its election to exercise the option to acquire the Timber Rights and specifying the Closing date. In the event Buyer purchases the Timber rights on its right of first refusal, the Second Closing shall take place within the 90-day period specified in subsection 2.2 above. The Third Closing will be closed in the office of the Closing Agent within one hundred twenty (120) days after the giving of timely notice by Buyer of its election to exercise the option to acquire the Option Property and specifying the Closing date. References to First, Second and Third closings are for convenience only and the parties acknowledge that the Third Closing may take place prior to the Second Closing.

Buyer and Seller shall deposit in escrow with the Closing Agent all instruments, documents and moneys necessary to complete the sale in accordance with this Agreement. As used in this Agreement, "closing" and "date of closing" means the date on which all appropriate documents are recorded and proceeds of the sale are available for disbursement to Seller. The Closing Agent shall be:

Chicago Title Insurance Company  
3030 Hoyt Avenue  
Everett, WA 98201

7.2 Prorations; Closing Costs. Buyer and Seller shall each pay one half (1/2) of the escrow fees at each closing. Seller shall pay all real estate excise tax, and the premiums for the Owners Standard Coverage Title Insurance policies. Buyer shall pay recording fees. Real estate taxes and assessments shall be prorated as of the Closing Date.

7.3 Compensating Taxes. If required by law, Buyer shall pay, upon the Closing Date or thereafter, any compensating taxes that may be due and owing on the Fee Property or the Option Property resulting from its removal from forest or timber land and/or farm and

agricultural land designations, and shall indemnify and hold Seller harmless from all such claims for payment of such compensating taxes; provided, however, that Seller shall be responsible for any compensating taxes due and owing as a result of the harvesting of timber after the date of this Agreement on the Timber Rights Interest Portion of the Fee Property.

- 7.4 Possession. Buyer shall be entitled to possession of the relevant portion of the Property at each respective closing, except with respect to the Remainder Interest Portion of the Fee Property to which Buyer shall be entitled to possession within six (6) months of the death of the last surviving Seller as provided for herein.

## 8 NOTICES:

Any notices required or allowed herein shall be personally delivered or mailed (certified, return receipt requested) to the recipient at the address stated below:

**TO SELLER:**

Jessie Lloyd, David &  
Elizabeth Lloyd  
23210 Paradise Lake Road  
Woodinville, Washington 98072

**TO BUYER:**

Cascade Land Conservancy  
Attn: Gene Duvernoy  
615 Second Avenue, Suite 525  
Seattle, Washington 98104

**With a copy to:**

Jeanette Henderson  
1522 – 6<sup>th</sup> Avenue West  
Seattle, Washington 98119

**With a copy to:**

Konrad J. Liegel, Esq.  
Suite 5000, 701 5<sup>th</sup> Avenue  
Seattle, Washington 98104-7078

**And a copy to:**

Darlene Huntington  
13210 Springhetti Road  
Snohomish, Washington 98290

or to such other address as either party designates by written notice to the other. All notices complying with this paragraph shall be effective upon the date postmarked on the envelope in which such notice is sent.

- 9 **EVENT OF DEFAULT AND ATTORNEY'S FEES:** In the event of default under this Agreement by Seller (including a breach of any representation, warranty or covenant set forth herein), Buyer shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Seller's obligations hereunder. In the event Buyer fails, without legal excuse, to complete the purchase of the Fee Property, the Earnest Money Consideration shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure. The parties hereto acknowledge that in the event of such default by



Buyer, Seller will have incurred substantial but unascertainable damages and that therefore the provisions herein for liquidated damages is a valid one. The parties hereto further acknowledge that the Earnest Money Consideration does not exceed five percent (5%) of the Purchase Price. In the event of litigation between the parties arising out of or relating to this Agreement, or the transaction contemplated hereby, the prevailing party, in addition to all other rights and remedies, shall be entitled to recover reasonable attorneys' fees, costs and litigation-related expenses from the non-prevailing party.

- 10 **HEIRS, SUCCESSORS AND ASSIGNS:** This Agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators and successors of the parties hereto, but no right, liability or obligation arising hereunder may be assigned by any party hereto without the advance written approval of all parties, except as otherwise provided herein.
- 11 **GENERAL:** This is the entire agreement of the Seller and Buyer with respect to the Property and supersedes all prior or contemporaneous agreements between them, written or oral. This Agreement may be modified only in writing, signed by Seller and Buyer. Any waivers under this Agreement must be in writing. A waiver of any right or remedy in the event of default will not constitute a waiver of such right or remedy in the event of any subsequent default. This Agreement is for the benefit of, and binding upon, Seller and Buyer and their heirs, personal representatives, successors and assigns. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision. Time is of the essence in this Agreement. This Agreement shall be governed by the laws of the State of Washington.
- 12 **WASTE; ALTERATION OF PROPERTY:** Seller acknowledges that Buyer intends to use the Property, including the Remainder Interest Portion of the Fee Property, exclusively for park and open space purposes. Seller shall not commit waste on the Property, nor shall Seller remove trees or other vegetation, coal, minerals or other valuable materials or actively permit any use of the Property for any purpose or in any manner which would adversely affect Buyer's intended use of the Property (other than as specifically provided for under Seller's reservation of timber rights on the Timber Rights Interest Portion of the Fee Property) nor shall Seller substantially alter the surface or subsurface of the Property without the express written consent of the Buyer; provided, however, that Seller is under no responsibility to repair the existing structures on the Property other than to maintain and repair the roof and plumbing to protect from water damage. These provisions shall apply to the Fee Property, including the Timber Rights Interest Portion of the Fee Property and the Remainder Interest Portion of the Fee Property, and the Option Property before their respective closings, and to the Remainder Interest Portion of the Fee Property after the First Closing.
- 13 **SURVIVAL OF WARRANTIES:** The terms, covenants, representations and warranties of this Purchase and Sale Agreement shall not merge in the deed of conveyance, but shall survive closing.

- 14 COUNTERPARTS: This Agreement may be executed in several counterparts and signatures may be delivered via telephone facsimile, which shall constitute one agreement that is binding on all of the parties, notwithstanding that the parties may have signed different counterparts.

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement on the dates listed adjacent to their respective signatures.

BUYER: Cascade Land Conservancy, a Washington nonprofit corporation

BY:

Its

Date

SELLER:

*David James Lloyd*

DAVID JAMES LLOYD

social security #

532-28-6225

Date

July 26, 2000

*Jessie Lloyd by Hannah Elizabeth Lloyd*

JESSIE LLOYD

social security #

Date

July 26, 2000

By HANNAH ELIZABETH LLOYD, as Attorney-in-fact  
for JESSIE LLOYD under that Durable Power  
of Attorney, recorded Snohomish County 9902220146

531-09-7859

*Hannah Elizabeth Lloyd*

HANNAH ELIZABETH LLOYD

social security #

531-14-5786

Date

July 26, 2000

- EXHIBITS: Exhibit A, Legal Descriptions  
Exhibit B, Site Map  
Exhibit C, Permitted Exceptions/Title  
Exhibit D, Right to Farm and Right to Practice Forestry Disclosures  
Exhibit E, Declaration of Protective Covenants, Conditions and Restrictions  
Exhibit F, Memorandum of Option

STATE OF WASHINGTON )  
 ) ss:  
 COUNTY OF SNOHOMISH )

I certify that I know or have satisfactory evidence that Eugene G. Guvernay is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated he was authorized to execute this instrument and acknowledged it as the Executive Director of CASCADE LAND CONSERVANCY to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

Dated: 7/27/00



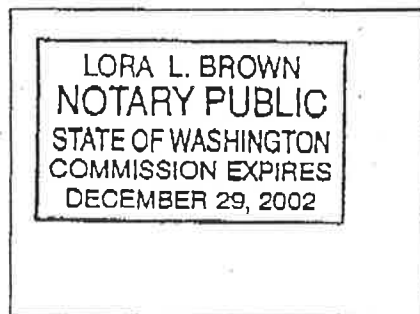
(Use this space for notarial stamp/seal)

Carol B. Koppelman  
 Notary Public  
 Print Name Carol B. Koppelman  
 My appointment expires 4-26-03

STATE OF WASHINGTON )  
 ) ss:  
 COUNTY OF SNOHOMISH )

I certify that I know or have satisfactory evidence that DAVID JAMES LLOYD is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: July 26, 2000



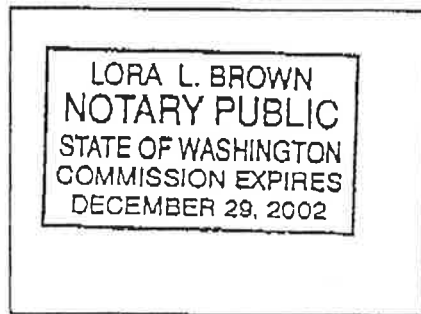
(Use this space for notarial stamp/seal)

Lora L. Brown  
 Notary Public  
 Print Name LORA L. BROWN  
 My appointment expires 12-29-2002

STATE OF WASHINGTON )  
 ) ss:  
 COUNTY OF SNOHOMISH )

I certify that I know or have satisfactory evidence that HANNAH ELIZABETH LLOYD is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the ATTORNEY-IN-FACT of JESSIE LLOYD to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: July 26, 2000



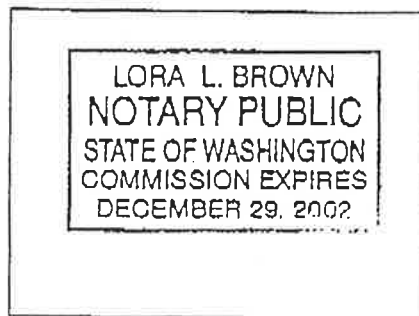
(Use this space for notarial stamp/seal)

Lora B  
 Notary Public  
 Print Name LORA L. BROWN  
 My appointment expires 12-29-2002

STATE OF WASHINGTON )  
 ) ss:  
 COUNTY OF SNOHOMISH )

I certify that I know or have satisfactory evidence that HANNAH ELIZABETH LLOYD is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: July 26, 2000



(Use this space for notarial stamp/seal)

Lora B  
 Notary Public  
 Print Name LORA L. BROWN  
 My appointment expires 12-29-2002

**EXHIBIT A**  
**PROPERTY LEGAL DESCRIPTION**

**Legal Description for A. Recitals**

**“the Property”**

THE FOLLOWING LEGAL DESCRIPTION, COMPOSED OF PARCELS A THROUGH G, THE “PROPERTY”:

**PARCEL A:**

THAT PORTION OF THE E ½ OF THE E ½ OF THE SE ¼ OF THE SW ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., LYING SOUTH OF COUNTY ROAD, AND ALL OF THE SE ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

EXCEPT COUNTY ROAD, WITH THE S ¼ CORNER OF SAID SECTION BEING 2844.64 FEET EAST OF THE SW CORNER OF SAID SECTION 30 AND 2741.82 FEET WEST OF THE SE CORNER OF SAID SECTION 30, AS PER CORRECTED JUDGEMENT AFTER APPEAL ENTERED JUNE 18, 1971, UNDER SNOHOMISH COUNTY SUPERIOR COURT CASE NUMBER 91943.

**PARCEL B:**

GOVERNMENT LOTS 3, 4 AND THE EAST HALF OF THE SOUTHWEST QUARTER SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

**PARCEL C:**

THE N ½ OF THE SE ¼ AND THE SE ¼ OF THE SE ¼, ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**PARCEL D:**

THE NE ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M. AND GOVERNMENT LOT 2 AND THE SE ¼ OF THE NW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**PARCEL E:**

THE W ½ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;  
EXCEPT THE COUNTY ROAD; AND

TOGETHER WITH THE N ½ OF THE NW ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT THE COUNTY ROAD.

**PARCEL F:**

BEGINNING AT THE SW CORNER OF THE SE ¼ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

THENCE NORTH 89° 14' 10" EAST ALONG THE EAST AND WEST CENTERLINE OF SAID SECTION 32 FOR 66.74 FEET;

THENCE NORTH 2° 11' 48" WEST FOR 68.38 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND SUBTENDING AN ANGLE OF 28° 48' 12" FOR A DISTANCE OF 175.66 FEET;

THENCE NORTH 31° 00' WEST FOR 42.92 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE SE ¼ OF THE NW ¼;

THENCE SOUTH 1° 36' 35" EAST ALONG SAID WEST LINE FOR 272.70 FEET TO POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF THE NORTH 660 FEET OF THE NE ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NW CORNER OF THE NE ¼ OF THE SW ¼;  
THENCE SOUTH 1°36'35" EAST ALONG THE WEST LINE OF SAID NE ¼ OF THE SW ¼ FOR 660.09 FEET;  
THENCE NORTH 89°14'10" EAST FOR 76.50 FEET;  
THENCE NORTH 2°11'48" WEST FOR 660.21 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 89°14'10" WEST FOR 66.74 FEET TO THE POINT OF BEGINNING.

**PARCEL G:**

A PORTION OF THE SE ¼ OF THE NW ¼ AND A PORTION OF THE NE ¼ OF THE SW ¼, ALL IN SECTION 32, TOWNSHIP 27, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NE CORNER OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 1°34'00" EAST ALONG THE EAST LINE THEROF FOR 660.06 FEET TO THE SOUTH LINE OF THE NORTH 660.0 FEET OF SAID NE ¼ OF THE SW ¼;

THENCE SOUTH 89°14'10" WEST ALONG THE SOUTH LINE THEROF FOR 1208.10 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUE SOUTH 89°14'10" WEST FOR 30.01 FEET;

THENCE NORTH 2°11'48" WEST FOR 728.59 FEET;

THENCE ON A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND CONSUMING A CENTRAL ANGLE OF 28°48'12" FOR 175.66 FEET;

THENCE NORTH 31°00'00" WEST FOR 42.92 FEET TO THE WEST LINE OF SAID SE ¼ OF THE NW ¼;

THENCE NORTH 1°36'35" WEST ALONG THE WEST LINE THEROF FOR 61.14 FEET;

THENCE SOUTH 31°00'00" EAST FOR 96.21 FEET;

THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 379.42 FEET AND CONSUMING AN ANGLE OF 28°48'12" FOR 190.74 FEET;

THENCE SOUTH 2°11'48" EAST FOR 729.34 FEET TO THE TRUE POINT OF BEGINNING;

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

**Legal Description for A.1. Recitals**

**"Fee Property"**

**PARCEL A:**

THAT PORTION OF THE E ½ OF THE E ½ OF THE SE ¼ OF THE SW ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., LYING SOUTH OF COUNTY ROAD, AND ALL OF THE SE ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

EXCEPT COUNTY ROAD, WITH THE S ¼ CORNER OF SAID SECTION BEING 2844.64 FEET EAST OF THE SW CORNER OF SAID SECTION 30 AND 2741.82 FEET WEST OF THE SE CORNER OF SAID SECTION 30, AS PER CORRECTED JUDGEMENT AFTER APPEAL ENTERED JUNE 18, 1971, UNDER SNOHOMISH COUNTY SUPERIOR COURT CASE NUMBER 91943.

**PARCEL B:**

NE ¼ OF SW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

**PARCEL C:**

THE N ½ OF THE SE ¼ AND THE SE ¼ OF THE SE ¼, ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**PARCEL D:**

THE NE ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M. AND GOVERNMENT LOT 2 AND

THE SE ¼ OF THE NW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**SUBJECT TO** A LIFE ESTATE IN THAT PORTION OF PARCEL D DEFINED AS THE NE ¼ OF THE NE ¼ OF SECTION 31 LYING SOUTH AND WEST OF PARADISE LAKE ROAD AND NORTH 330 FEET OF SE ¼ OF NE ¼ OF SECTION 31.

**PARCEL E:**

THE W ½ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;  
EXCEPT THE COUNTY ROAD; AND

TOGETHER WITH THE N ½ OF THE NW ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT THE COUNTY ROAD.

**PARCEL F:**

BEGINNING AT THE SW CORNER OF THE SE ¼ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;  
THENCE NORTH 89° 14' 10" EAST ALONG THE EAST AND WEST CENTERLINE OF SAID SECTION 32 FOR 66.74 FEET;  
THENCE NORTH 2° 11' 48" WEST FOR 68.38 FEET;  
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND SUBTENDING AN ANGLE OF 28° 48' 12" FOR A DISTANCE OF 175.66 FEET;  
THENCE NORTH 31° 00' WEST FOR 42.92 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE SE ¼ OF THE NW ¼;  
THENCE SOUTH 1° 36' 35" EAST ALONG SAID WEST LINE FOR 272.70 FEET TO POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF THE NORTH 660 FEET OF THE NE ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NW CORNER OF THE NE ¼ OF THE SW ¼;  
THENCE SOUTH 1° 36' 35" EAST ALONG THE WEST LINE OF SAID NE ¼ OF THE SW ¼ FOR 660.09 FEET;  
THENCE NORTH 89° 14' 10" EAST FOR 76.50 FEET;  
THENCE NORTH 2° 11' 48" WEST FOR 660.21 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 89° 14' 10" WEST FOR 66.74 FEET TO THE POINT OF BEGINNING.

**PARCEL G:**

A PORTION OF THE SE ¼ OF THE NW ¼ AND A PORTION OF THE NE ¼ OF THE SW ¼, ALL IN SECTION 32, TOWNSHIP 27, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NE CORNER OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 1° 34' 00" EAST ALONG THE EAST LINE THEROF FOR 660.06 FEET TO THE SOUTH LINE OF THE NORTH 660.0 FEET OF SAID NE ¼ OF THE SW ¼;

THENCE SOUTH 89° 14' 10" WEST ALONG THE SOUTH LINE THEROF FOR 1208.10 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUE SOUTH 89° 14' 10" WEST FOR 30.01 FEET;  
THENCE NORTH 2° 11' 48" WEST FOR 728.59 FEET;  
THENCE ON A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND CONSUMING A CENTRAL ANGLE OF 28° 48' 12" FOR 175.66 FEET;  
THENCE NORTH 31° 00' 00" WEST FOR 42.92 FEET TO THE WEST LINE OF SAID SE ¼ OF THE NW ¼;  
THENCE NORTH 1° 36' 35" WEST ALONG THE WEST LINE THEROF FOR 61.14 FEET;  
THENCE SOUTH 31° 00' 00" EAST FOR 96.21 FEET;  
THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 379.42 FEET AND CONSUMING AN ANGLE OF 28° 48' 12" FOR 190.74 FEET;  
THENCE SOUTH 2° 11' 48" EAST FOR 729.34 FEET TO THE TRUE POINT OF BEGINNING;

**EXCEPT** ALL TIMBER WITHIN PARCEL A1 AS DEFINED BELOW:

THAT PORTION OF PARCEL B DESCRIBED AS NE ¼ OF SW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

THAT PORTION OF PARCEL C DESCRIBED AS N ½ OF SE ¼ AND SE ¼ OF SE ¼, ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

**EXCEPT** COUNTY ROAD.

THAT PORTION OF PARCEL D DESCRIBED AS S ½ OF NE ¼, SE ¼ OF NW ¼, GOVERNMENT LOT 2, AND NW ¼ OF NE ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.,

**EXCEPT** THE NORTH 292 FEET OF NW ¼ OF NE ¼,

**EXCEPT** THE NORTH 330 FEET OF SE ¼ OF NE ¼,

**AND EXCEPT** COUNTY ROAD.

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

**Legal Description for A.2. Recitals**

**“Remainder Interest Portion of the Fee Property”**

THAT PORTION OF THE NE ¼ OF THE NE ¼ OF SECTION 31 LYING SOUTH AND WEST OF PARADISE LAKE ROAD AND THE NORTH 330 FEET OF THE SE ¼ OF NE ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., SITUATE IN THE COUNTY OF SNOHOMISH IN THE STATE OF WASHINGTON.

**Legal Description for A.3. Recitals**

**“Option Property”**

THAT PORTION OF PARCEL B, DESCRIBED AS THE NW 1/4, SW ¼, AND SE ¼ OF THE SW ¼, SECTION 31, TOWNSHIP 27 N, RANGE 6 E, W.M., SITUATE IN THE COUNTY OF SNOHOMISH IN THE STATE OF WASHINGTON.

**Legal Description for A.4. Recitals**

**“Timber Rights Interest Portion of the Fee Property”**

THAT PORTION OF PARCEL B DESCRIBED AS NE ¼ OF SW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

THAT PORTION OF PARCEL C DESCRIBED AS N ½ OF SE ¼ AND SE ¼ OF SE ¼, ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

**EXCEPT** COUNTY ROAD.

THAT PORTION OF PARCEL D DESCRIBED AS S ½ OF NE ¼, SE ¼ OF NW ¼, GOVERNMENT LOT 2, AND NW ¼ OF NE ¼, IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.,

**EXCEPT** THE NORTH 292 FEET OF NW ¼ OF NE ¼,

**AND EXCEPT** THE NORTH 330 FEET OF SE ¼ OF NE ¼,

**AND EXCEPT** COUNTY ROAD.

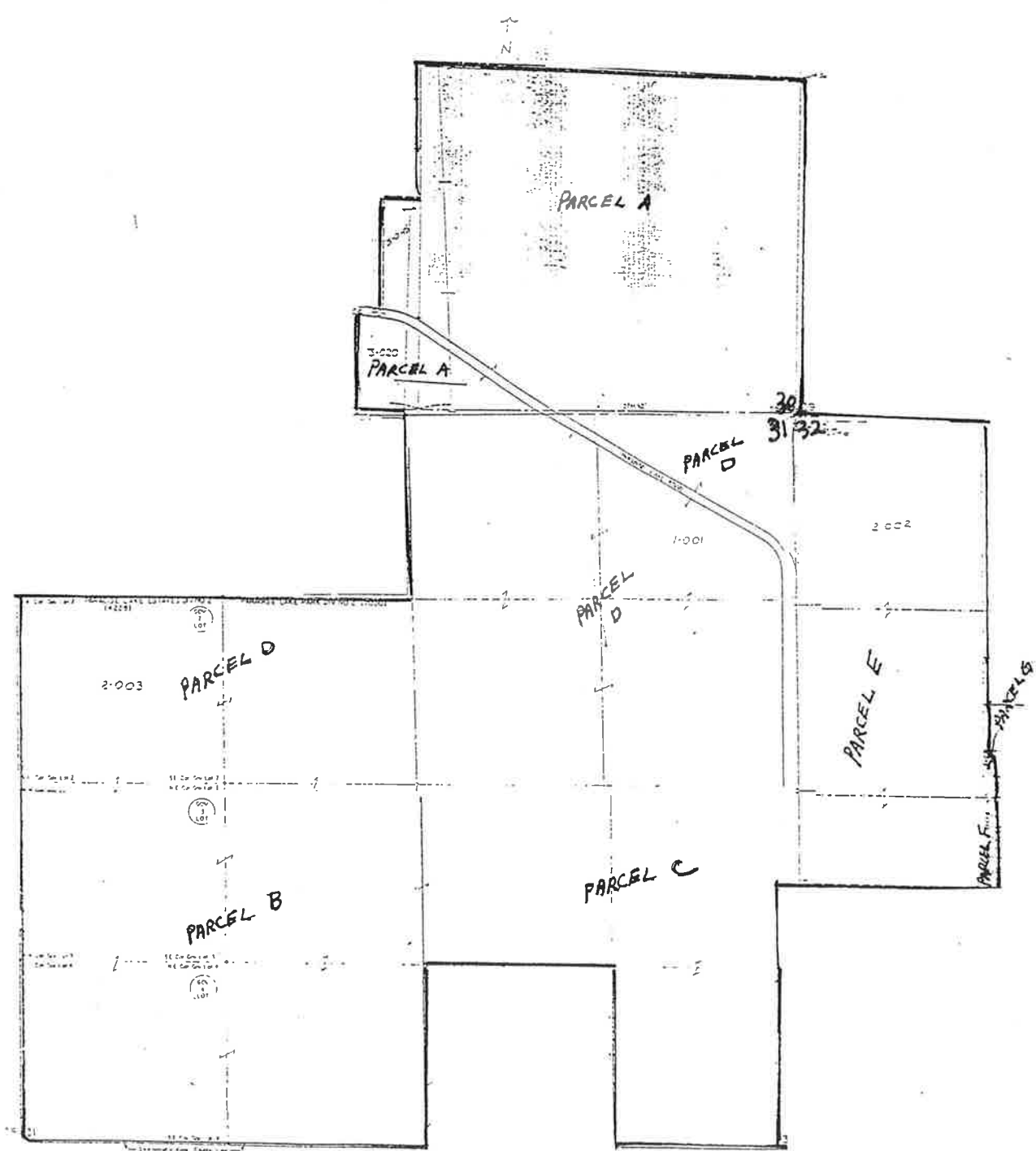
SITUATE IN THE COUNTY OF SNOHOMISH IN THE STATE OF WASHINGTON.



**EXHIBIT B**

**SITE MAP**

(attached)



## **EXHIBIT C**

### **PERMITTED EXCEPTIONS FEE, TIMBER RIGHTS and OPTION PROPERTY**

The following are Permitted Exceptions as used in this Agreement which may appear on the face of any deed as an exception, reservation or other limitation on the Seller's warranties:

1) exceptions numbered 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 in the preliminary commitment of Title Insurance prepared by Chicago Title Insurance Company dated August 20, 1999.

2) Seller's reserved rights provided in this Agreement.

THENCE NORTH 89° 14' 10" EAST ALONG THE EAST AND WEST CENTERLINE OF SAID SECTION 32 FOR 66.74 FEET;  
THENCE NORTH 2°11'48" WEST FOR 68.38 FEET;  
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND SUBTENDING AN ANGLE OF 28°48'12" FOR A DISTANCE OF 175.66 FEET;  
THENCE NORTH 31°00' WEST FOR 42.92 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE SE ¼ OF THE NW ¼;  
THENCE SOUTH 1°36'35" EAST ALONG SAID WEST LINE FOR 272.70 FEET TO POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF THE NORTH 660 FEET OF THE NE ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NW CORNER OF THE NE ¼ OF THE SW ¼;  
THENCE SOUTH 1°36'35" EAST ALONG THE WEST LINE OF SAID NE ¼ OF THE SW ¼ FOR 660.09 FEET;  
THENCE NORTH 89°14'10" EAST FOR 76.50 FEET;  
THENCE NORTH 2°11'48" WEST FOR 660.21 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 89°14'10" WEST FOR 66.74 FEET TO THE POINT OF BEGINNING.

PARCEL G:

A PORTION OF THE SE ¼ OF THE NW ¼ AND A PORTION OF THE NE ¼ OF THE SW ¼, ALL IN SECTION 32, TOWNSHIP 27, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NE CORNER OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 1°34'00" EAST ALONG THE EAST LINE THEROF FOR 660.06 FEET TO THE SOUTH LINE OF THE NORTH 660.0 FEET OF SAID NE ¼ OF THE SW ¼;

THENCE SOUTH 89°14'10" WEST ALONG THE SOUTH LINE THEROF FOR 1208.10 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUE SOUTH 89°14'10" WEST FOR 30.01 FEET;  
THENCE NORTH 2°11'48" WEST FOR 728.59 FEET;  
THENCE ON A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND CONSUMING A CENTRAL ANGLE OF 28°48'12" FOR 175.66 FEET;  
THENCE NORTH 31°00'00" WEST FOR 42.92 FEET TO THE WEST LINE OF SAID SE ¼ OF THE NW ¼;  
THENCE NORTH 1°36'35" WEST ALONG THE WEST LINE THEROF FOR 61.14 FEET;  
THENCE SOUTH 31°00'00" EAST FOR 96.21 FEET;  
THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 379.42 FEET AND CONSUMING AN ANGLE OF 28°48'12" FOR 190.74 FEET;  
THENCE SOUTH 2°11'48" EAST FOR 729.34 FEET TO THE TRUE POINT OF BEGINNING;

**EXCEPT** ALL TIMBER WITHIN PARCEL A1 AS DEFINED BELOW:

THAT PORTION OF PARCEL B DESCRIBED AS NE  $\frac{1}{4}$  OF SW  $\frac{1}{4}$  OF SECTION 31,  
TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

THAT PORTION OF PARCEL C DESCRIBED AS N  $\frac{1}{2}$  OF SE  $\frac{1}{4}$  AND SE  $\frac{1}{4}$  OF SE  $\frac{1}{4}$ , ALL  
IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

**EXCEPT** COUNTY ROAD.

THAT PORTION OF PARCEL D DESCRIBED AS S  $\frac{1}{2}$  OF NE  $\frac{1}{4}$ , SE  $\frac{1}{4}$  OF NW  $\frac{1}{4}$ ,  
GOVERNMENT LOT 2, AND NW  $\frac{1}{4}$  OF NE  $\frac{1}{4}$  OF SECTION 31, TOWNSHIP 27 NORTH,  
RANGE 6 EAST, W.M.,

**EXCEPT** THE NORTH 292 FEET OF NW  $\frac{1}{4}$  OF NE  $\frac{1}{4}$ ,

**EXCEPT** THE NORTH 330 FEET OF SE  $\frac{1}{4}$  OF NE  $\frac{1}{4}$ ,

**AND EXCEPT** COUNTY ROAD.

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

**EXHIBIT D**

**RIGHT TO FARM AND RIGHT TO PRACTICE FORESTRY DISCLOSURES**

(attached)

JUL-10-2000 11:29

STOKES LAWRENCE, PS

P.02/05

32.15.040

**Snohomish County Code**

tion of seed, fertilizers, conditioners, and plant protection products; employment and use of labor; roadway movement of equipment and livestock; protection from damage by wildlife; prevention of trespass; construction and maintenance of buildings, fences, roads, bridges, ponds, drains, waterways, and similar features and maintenance of streambanks and watercourses; and conversion from one agricultural activity to another.

(3) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, or livestock, and that has long-term commercial significance for agricultural production.

(4) "Building permit" means a permit issued under Title 17 SCC, except permits for group U occupancies, plumbing and mechanical.

(5) "Designated farmland" means any land designated as agricultural land pursuant to RCW 36.70A.070(1) by Snohomish County council Motion 93-145, land zoned agricultural 10-acre in the zoning code, and land designated agricultural land of primary importance in the agricultural preservation plan.

(6) "Development permit" means a permit requiring discretionary review, including but not limited to subdivision approval, short plat approval, planned residential development approval, special use permit, shoreline substantial development permit, and a conditional use permit.

(7) "Farm" means the land, building, freshwater ponds, freshwater culturing and growing facilities, and machinery used in the commercial production of farm products.

(8) "Farm product" means those plants and animals useful to humans and includes, but is not limited to, forages and sod crops, dairy and dairy products, poultry and poultry products, livestock, including breeding, grazing, and recreational equine use, fruits, vegetables, flowers, seeds, grasses, trees, freshwater fish and fish products, apiaries, equine and other similar products, or any other products which incorporates the use of food, feed, fiber, or fur.

(9) "Person" means an individual, corporation, partnership, association, or other legal entity. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993; Amended Ord. 95-051, § 1, July 10, 1995, Eff date July 10, 1995; Amended Ord. 95-111, § 103, Jan. 10, 1996, Eff date Jan 28, 1996).

**32.15.030 Agricultural activities — Presumed reasonable and not a nuisance.**

Agricultural activities conducted on designated farmlands in compliance with acceptable agriculture practices and established prior to surrounding non-agricultural activities are presumed to be reasonable and shall not be found to constitute a nuisance unless the activities have a substantial adverse effect on the public health and safety. Nothing in this chapter shall affect or impair any right to sue for damages. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).

**32.15.040 Circumstances for notice and disclosure.**

The disclosure text set forth in SCC 32.15.050 shall be used under the following circumstances and in the following manners:

(1) Within 90 days of the effective date of this chapter, and each three years after the effective date, Snohomish county shall mail a copy of the disclosure text in SCC 32.15.050, with an explanatory informational attachment to owners of designated farmland and real property within approximately 1,300 feet of designated farmland. Seven years after the effective date of this chapter, the planning commission shall evaluate the effectiveness of this notification method and recommend to the county council its retention, modification or deletion;

(2) Development permits and building permits for land designated farmland or land adjacent to or within 1,300 feet of designated farmland shall include the disclosure text in SCC 32.15.050 on the final development or building permit in a location determined by the community development director. Said disclosure notice shall apply to the real property which is subject to the development or building permit as of the date of development or building permit approval and may not be applicable thereafter if areas designated farmland are changed from the farmland designation;

(3) Prior to the closing of a transfer of real property designated farmland, or real property adjacent to or within 1,300 feet of designated farmland, by sale, exchange, gift, real estate contract, lease with option to purchase, any other option to purchase or any other means of transfer (except transfers made by testamentary provisions or the laws of descent), the transferor shall provide the transferee a copy of the disclosure text in SCC 32.15.050 and shall record with the county auditor a copy of the same showing an acknowledgment of receipt executed by the transferee in a form prescribed by the director of community

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**32.15.050**

development. The form of the acknowledged disclosure text shall include a statement that the disclosure notice applies to the subject real property as of the date of the transfer and may not be applicable thereafter if areas designated farmland are changed from the farmland designation.

(4) In no case shall liability attach to Snohomish county for any actions, error or omissions of any person subject to the requirements of this section. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).

**32.15.050 Disclosure text.**

The following shall constitute the disclosure required by this section:

Your real property is within, adjacent to, or within 1,300 feet of designated farmland; therefore, you may be subject to inconveniences or discomforts arising from agricultural activities, INCLUDING BUT NOT LIMITED TO NOISE, ODORS, FUMES, DUST, SMOKE, THE OPERATION OF MACHINERY OF ANY KIND (INCLUDING AIRCRAFT), THE STORAGE AND DISPOSAL OF MANURE, THE APPLICATION BY SPRAYING OR OTHERWISE OF CHEMICAL OR ORGANIC FERTILIZERS, SOIL AMENDMENTS, HERBICIDES AND PESTICIDES, HOURS OF OPERATION, AND OTHER AGRICULTURAL ACTIVITIES. Snohomish county has adopted a Right to Farm Ordinance which may affect you and your land. A copy of said ordinance, chapter 32.15 SCC, may be obtained from Snohomish county.

Agricultural activities conducted on designated farmlands in compliance with acceptable agriculture practices and established prior to surrounding non-agricultural activities are presumed to be reasonable and shall not be found to constitute a nuisance unless the activities have a substantial adverse effect on the public health and safety.

This disclosure applies to the real property which is subject to a development or building permit as of the date of the development or building permit approval or, in the case of real property transfers, the disclosure applies to the subject property as of the date of the transfer. This disclosure may not be applicable thereafter if areas designated farmland are changed from the farmland designation.

Nothing in chapter 32.15 SCC shall affect or impair any right to sue for damages. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).

**32.15.060 Severability.**

If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, it shall not affect the remaining portions of the chapter. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).

**32.15.070 Effective date.**

This chapter shall be effective on October 15, 1993. The disclosure provisions of SCC 32.15.040 and 32.15.050 shall apply to all building and development permit applications and real property transfer transactions which occur on and after January 15, 1994. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).



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**Snohomish County Code****32.20.040**

authority provided by chapter 76.09 RCW, associated with continued management of forest lands for forest products and excluding those forest practices associated with the conversion of forest land to a non-forest use except for those areas that are reforested to acceptable stocking levels as defined by WAC 222-34. Municipal sewage sludge application to forest lands shall not be considered a forest management activity under this chapter.

(3) "Building permit" means a permit issued under Title 17 SCC, except permits for Group M Occupancies, plumbing and mechanical.

(4) "Development permit" means a permit requiring discretionary review, including but not limited to subdivision approval, short plat approval, planned residential development approval, special use permit, shoreline substantial development permit, and a conditional use permit.

(5) "Person" means an individual, corporation, partnership, association, or other legal entity. (Added Amended Ord. 93-083, Oct. 11, 1993; Amended ord. 95-052, § 1, July 10, 1995, Eff date July 10, 1995).

**32.20.030 Forest management activities -  
Presumed reasonable and not a  
nuisance.**

Forest management activities conducted on designated forest land in compliance with best management practices as defined by the current Washington forest practices rules and regulations (Title 222 WAC) and in compliance with Washington's pesticides regulations (WAC 16-228-185(5)), and established prior to surrounding non-forestry activities, are presumed to be reasonable and shall not be found to constitute a nuisance unless the activity has a substantial adverse effect on the public health, safety and/or environment.

Nothing in this section shall affect or impair any right to sue for damages. (Added Amended Ord. 93-083, Oct. 11, 1993).

**32.20.040 Circumstances for notice and  
disclosure.**

(1) The disclosure text set forth in SCC 32.20.050 shall be used under the following circumstances and in the following manners:

(a) Within 90 days of the effective date of this chapter and each three years after the effective date, Snohomish county shall mail a copy of the disclosure text in SCC 32.20.050, with an explanatory informational attachment to owners of designated forest land and real property within

approximately 300 feet of designated forest land. Seven years after the effective date of this chapter, the planning commission shall evaluate the effectiveness of this notification method and recom-

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**Snohomish County Code****32.20.060**

mend to the county council its retention, modification or deletion.

(b) Development permits and building permits for land designated forest land or land adjacent to or within 300 feet of designated forest land shall include or have attached the disclosure text in SCC 32.20.050 on the final development or building permit in a location determined by the community development director. Said disclosure notice shall apply to the real property which is subject to the development or building permit as of the date of development or building permit approval and may not be applicable thereafter if areas designated forest land are changed from designated forest land.

(c) Prior to the closing of a transfer of real property designated forest land or real property adjacent to or within 300 feet of designated forest land, by sale, exchange, gift, real estate contract, lease with option to purchase, any other option to purchase or any other means of transfer (except transfers made by testamentary provisions or the laws of descent), the transferor shall provide the transferee a copy of the disclosure text in SCC 32.20.050 and shall record with the county auditor a copy of the same showing an acknowledgment of receipt executed by the transferee in a form prescribed by the director of community development. The form of the acknowledged disclosure text shall include a statement that the disclosure notice applies to the subject real property as of the date of the transfer and may not be applicable thereafter if areas designated forest land are changed from designated forest land.

(2) In no case shall liability attach to Snohomish county for any actions, errors or omissions of any person subject to the requirements of this section. (Added Amended Ord. 93-083, Oct. 11, 1993).

**32.20.050 Disclosure text.**

The following shall constitute the disclosure required by this section:

The real property subject to this notice is designated forest land or land adjacent to or within 300 feet of designated forest land on which a variety of forest management activities could occur that may not be compatible with residential development for certain periods of limited duration. These forest management activities include, but are not limited to, timber harvest, road and trail construction, the operation of machinery, trucks and aircraft, brush control, slash

burning, the application by spraying of forest chemicals and other forest management activities, which activities are lawful if conducted in compliance with Title 222 WAC.

In addition, forest management activities may cause physical and aesthetic risks to residences and other structures within 200 feet of forest lands including falling timber and increased fire hazard. Due to these risks, Snohomish County encourages landowners to locate structures at least 200 feet from adjacent forest land boundaries.

Snohomish county has adopted a Right to Practice Forestry Ordinance (Chapter 32.20 SCC) which provides in part, that "Forest management activities conducted on designated forest land in compliance with best management practices as defined by the current Washington Forest Practices Rules and Regulations (Title 222 WAC), and Washington's Pesticide Regulations (WAC 16-228-185(5)), are presumed to be reasonable and shall not be found to constitute a nuisance unless the activity has a substantial adverse effect on the public health, safety and/or environment." A copy of Chapter 32.20 SCC may be obtained from Snohomish County.

This disclosure applies to the real property which is subject to a development or building permit as of the date of the development or building permit approval or, in the case of real property transfers, the disclosure applies to the subject property as of the date of the transfer. This disclosure may not be applicable thereafter if areas designated forest land are changed from designated forest land.

Nothing in chapter 32.20 SCC shall affect or impair any right to sue for damages. (Added Amended Ord. 93-083, Oct. 11, 1993).

**32.20.060 Exemption from special benefit assessments.**

Forest land designated and classified pursuant to chapter 84.33 RCW shall be entitled to the exemption from special benefit assessments provided by RCW 84.33.210. (Added Amended Ord. 93-083, Oct. 11, 1993).

## **EXHIBIT E**

### **DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS**

This declaration is made this date by Snohomish County, a political subdivision of the State of Washington, which is the owner of present or future interests in that certain real property located in Snohomish County, Washington, commonly known as the Lloyd Family Farmstead property, more particularly described on the attached Exhibit A and incorporated herein by this reference.

Snohomish County finds that the Lloyd Family Farmstead property possesses ecological, historical and open space features, including a historic homesite, important to present and future citizens of Snohomish County and meets the criteria for open space land provided for in RCW 84.34.200. The purpose of this declaration is to ensure that the Lloyd Family Farmstead property be retained forever predominantly in its open space and historical condition and to prevent any use of the property that will significantly impair or interfere with the open space, wildlife habitat, and historical values of the property.

Snohomish County hereby declares that all of the real property described in Exhibit A shall be held, sold, and conveyed subject to the following restrictions, covenants, and conditions, which shall inure to the benefit of the public and be enforceable on behalf of the public by Cascade Land Conservancy, a Washington nonprofit corporation, or its successor, through injunction or demand for specific performance, and shall burden the real property described in Exhibit A and shall pass with the property and each and every lot therein, and shall bind the owners of the property and owners of each and every lot therein, their legal representatives, grantees, heirs, successors and assigns, in perpetuity:

1. The historic homesite on the subject property, in particular the cabin, shall be reasonably maintained and preserved in its current and historic condition; provided, however, that the owner of the subject property has no duty of replacing the cabin should it be significantly damaged or destroyed through fire, flood or other act of nature.
2. Any use or activity on the subject property or improvements to the subject property shall be limited to those which are passive in nature and meet the requirements and intent of RCW 84.34.200-.220. Passive improvements include, but are not limited to, trails, interpretive centers, viewpoints, picnicking facilities, access, restrooms, and landscaping. Active recreational development includes, but is not limited to, ball fields, use by motorized vehicles, playgrounds, swimming pools, and recreation centers, and is not allowed.
3. Any new utility lines installed on the subject property shall be located underground.
4. Any use or activity on the subject property that causes or is likely to cause significant surface alteration (such as excavation or removal of minerals), soil degradation or erosion, or significant pollution of any surface or subsurface waters is not allowed.

5. The draining, filling, dredging, or diking of the wetland areas on the subject property is not allowed; provided, however, that activities that directly support the restoration of habitat for species native within the Bear Creek basin, and performed in conformance with all applicable laws, are allowed.
6. The forested areas of the subject property, in which Snohomish County owns timber rights either as of the date of this Declaration or thereafter, shall be maintained in a manner that protects soil stability and water quality and promotes wildlife habitat. The clear-cutting or high-grading of trees located on the subject property is not allowed.
7. The dumping or disposal of wastes, refuse and debris on the subject property is not allowed.

IN WITNESS WHEREOF, Snohomish County has executed this Declaration this \_\_\_\_ day of \_\_\_\_\_, 2000.

SNOHOMISH COUNTY

\_\_\_\_\_  
Ronald Martin, Director, Parks and Recreation

Acknowledged:

\_\_\_\_\_  
Cascade Land Conservancy

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

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

**Exhibit A to Exhibit E**

**“Fee Property”**

**PARCEL A:**

THAT PORTION OF THE E ½ OF THE E ½ OF THE SE ¼ OF THE SW ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., LYING SOUTH OF COUNTY ROAD, AND ALL OF THE SE ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

EXCEPT COUNTY ROAD, WITH THE S ¼ CORNER OF SAID SECTION BEING 2844.64 FEET EAST OF THE SW CORNER OF SAID SECTION 30 AND 2741.82 FEET WEST OF THE SE CORNER OF SAID SECTION 30, AS PER CORRECTED JUDGEMENT AFTER APPEAL ENTERED JUNE 18, 1971, UNDER SNOHOMISH COUNTY SUPERIOR COURT CASE NUMBER 91943.

**PARCEL B:**

NE ¼ OF SW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

**PARCEL C:**

THE N ½ OF THE SE ¼ AND THE SE ¼ OF THE SE ¼, ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**PARCEL D:**

THE NE ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M. AND GOVERNMENT LOT 2 AND THE SE ¼ OF THE NW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**SUBJECT TO** A LIFE ESTATE IN THAT PORTION OF PARCEL D DEFINED AS THE NE ¼ OF THE NE ¼ OF SECTION 31 LYING SOUTH AND WEST OF PARADISE LAKE ROAD AND NORTH 330 FEET OF SE ¼ OF NE ¼ OF SECTION 31.

**PARCEL E:**

THE W ½ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.; EXCEPT THE COUNTY ROAD; AND

TOGETHER WITH THE N ½ OF THE NW ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT THE COUNTY ROAD.

**PARCEL F:**

BEGINNING AT THE SW CORNER OF THE SE ¼ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

**EXHIBIT F**

**MEMORANDUM OF OPTION**

**GRANTOR:** \_\_\_\_\_

**GRANTEE:** \_\_\_\_\_

**Legal Description:** \_\_\_\_\_

**Assessor's Property Tax Parcel/Account Number:** \_\_\_\_\_

**Reference Number of Related Document:** \_\_\_\_\_

This Memorandum of Option Agreement, dated as of the \_\_\_\_ day of \_\_\_\_\_  
2000, is between \_\_\_\_\_ ("Buyer") and  
\_\_\_\_\_ ("Seller").

1. Property. Seller has granted Buyer an option to purchase property described in Exhibit 1, attached, pursuant to that certain Bargain Sale Real Estate Purchase and Sale Agreement With An Option To Purchase entered into between Buyer and Seller, dated \_\_\_\_\_, 2000 (the "Purchase and Sale Agreement").

2. Purpose. This Memorandum of Option Agreement is for purposes of recordation and in no way modifies the Purchase and Sale Agreement.

3. Expiration. The Option expires on or before \_\_\_\_\_  
unless specifically extended by the parties by subsequent recorded memorandum of option agreement.

IN WITNESS of the foregoing provisions, the parties have signed this Memorandum of Option Agreement below:

**SELLERS:**

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

Date \_\_\_\_\_

**BUYER:**

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

Its \_\_\_\_\_

Date \_\_\_\_\_

---

**BARGAIN SALE REAL ESTATE PURCHASE AND SALE AGREEMENT  
WITH AN OPTION TO PURCHASE**

---

This Agreement is made effective ("Effective Date") as of the date this instrument is fully executed by and between DAVID JAMES LLOYD, JESSIE LLOYD AND HANNAH ELIZABETH LLOYD, each as their separate estate, as to that portion of Parcel A lying within the southeast quarter of section 30 and all of Parcels D, E and F; JESSIE LLOYD and DAVID J. LLOYD, as to that portion of Parcel A lying within the southwest quarter of section 30; JESSIE LLOYD, as to Parcel B; HANNAH ELIZABETH LLOYD, JESSIE LLOYD and DAVID J. LLOYD, as to Parcel C; and HANNAH ELIZABETH LLOYD, JESSIE LLOYD AND DAVID J. LLOYD, as to Parcel G (individually and collectively "Seller"), and CASCADE LAND CONSERVANCY, a Washington nonprofit corporation, and its successors and assigns ("Buyer"), for purchase and sale of the Fee Property, including purchase and sale of the Remainder Interest Portion of the Fee Property, for an option to purchase timber rights on the Timber Rights Portion of the Fee Property, and for an option to purchase the Option Property; all property is as hereinafter described and defined in this Agreement.

**RECITALS**

- A. This Agreement is made with respect to improved and unimproved real property, Parcels A through G, consisting of approximately 790 acres, located in Snohomish County, Washington, more fully described in Exhibit "A" and shown on Exhibit "B" attached hereto and incorporated herein by this reference (collectively the "Property").
- A.1 As shown on Exhibit B, Parcels A, B (except for the NW  $\frac{1}{4}$ , SW  $\frac{1}{4}$ , and SE  $\frac{1}{4}$  of the SW  $\frac{1}{4}$ , Section 31, Township 27 N, Range 6 E, W.M.), C, D, E, F and G consisting of approximately 664 acres, together with all improvements thereon, if any, and all rights, hereditaments, easements, and appurtenances thereto belonging, subject to the reservation by Seller of timber rights on a portion of the parcels, as subsequently defined herein, and a life estate on the Remainder Interest Portion of the Fee Property, as subsequently defined herein, are herein described as the "Fee Property".
- A.2 As shown on Exhibit B, that portion of Parcel D, described as the NE  $\frac{1}{4}$  of the NE  $\frac{1}{4}$ , Section 31, Township 27 N, Range 6 E, W.M., lying south of the County Road and the north 330 feet of the SE  $\frac{1}{4}$  of the NE  $\frac{1}{4}$ , Section 31, Township 27 N, Range 6 E, W.M., consisting of approximately 29 acres, together with all improvements thereon, if any, and all rights, hereditaments, easements, and appurtenances thereto belonging, are herein described as the "Remainder Interest Portion of the Fee Property".
- A.3 As shown on Exhibit B, that portion of Parcel B, described as the NW  $\frac{1}{4}$ , SW  $\frac{1}{4}$ , and SE  $\frac{1}{4}$  of the SW  $\frac{1}{4}$ , Section 31, Township 27 N, Range 6 E, W.M., consisting of approximately 126 acres, together with all improvements thereon, if any, and all rights, hereditaments,



easements, and appurtenances thereto belonging, are herein described as the "Option Property".

- A.4 As shown on Exhibit B, that portion of Parcels B, C and D, excluding the Remainder Interest Portion of the Fee Property and the Option Property, is herein described as the "Timber Rights Interest Portion of the Fee Property".
- B. Buyer desires to purchase the Property because of its ecological, open space and historic values. Buyer is a conservation organization having among its purposes the acquisition of open space and critically important ecological systems in King, Snohomish and Pierce counties and surrounding counties. Buyer is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended from time to time, the "Code") and is included in the "Cumulative List of Organizations" described in Section 170(c) of the Internal Revenue Code published by the Internal Revenue Service. Buyer is not a private foundation within the meaning of Section 509(a) of the Code.
- C. Seller believes that the purchase price for the Property which is specified in this Agreement is below the fair market value. Seller intends that the difference between the purchase price and fair market value shall be a charitable contribution to Buyer. However, Buyer makes no representation as to the tax consequences of the transaction contemplated by this Agreement. Seller will obtain independent tax counsel and be solely responsible for compliance with the gift value substantiation requirements of the Code. To the extent that the purchase price is below fair market value, the parties agree that it does not reflect the existence of defects in the Property, such as environmental conditions requiring remediation, known to Seller or Buyer.
- D. Buyer intends that the Property will be preserved in perpetuity as open space. Upon conveyance of title to the Remainder Interest Portion of the Fee Property, Buyer intends this property to become a park and/or museum, named the "James and Eliza Lloyd Family Farmstead Park", which will preserve the historic homesite on the property for future generations to admire, and which will be used exclusively for open space and passive recreational purposes.
- E. Seller acknowledges that upon execution of this Agreement or acquisition of the Property, Buyer intends to assign its interest in this Agreement and the Property for any price Buyer, in its sole discretion, deems appropriate to Snohomish County, subject to whatever restrictions Buyer, in its sole discretion, deems appropriate to preserve the Property in perpetuity for open space purposes.

## AGREEMENT

### 1 PURCHASE PRICE AND EARNEST MONEY CONSIDERATION:

- 1.1 Purchase Price. The total purchase price for the Fee Property, including the Remainder Interest Portion of the Property, for the option to purchase the timber rights on the Timber Rights Interest Portion of the Fee Property, and for the option to purchase the Option Property, is One Million, Nine Hundred Thousand and No/100 Dollars (US \$1,900,000) ("Purchase Price"). The Purchase Price is payable at closing (the "First Closing") in cash.
- 1.2 Timber Rights Option Purchase Price. The purchase price for the timber rights on the Timber Rights Interest Portion of the Fee Property is One Million One Hundred Thousand and No/100 Dollars (US \$1,100,000) ("Timber Rights Option Purchase Price"). The Timber Rights Option Purchase Price is payable upon exercise of the Timber Rights option at closing (the "Second Closing") in cash.
- 1.3 Option Property Purchase Price. In the event Buyer exercises the Option, the purchase price for the Option Property shall be its then current fair market value, as determined by a full narrative written appraisal of the Option Property prepared by an M.A.I. appraiser mutually selected by Buyer and Seller, which appraisal shall be acceptable to both Buyer and Seller in all respects ("Option Purchase Price"). The cost of the appraisal shall be shared equally by Buyer and Seller. The Option Purchase Price is payable upon exercise of the Option Property option at closing (the "Third Closing") in cash.
- 1.4 Earnest Money Consideration. Buyer, at the time of execution of this Agreement, herewith deposits the sum of Ten Thousand and No/100 Dollars (US \$10,000) with Chicago Title Insurance Company, to serve as earnest money consideration in this transaction. When an escrow account is opened for this transaction, said deposit shall be deposited to the Escrow Agent and applied, with any interest accruing to the deposit, to the Purchase Price at the First Closing.

### 2 TITLE:

- 2.1 Acquisition of Fee Property. At the First Closing, Seller will execute and deliver to Buyer a Statutory Warranty Deed, in a form acceptable to Buyer, conveying and warranting good and marketable title to the Fee Property free and clear of all defects or encumbrances except for reservation of the timber rights on the Timber Rights Interest Portion of the Fee Property, reservation of a life estate interest on the Remainder Portion of the Fee Property, the lien of real estate taxes not yet due and payable, and those defects and/or encumbrances (if any) identified on Exhibit "C" attached hereto and incorporated herein (collectively, "Permitted Exceptions") which are applicable to the Fee Property. The reservation of a life estate interest shall be inclusive of the lives of David James Lloyd, Jessie Lloyd and Hannah Elizabeth Lloyd, and shall provide that possession by Buyer of the life estate interest shall

occur within six (6) months of the death of the last surviving Seller. Buyer shall designate the life estate property with physical signage on the north boundary with Paradise Lake Road, on the south boundary with Paradise Lake Road, and at the driveway.

## 2.2 Timber Rights:

2.2.1 Option to Acquire Timber Rights. Buyer shall have the right to exercise its option to purchase the timber rights on the Timber Rights Interest Portion of the Fee Property at the Timber Rights Option Price by notice to Seller, which notice must be provided within three (3) years from the Effective Date of this Agreement for closing as described in paragraph 7. At the Second Closing, Seller will execute and deliver to Buyer a Timber Deed, in a form acceptable to Buyer, conveying and warranting good and marketable title to the timber rights on the Timber Rights Interest Portion of the Fee Property free and clear of all defects and encumbrances except for the lien of real estate taxes not yet due and payable, and the Permitted Exceptions applicable to the timber rights on the Timber Rights Interest Portion of the Fee Property.

2.2.2 Right of First Refusal. In the event of the expiration of the said option to acquire the timber rights on the Timber Rights Interest Portion of the Fee Property, as set forth in the preceding paragraph, if the Seller, or its heirs, successors, assigns or donees, thereafter elect to harvest the timber thereon, or sell, assign, or transfer such rights to harvest the timber thereon, then Seller, or its heirs, successors, or assigns, shall notify Buyer within thirty (30) days of Seller's intent to so sell or transfer such timber rights on the Timber Rights Interest Portion of the Fee Property and the bona fide sale price of the proposed buyer of such Timber Rights, and Buyer shall have ninety (90) days whereafter to tender to Seller the sum of any bona fide offering price for the timber rights on the Timber Rights Portion of the Fee Property, after which closing shall take place as set forth herein.

2.2.3 Sale of Timber Rights to a Party Other Than Owner of Underlying Property. In the event the timber rights on the Timber Rights Interest Portion of the Fee Property are sold or transferred for purposes of timber harvesting, to a party other than the owner of the underlying property (Buyer or Buyer's successor or assign), Seller agrees to work with the Buyer or Buyer's successor or assign to develop a timber sale contract, which, at a minimum, limits the time of performance to not more than two years and addresses access and harvest methods and liability insurance provisions reasonably acceptable to Buyer or Buyer's successor or assign.

2.3 Option to Acquire Option Property. Buyer shall have the right to exercise its option to purchase the Option Property at the Option Purchase Price by notice to Seller, which notice must be provided within five (5) years from the Effective Date of this Agreement for closing as described in paragraph 7. At the Third Closing, Seller will execute and deliver to Buyer a Statutory Warranty Deed conveying and warranting good and marketable title to the Option Property free and clear of all defects and encumbrances except for the lien of real

estate taxes not yet due and payable and the Permitted Exceptions applicable to the Option Property.

- 2.4 Taxes. During the period of the reserved life estate on the Remainder Interest Portion of the Fee Property, Seller, at its sole cost and expense, covenants to pay before delinquency all taxes, assessments, fees, charges of whatever description levied on or assessed against the Remainder Interest Portion of the Fee Property by competent authority ("collectively, "taxes"), and shall furnish Buyer with satisfactory evidence of payment upon request. If Seller fails to pay any taxes when due, Buyer is authorized, but in no event obligated, to make or advance such payment of taxes upon three (3) days prior written notice to Seller in accordance with any bill, statement, or estimate procured from the appropriate authority, without inquiry into the validity of the taxes or the accuracy of the bill statement, or estimate, and the obligation created by such payment shall bear interest until paid by Seller at the maximum rate allowed by law. In the event that the Remainder Interest Portion of the Fee Property is not established as a separate tax parcel from the remainder of the Property, the taxes allocable to the Remainder Interest Portion of the Fee Property and payable by Seller shall consist of all of the taxes on the improvements plus that portion of the taxes on the land equal to the ratio of the acreage of the Remainder Interest Portion of the Fee Property to the total acreage of the Property.
- 2.5 Liability Insurance. During the period of the reserved life estate on the Remainder Interest Portion of the Fee Property, Seller, at its sole cost and expense, covenants to maintain adequate and appropriate insurance on the Remainder Interest Portion of the Fee Property. Such coverage need not include the replacement value of improvements located on the Remainder Interest Portion of the Fee Property. Additionally, during the period of the reserved life estate on the Remainder Interest Portion of the Fee Property, and/or the period during which Seller reserves the Timber Rights on the Fee Property, Seller, at its sole cost and expense, covenants to maintain general liability insurance on the Remainder Interest Portion of the Fee Property on an occurrence basis (with Buyer, its agents, directors, employees, permittees and licensees being named as additional insureds) against claims for personal injury (including without limitation bodily injury or death), property damage and liability, with a coverage limit of not less than \$1,000,000. Seller shall deliver to Buyer certificates of insurance evidencing such coverages as a condition of closing. All certificates shall provide at least sixty (60) days written notice to Buyer in the event of cancellation or material change in coverage.
- 2.6 Title Insurance. At the First Closing, Second Closing and Third Closing, Buyer shall receive (at Seller's expense) an owner's Standard ALTA policy of title insurance (1970 with 1984 revisions) covering the property conveyed therein, dated as of the respective closing date and insuring Buyer in the amount of the Purchase Price, the Timber Rights Option Purchase Price, and the Option Purchase Price, respectively, against loss or damage by reason of defect in Buyer's title to the Property subject only to the printed exclusions appearing in the policy form and any Permitted Exceptions applicable to such property.

- 2.7 Memorandum of Option. Concurrently with the First Closing, the parties hereto shall sign a Memorandum of Option, as found in Exhibit "F", attached hereto and incorporated herein by this reference, with respect to the Timber Rights and Option Property in a form satisfactory to Seller and Buyer, which Memorandum of Option shall be recorded at the First Closing. In the event Buyer does not exercise these options within the terms of this Agreement, Buyer shall, if requested to do so by Seller, deliver upon demand a quitclaim deed in a form suitable for recordation covering the Timber Rights and/or Option Property so as to eliminate any cloud on Seller's title to the Timber Rights and/or Option Property.

### 3 CONTINGENCIES:

- 3.1 Inspection Contingency. The sale of the Property is contingent on a determination by Buyer based upon a Level I (or II) Environmental Site Assessment, and/or such other property assessments deemed appropriate by Buyer, that the Property is suitable for Buyer's use and there are not and have not been any significant releases, in Buyer's sole determination, of hazardous materials on the Property. Seller hereby grants Buyer's employees, agents or contractors a right of entry onto the Property for any site inspections performed in connection with such assessment(s). Such right of entry shall continue until the expiration of this contingency as to the Fee Property or the expiration of the respective option periods as to the Timber Rights Interest Portion of the Fee Property and the Option Property. In connection with such inspections, Buyer agrees to hold harmless, indemnify and defend Seller from and against all claims, losses, or liability, for injuries, sickness or death of persons, including employees of Buyer caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering Seller's property for the above purposes, to the extent not caused by or arising out of any act, error or omission of Seller.
- 3.2 Property Division Contingency. The parties acknowledge that it may be necessary to secure legal division of the Remainder Interest Portion of the Fee Property and the Option Property from the remainder of the Property into separate parcels. Buyer agrees to secure prior to the end of the Contingency Period described in paragraph 3.3 below, what approvals, if any, may be necessary for the Remainder Interest of the Fee Property and the Option Property to be legally recognized as separate parcels. Buyer agrees to pay all costs, if any, of securing such subdivision, including the costs of any necessary survey or filing fees. Seller agrees to cooperate as necessary to achieve such subdivision.
- 3.3 Expiration of Contingency. The above contingency shall expire sixty (60) days from the Effective Date of this Agreement, or seven (7) days from approval of any required legal division of the Remainder Interest Portion of the Fee Property and the Option Property from the remainder of the Property, whichever comes later, as to the Fee Property unless Buyer, before such date, gives Seller written notice that it elects to cancel this Agreement because of Buyer's reasonable determination that the Property is not suitable for its use, any required

subdivision cannot be achieved, or because of the presence of significant releases, in Buyer's sole determination, of hazardous materials on the Fee Property and a Level I (or II) report to that effect. The above contingency shall expire as to the Option Property no later than sixty (60) days from the date Buyer exercises its option to purchase the Option Property unless Buyer gives Seller written notice before such date that it elects to cancel this Agreement because of Buyer's reasonable determination that the Property is not suitable for its use or because of the presence of significant releases, in Buyer's sole determination, of hazardous materials on the Option Property and a Level I (or II) report to that effect. Buyer may remove the said contingency by written notice at any time before the expiration of the contingency under this paragraph. Buyer shall provide Seller with a copy of any Level I (or II) report if it elects to cancel this Agreement due to environmental matters.

4 **RISK OF LOSS.** All risk of loss shall remain with Seller with respect to the Fee Property, the Timber Rights and the Option Property until the First Closing, Second Closing, and Third Closing, respectively. In the event that the Fee Property, the Timber Rights or the Option Property is destroyed and damaged after Buyer has entered this Agreement but before the relevant close of escrow, Buyer may rescind this Agreement and be refunded its Earnest Money Consideration.

5 **RIGHT TO FARM AND RIGHT TO PRACTICE FORESTRY DISCLOSURES:** Portions of the Property are "designated farmland" or situated within 1300 feet of "designated farmland" in Snohomish County, Washington. Portions of the Property are "designated forest land" or situated within 300 feet of "designated forest land" in Snohomish County, Washington. Other required or relevant disclosures from Seller to Buyer may be found in Exhibit "D", attached hereto and incorporated herein by this reference.

6 **REPRESENTATIONS, WARRANTIES AND COVENANTS:**

6A. **Seller**, individually as to its ownership interests, represents, warrants and covenants to the Buyer at the date of execution of this Agreement and the relevant dates of closing that:

6.1 Authority. Seller has full power and authority to execute this Agreement and perform Seller's obligations hereunder.

6.2 Property Not Subject to Community Interest of Spouses. The Property is not subject to the community interest of any spouses of Seller. Jessie Lloyd was unmarried as of February 2, 1938, and Hannah Elizabeth Lloyd, Jessie Lloyd or David J. Lloyd were unmarried as of November 23, 1951 and March 31, 1971.

6.3 No Leases. The Property is not subject to any leases, tenancies or rights of persons in possession other than Buyer or Buyer's successors and assigns.

- 6.4 Contamination. To Seller's knowledge: Seller has not caused or allowed the general treatment, storage or disposal of hazardous substances on the Property, except in accordance with local, state, and federal statutes and regulations, nor caused or allowed the release of any hazardous substance onto, at, or near the Property; Seller is in compliance with all applicable laws, rules and regulations regarding the handling of hazardous substances, has secured all necessary permits, licenses and approvals necessary to Seller's activities on the Property and is in compliance with such permits; Seller has not received notice of any proceedings, claims, or lawsuits arising out of its operations on the Property; the Property is not, nor has it ever been subject to the release of hazardous substances.
- 6.5 Debris. Seller will remove all debris and personal property remaining on the Property prior to closing at Seller's cost and expense; provided, however, that Seller may retain personal property on the Remainder Interest Portion of the Fee Property as long as such property shall be removed by the Estate of the last surviving Seller not later than six months from the death of the last surviving Seller. Seller will indemnify and hold Buyer harmless from all claims and expenses arising from such removals.
- 6.6 Fees and Commissions. Seller shall pay for any broker's or other commissions or fees incurred by the Seller in connection with the sale of the Property and Seller shall indemnify and hold Buyer harmless from all such claims for commission and/or fees.
- 6.7 Assignment. Seller consents to the assignment to Snohomish County of any or all of Buyer's rights and obligations under this Agreement. Buyer intends to require as a condition of such assignment that Snohomish County record a declaration of protective covenants, conditions and restrictions to preserve the Property in perpetuity as open space, which such declaration shall be in a form substantially similar to that form attached hereto as Exhibit "E" and incorporated herein by this reference.
- 6.8 FIRPTA Certification. To inform Buyer that withholding of tax is not required under Section 1445 of the Internal Revenue Code and under penalties of perjury, the Seller hereby certifies that the Seller is not a non-resident alien or a foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined for purposes of federal income tax and that the Seller's social security number/federal taxpayer identification number is as set out below. The Seller understands that this certification may be disclosed to the Internal Revenue Service and that any false statement made could be punished by fines, imprisonment or both.
- 6B. **Buyer** represents, warrants and covenants to the Seller at the date of execution of this Agreement and the relevant date of closing that:
- 6.9 Authority. Buyer, and the person signing on behalf of Buyer, has full power and authority to execute this Agreement and perform Buyer's obligations hereunder.

6.10 Assignment. Buyer warrants that it will not assign any of its rights or obligations hereunder without the prior, written consent of Seller, which may be withheld at Seller's discretion; provided, however, that pursuant to paragraph 6.7 above, Seller consents to the assignment to Snohomish County of any and all of Buyer's rights and obligations under this Agreement.

6C. **Buyer and Seller agree to indemnify**, defend, and hold harmless each other, its employees, agents, heirs and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorney's and other fees, arising out of or in any way connected to the breach of any representation or warranty contained herein. Such duty of indemnification shall include, but not be limited to damage, liability, or loss pursuant to all federal environmental laws, Washington State environmental laws, strict liability and common law.

## 7 CLOSING:

7.1 Time for Closing. The First Closing will be closed in the office of the Closing Agent within thirty (30) days of removal of all contingencies. The Second Closing will be closed in the office of the Closing Agent within sixty (60) days after the giving of timely notice by Buyer of its election to exercise the option to acquire the Timber Rights and specifying the Closing date. In the event Buyer purchases the Timber rights on its right of first refusal, the Second Closing shall take place within the 90-day period specified in subsection 2.2 above. The Third Closing will be closed in the office of the Closing Agent within one hundred twenty (120) days after the giving of timely notice by Buyer of its election to exercise the option to acquire the Option Property and specifying the Closing date. References to First, Second and Third closings are for convenience only and the parties acknowledge that the Third Closing may take place prior to the Second Closing.

Buyer and Seller shall deposit in escrow with the Closing Agent all instruments, documents and moneys necessary to complete the sale in accordance with this Agreement. As used in this Agreement, "closing" and "date of closing" means the date on which all appropriate documents are recorded and proceeds of the sale are available for disbursement to Seller. The Closing Agent shall be:

Chicago Title Insurance Company  
3030 Hoyt Avenue  
Everett, WA 98201

7.2 Prorations; Closing Costs. Buyer and Seller shall each pay one half (1/2) of the escrow fees at each closing. Seller shall pay all real estate excise tax, and the premiums for the Owners Standard Coverage Title Insurance policies. Buyer shall pay recording fees. Real estate taxes and assessments shall be prorated as of the Closing Date.

7.3 Compensating Taxes. If required by law, Buyer shall pay, upon the Closing Date or thereafter, any compensating taxes that may be due and owing on the Fee Property or the Option Property resulting from its removal from forest or timber land and/or farm and



agricultural land designations, and shall indemnify and hold Seller harmless from all such claims for payment of such compensating taxes; provided, however, that Seller shall be responsible for any compensating taxes due and owing as a result of the harvesting of timber after the date of this Agreement on the Timber Rights Interest Portion of the Fee Property.

- 7.4 Possession. Buyer shall be entitled to possession of the relevant portion of the Property at each respective closing, except with respect to the Remainder Interest Portion of the Fee Property to which Buyer shall be entitled to possession within six (6) months of the death of the last surviving Seller as provided for herein.

## 8 NOTICES:

Any notices required or allowed herein shall be personally delivered or mailed (certified, return receipt requested) to the recipient at the address stated below:

**TO SELLER:**

Jessie Lloyd, David &  
Elizabeth Lloyd  
23210 Paradise Lake Road  
Woodinville, Washington 98072

**TO BUYER:**

Cascade Land Conservancy  
Attn: Gene Duvernoy  
615 Second Avenue, Suite 525  
Seattle, Washington 98104

**With a copy to:**

Jeanette Henderson  
1522 -- 6<sup>th</sup> Avenue West  
Seattle, Washington 98119

**With a copy to:**

Konrad J. Liegel, Esq.  
Suite 5000, 701 5<sup>th</sup> Avenue  
Seattle, Washington 98104-7078

**And a copy to:**

Darlene Huntington  
13210 Springhetti Road  
Snohomish, Washington 98290

or to such other address as either party designates by written notice to the other. All notices complying with this paragraph shall be effective upon the date postmarked on the envelope in which such notice is sent.

- 9 **EVENT OF DEFAULT AND ATTORNEY'S FEES:** In the event of default under this Agreement by Seller (including a breach of any representation, warranty or covenant set forth herein), Buyer shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Seller's obligations hereunder. In the event Buyer fails, without legal excuse, to complete the purchase of the Fee Property, the Earnest Money Consideration shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure. The parties hereto acknowledge that in the event of such default by

Buyer, Seller will have incurred substantial but unascertainable damages and that therefore the provisions herein for liquidated damages is a valid one. The parties hereto further acknowledge that the Earnest Money Consideration does not exceed five percent (5%) of the Purchase Price. In the event of litigation between the parties arising out of or relating to this Agreement, or the transaction contemplated hereby, the prevailing party, in addition to all other rights and remedies, shall be entitled to recover reasonable attorneys' fees, costs and litigation-related expenses from the non-prevailing party.

- 10 **HEIRS, SUCCESSORS AND ASSIGNS:** This Agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators and successors of the parties hereto, but no right, liability or obligation arising hereunder may be assigned by any party hereto without the advance written approval of all parties, except as otherwise provided herein.
- 11 **GENERAL:** This is the entire agreement of the Seller and Buyer with respect to the Property and supersedes all prior or contemporaneous agreements between them, written or oral. This Agreement may be modified only in writing, signed by Seller and Buyer. Any waivers under this Agreement must be in writing. A waiver of any right or remedy in the event of default will not constitute a waiver of such right or remedy in the event of any subsequent default. This Agreement is for the benefit of, and binding upon, Seller and Buyer and their heirs, personal representatives, successors and assigns. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision. Time is of the essence in this Agreement. This Agreement shall be governed by the laws of the State of Washington.
- 12 **WASTE; ALTERATION OF PROPERTY:** Seller acknowledges that Buyer intends to use the Property, including the Remainder Interest Portion of the Fee Property, exclusively for park and open space purposes. Seller shall not commit waste on the Property, nor shall Seller remove trees or other vegetation, coal, minerals or other valuable materials or actively permit any use of the Property for any purpose or in any manner which would adversely affect Buyer's intended use of the Property (other than as specifically provided for under Seller's reservation of timber rights on the Timber Rights Interest Portion of the Fee Property) nor shall Seller substantially alter the surface or subsurface of the Property without the express written consent of the Buyer; provided, however, that Seller is under no responsibility to repair the existing structures on the Property other than to maintain and repair the roof and plumbing to protect from water damage. These provisions shall apply to the Fee Property, including the Timber Rights Interest Portion of the Fee Property and the Remainder Interest Portion of the Fee Property, and the Option Property before their respective closings, and to the Remainder Interest Portion of the Fee Property after the First Closing.
- 13 **SURVIVAL OF WARRANTIES:** The terms, covenants, representations and warranties of this Purchase and Sale Agreement shall not merge in the deed of conveyance, but shall survive closing.

- 14 COUNTERPARTS: This Agreement may be executed in several counterparts and signatures may be delivered via telephone facsimile, which shall constitute one agreement that is binding on all of the parties, notwithstanding that the parties may have signed different counterparts.

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement on the dates listed adjacent to their respective signatures.

BUYER: Cascade Land Conservancy, a Washington nonprofit corporation

BY:

Its

Date

SELLER:

David James Lloyd

DAVID JAMES LLOYD

social security #

532-28-6225

Date

July 26, 2000

Jessie Lloyd by Hannah Elizabeth Lloyd

JESSIE LLOYD

social security #

Date

July 26, 2000

By HANNAH ELIZABETH LLOYD, as Attorney-in-fact  
for JESSIE LLOYD under that Durable Power  
of Attorney, recorded Snohomish County 9902220146

531-09-7859

Hannah Elizabeth Lloyd

HANNAH ELIZABETH LLOYD

social security #

531-14-5786

Date

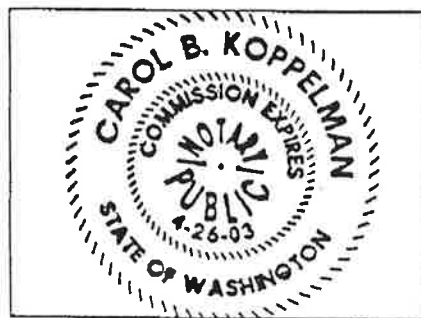
July 26, 2000

EXHIBITS: Exhibit A, Legal Descriptions  
Exhibit B, Site Map  
Exhibit C, Permitted Exceptions/Title  
Exhibit D, Right to Farm and Right to Practice Forestry Disclosures  
Exhibit E, Declaration of Protective Covenants, Conditions and Restrictions  
Exhibit F, Memorandum of Option

STATE OF WASHINGTON )  
 ) ss:  
 COUNTY OF SNOHOMISH )

I certify that I know or have satisfactory evidence that Eugene G. Guvernay is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated he was authorized to execute this instrument and acknowledged it as the Executive Director of CASCADE LAND CONSERVANCY to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

Dated: 7/27/00



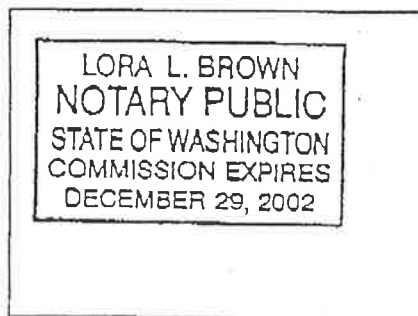
(Use this space for notarial stamp/seal)

Carol B. Koppelman  
 Notary Public  
 Print Name Carol B. Koppelman  
 My appointment expires 4-26-03

STATE OF WASHINGTON )  
 ) ss:  
 COUNTY OF SNOHOMISH )

I certify that I know or have satisfactory evidence that DAVID JAMES LLOYD is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: July 26, 2000



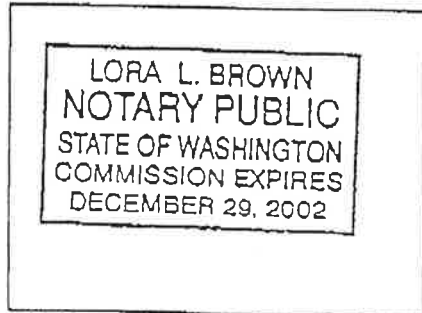
(Use this space for notarial stamp/seal)

Lora L. Brown  
 Notary Public  
 Print Name LORA L. BROWN  
 My appointment expires 12-29-2002

STATE OF WASHINGTON )  
 ) ss:  
 COUNTY OF SNOHOMISH )

I certify that I know or have satisfactory evidence that HANNAH ELIZABETH LLOYD is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the ATTORNEY-IN-FACT of JESSIE LLOYD to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: July 26, 2000

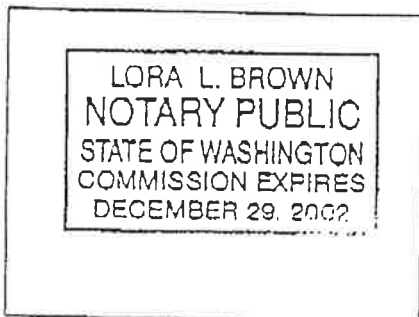


(Use this space for notarial stamp/seal)

STATE OF WASHINGTON )  
 ) ss:  
 COUNTY OF SNOHOMISH )

I certify that I know or have satisfactory evidence that HANNAH ELIZABETH LLOYD is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: July 26, 2000



(Use this space for notarial stamp/seal)

Lora L. Brown  
 Notary Public  
 Print Name LORA L. BROWN  
 My appointment expires 12-29-2002

Lora L. Brown  
 Notary Public  
 Print Name LORA L. BROWN  
 My appointment expires 12-29-2002

**EXHIBIT A**  
**PROPERTY LEGAL DESCRIPTION**

**Legal Description for A. Recitals**

**“the Property”**

THE FOLLOWING LEGAL DESCRIPTION, COMPOSED OF PARCELS A THROUGH G, THE “PROPERTY”:

**PARCEL A:**

THAT PORTION OF THE E ½ OF THE E ½ OF THE SE ¼ OF THE SW ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., LYING SOUTH OF COUNTY ROAD, AND ALL OF THE SE ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

EXCEPT COUNTY ROAD, WITH THE S ¼ CORNER OF SAID SECTION BEING 2844.64 FEET EAST OF THE SW CORNER OF SAID SECTION 30 AND 2741.82 FEET WEST OF THE SE CORNER OF SAID SECTION 30, AS PER CORRECTED JUDGEMENT AFTER APPEAL ENTERED JUNE 18, 1971, UNDER SNOHOMISH COUNTY SUPERIOR COURT CASE NUMBER 91943.

**PARCEL B:**

GOVERNMENT LOTS 3, 4 AND THE EAST HALF OF THE SOUTHWEST QUARTER SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

**PARCEL C:**

THE N ½ OF THE SE ¼ AND THE SE ¼ OF THE SE ¼, ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**PARCEL D:**

THE NE ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M. AND GOVERNMENT LOT 2 AND THE SE ¼ OF THE NW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**PARCEL E:**

THE W ½ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;  
EXCEPT THE COUNTY ROAD; AND

TOGETHER WITH THE N ½ OF THE NW ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT THE COUNTY ROAD.

**PARCEL F:**

BEGINNING AT THE SW CORNER OF THE SE ¼ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;  
THENCE NORTH 89° 14' 10" EAST ALONG THE EAST AND WEST CENTERLINE OF SAID SECTION 32 FOR 66.74 FEET;  
THENCE NORTH 2°11'48" WEST FOR 68.38 FEET;  
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND SUBTENDING AN ANGLE OF 28°48'12" FOR A DISTANCE OF 175.66 FEET;  
THENCE NORTH 31°00' WEST FOR 42.92 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE SE ¼ OF THE NW ¼;  
THENCE SOUTH 1°36'35" EAST ALONG SAID WEST LINE FOR 272.70 FEET TO POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF THE NORTH 660 FEET OF THE NE ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NW CORNER OF THE NE ¼ OF THE SW ¼;  
THENCE SOUTH 1°36'35" EAST ALONG THE WEST LINE OF SAID NE ¼ OF THE SW ¼ FOR 660.09 FEET;  
THENCE NORTH 89°14'10" EAST FOR 76.50 FEET;  
THENCE NORTH 2°11'48" WEST FOR 660.21 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 89°14'10" WEST FOR 66.74 FEET TO THE POINT OF BEGINNING.

PARCEL G:

A PORTION OF THE SE ¼ OF THE NW ¼ AND A PORTION OF THE NE ¼ OF THE SW ¼, ALL IN SECTION 32, TOWNSHIP 27, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NE CORNER OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 1°34'00" EAST ALONG THE EAST LINE THEROF FOR 660.06 FEET TO THE SOUTH LINE OF THE NORTH 660.0 FEET OF SAID NE ¼ OF THE SW ¼;

THENCE SOUTH 89°14'10" WEST ALONG THE SOUTH LINE THEROF FOR 1208.10 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUE SOUTH 89°14'10" WEST FOR 30.01 FEET;  
THENCE NORTH 2°11'48" WEST FOR 728.59 FEET;  
THENCE ON A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND CONSUMING A CENTRAL ANGLE OF 28°48'12" FOR 175.66 FEET;  
THENCE NORTH 31°00'00" WEST FOR 42.92 FEET TO THE WEST LINE OF SAID SE ¼ OF THE NW ¼;  
THENCE NORTH 1°36'35" WEST ALONG THE WEST LINE THEROF FOR 61.14 FEET;  
THENCE SOUTH 31°00'00" EAST FOR 96.21 FEET;  
THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 379.42 FEET AND CONSUMING AN ANGLE OF 28°48'12" FOR 190.74 FEET;  
THENCE SOUTH 2°11'48" EAST FOR 729.34 FEET TO THE TRUE POINT OF BEGINNING;

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

**Legal Description for A.1. Recitals**

**"Fee Property"**

PARCEL A:

THAT PORTION OF THE E ½ OF THE E ½ OF THE SE ¼ OF THE SW ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., LYING SOUTH OF COUNTY ROAD, AND ALL OF THE SE ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

EXCEPT COUNTY ROAD, WITH THE S ¼ CORNER OF SAID SECTION BEING 2844.64 FEET EAST OF THE SW CORNER OF SAID SECTION 30 AND 2741.82 FEET WEST OF THE SE CORNER OF SAID SECTION 30, AS PER CORRECTED JUDGEMENT AFTER APPEAL ENTERED JUNE 18, 1971, UNDER SNOHOMISH COUNTY SUPERIOR COURT CASE NUMBER 91943.

PARCEL B:

NE ¼ OF SW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

PARCEL C:

THE N ½ OF THE SE ¼ AND THE SE ¼ OF THE SE ¼, ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

PARCEL D:

THE NE ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M. AND GOVERNMENT LOT 2 AND

THE SE ¼ OF THE NW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**SUBJECT TO** A LIFE ESTATE IN THAT PORTION OF PARCEL D DEFINED AS THE NE ¼ OF THE NE ¼ OF SECTION 31 LYING SOUTH AND WEST OF PARADISE LAKE ROAD AND NORTH 330 FEET OF SE ¼ OF NE ¼ OF SECTION 31.

PARCEL E:

THE W ½ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;  
EXCEPT THE COUNTY ROAD; AND

TOGETHER WITH THE N ½ OF THE NW ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT THE COUNTY ROAD.

PARCEL F:

BEGINNING AT THE SW CORNER OF THE SE ¼ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;  
THENCE NORTH 89° 14' 10" EAST ALONG THE EAST AND WEST CENTERLINE OF SAID SECTION 32 FOR 66.74 FEET;  
THENCE NORTH 2° 11' 48" WEST FOR 68.38 FEET;  
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND SUBTENDING AN ANGLE OF 28° 48' 12" FOR A DISTANCE OF 175.66 FEET;  
THENCE NORTH 31° 00' WEST FOR 42.92 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE SE ¼ OF THE NW ¼;  
THENCE SOUTH 1° 36' 35" EAST ALONG SAID WEST LINE FOR 272.70 FEET TO POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF THE NORTH 660 FEET OF THE NE ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NW CORNER OF THE NE ¼ OF THE SW ¼;  
THENCE SOUTH 1° 36' 35" EAST ALONG THE WEST LINE OF SAID NE ¼ OF THE SW ¼ FOR 660.09 FEET;  
THENCE NORTH 89° 14' 10" EAST FOR 76.50 FEET;  
THENCE NORTH 2° 11' 48" WEST FOR 660.21 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 89° 14' 10" WEST FOR 66.74 FEET TO THE POINT OF BEGINNING.

PARCEL G:

A PORTION OF THE SE ¼ OF THE NW ¼ AND A PORTION OF THE NE ¼ OF THE SW ¼, ALL IN SECTION 32, TOWNSHIP 27, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NE CORNER OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 1° 34' 00" EAST ALONG THE EAST LINE THEROF FOR 660.06 FEET TO THE SOUTH LINE OF THE NORTH 660.0 FEET OF SAID NE ¼ OF THE SW ¼;

THENCE SOUTH 89° 14' 10" WEST ALONG THE SOUTH LINE THEROF FOR 1208.10 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUE SOUTH 89° 14' 10" WEST FOR 30.01 FEET;  
THENCE NORTH 2° 11' 48" WEST FOR 728.59 FEET;  
THENCE ON A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND CONSUMING A CENTRAL ANGLE OF 28° 48' 12" FOR 175.66 FEET;  
THENCE NORTH 31° 00' 00" WEST FOR 42.92 FEET TO THE WEST LINE OF SAID SE ¼ OF THE NW ¼;  
THENCE NORTH 1° 36' 35" WEST ALONG THE WEST LINE THEROF FOR 61.14 FEET;  
THENCE SOUTH 31° 00' 00" EAST FOR 96.21 FEET;  
THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 379.42 FEET AND CONSUMING AN ANGLE OF 28° 48' 12" FOR 190.74 FEET;  
THENCE SOUTH 2° 11' 48" EAST FOR 729.34 FEET TO THE TRUE POINT OF BEGINNING;



**EXCEPT** ALL TIMBER WITHIN PARCEL A1 AS DEFINED BELOW:

THAT PORTION OF PARCEL B DESCRIBED AS NE  $\frac{1}{4}$  OF SW  $\frac{1}{4}$  OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

THAT PORTION OF PARCEL C DESCRIBED AS N  $\frac{1}{2}$  OF SE  $\frac{1}{4}$  AND SE  $\frac{1}{4}$  OF SE  $\frac{1}{4}$ , ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

**EXCEPT** COUNTY ROAD.

THAT PORTION OF PARCEL D DESCRIBED AS S  $\frac{1}{2}$  OF NE  $\frac{1}{4}$ , SE  $\frac{1}{4}$  OF NW  $\frac{1}{4}$ , GOVERNMENT LOT 2, AND NW  $\frac{1}{4}$  OF NE  $\frac{1}{4}$  OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.,

**EXCEPT** THE NORTH 292 FEET OF NW  $\frac{1}{4}$  OF NE  $\frac{1}{4}$ ,

**EXCEPT** THE NORTH 330 FEET OF SE  $\frac{1}{4}$  OF NE  $\frac{1}{4}$ ,

**AND EXCEPT** COUNTY ROAD.

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

**Legal Description for A.2. Recitals**

**“Remainder Interest Portion of the Fee Property”**

THAT PORTION OF THE NE  $\frac{1}{4}$  OF THE NE  $\frac{1}{4}$  OF SECTION 31 LYING SOUTH AND WEST OF PARADISE LAKE ROAD AND THE NORTH 330 FEET OF THE SE  $\frac{1}{4}$  OF NE  $\frac{1}{4}$  OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., SITUATE IN THE COUNTY OF SNOHOMISH IN THE STATE OF WASHINGTON.

**Legal Description for A.3. Recitals**

**“Option Property”**

THAT PORTION OF PARCEL B, DESCRIBED AS THE NW  $\frac{1}{4}$ , SW  $\frac{1}{4}$ , AND SE  $\frac{1}{4}$  OF THE SW  $\frac{1}{4}$ , SECTION 31, TOWNSHIP 27 N, RANGE 6 E, W.M., SITUATE IN THE COUNTY OF SNOHOMISH IN THE STATE OF WASHINGTON.

**Legal Description for A.4. Recitals**

**“Timber Rights Interest Portion of the Fee Property”**

THAT PORTION OF PARCEL B DESCRIBED AS NE  $\frac{1}{4}$  OF SW  $\frac{1}{4}$  OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

THAT PORTION OF PARCEL C DESCRIBED AS N  $\frac{1}{2}$  OF SE  $\frac{1}{4}$  AND SE  $\frac{1}{4}$  OF SE  $\frac{1}{4}$ , ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

**EXCEPT** COUNTY ROAD.

THAT PORTION OF PARCEL D DESCRIBED AS S  $\frac{1}{2}$  OF NE  $\frac{1}{4}$ , SE  $\frac{1}{4}$  OF NW  $\frac{1}{4}$ , GOVERNMENT LOT 2, AND NW  $\frac{1}{4}$  OF NE  $\frac{1}{4}$ , IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.,

**EXCEPT** THE NORTH 292 FEET OF NW  $\frac{1}{4}$  OF NE  $\frac{1}{4}$ ,

**AND EXCEPT** THE NORTH 330 FEET OF SE  $\frac{1}{4}$  OF NE  $\frac{1}{4}$ ,

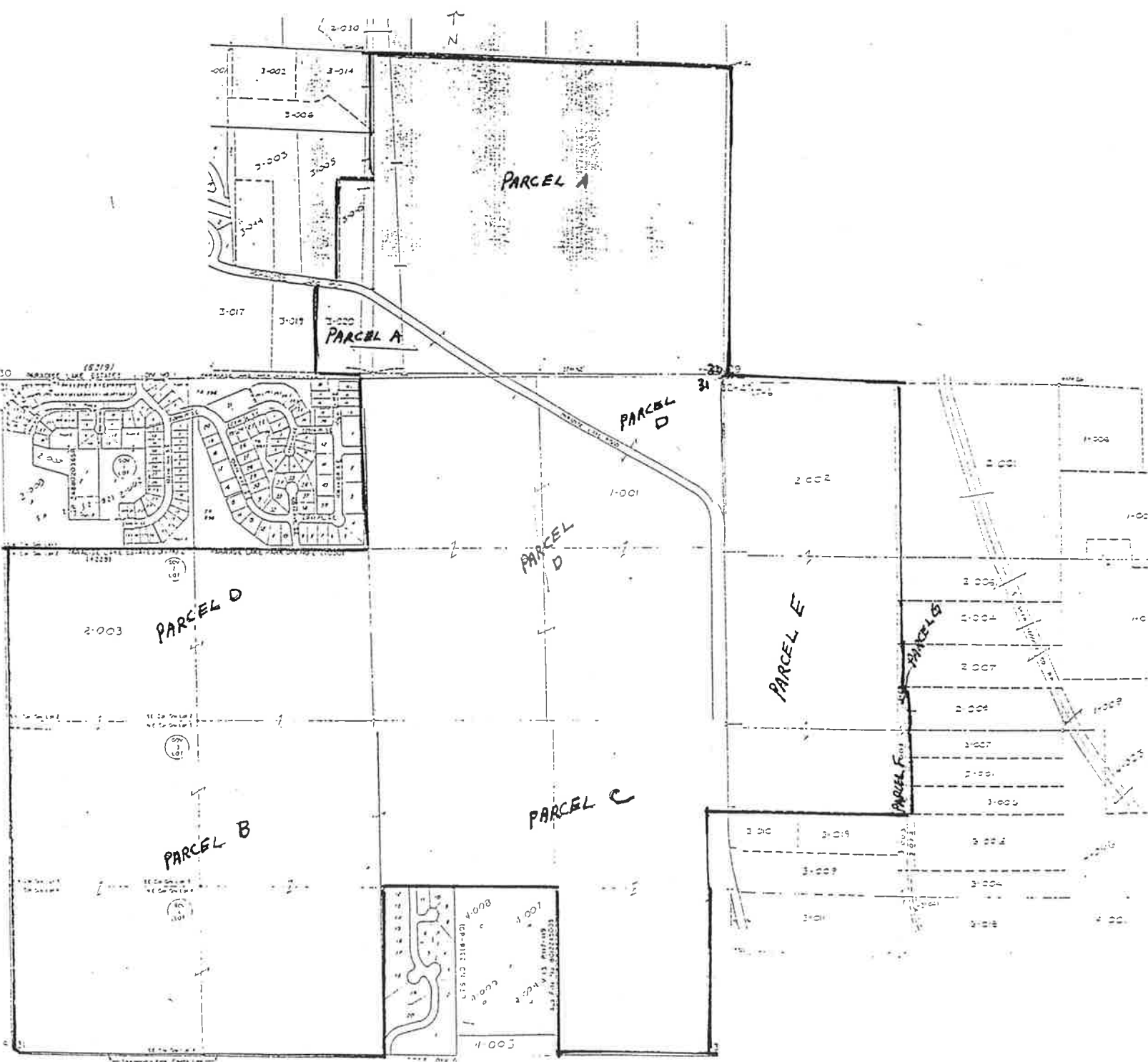
**AND EXCEPT** COUNTY ROAD.

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

**EXHIBIT B**

**SITE MAP**

(attached)



## **EXHIBIT C**

### **PERMITTED EXCEPTIONS FEE, TIMBER RIGHTS and OPTION PROPERTY**

The following are Permitted Exceptions as used in this Agreement which may appear on the face of any deed as an exception, reservation or other limitation on the Seller's warranties:

1) exceptions numbered 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 in the preliminary commitment of Title Insurance prepared by Chicago Title Insurance Company dated August 20, 1999.

2) Seller's reserved rights provided in this Agreement.

**EXHIBIT D**

**RIGHT TO FARM AND RIGHT TO PRACTICE FORESTRY DISCLOSURES**

(attached)

JUL-10-2000 11:29

STOKES LAWRENCE, PS

P.02/05

32.15.040

**Snohomish County Code**

tion of seed, fertilizers, conditioners, and plant protection products; employment and use of labor; roadway movement of equipment and livestock; protection from damage by wildlife; prevention of trespass; construction and maintenance of buildings, fences, roads, bridges, ponds, drains, waterways, and similar features and maintenance of streambanks and watercourses; and conversion from one agricultural activity to another.

(3) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, or livestock, and that has long-term commercial significance for agricultural production.

(4) "Building permit" means a permit issued under Title 17 SCC, except permits for group U occupancies, plumbing and mechanical.

(5) "Designated farmland" means any land designated as agricultural land pursuant to RCW 36.70A.070(1) by Snohomish County council Motion 93-145, land zoned agricultural 10-acre in the zoning code, and land designated agricultural land of primary importance in the agricultural preservation plan.

(6) "Development permit" means a permit requiring discretionary review, including but not limited to subdivision approval, short plat approval, planned residential development approval, special use permit, shoreline substantial development permit, and a conditional use permit.

(7) "Farm" means the land, building, freshwater ponds, freshwater culturing and growing facilities, and machinery used in the commercial production of farm products.

(8) "Farm product" means those plants and animals useful to humans and includes, but is not limited to, forages and sod crops, dairy and dairy products, poultry and poultry products, livestock, including breeding, grazing, and recreational equine use, fruits, vegetables, flowers, seeds, grasses, trees, freshwater fish and fish products, apiaries, equine and other similar products, or any other products which incorporates the use of food, feed, fiber, or fur.

(9) "Person" means an individual, corporation, partnership, association, or other legal entity. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993; Amended Ord. 95-051, § 1, July 10, 1995, Eff date July 10, 1995; Amended Ord. 95-111, § 103, Jan. 10, 1996, Eff date Jan 28, 1996).

**32.15.030 Agricultural activities — Presumed reasonable and not a nuisance.**

Agricultural activities conducted on designated farmlands in compliance with acceptable agriculture practices and established prior to surrounding non-agricultural activities are presumed to be reasonable and shall not be found to constitute a nuisance unless the activities have a substantial adverse effect on the public health and safety. Nothing in this chapter shall affect or impair any right to sue for damages. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).

**32.15.040 Circumstances for notice and disclosure.**

The disclosure text set forth in SCC 32.15.050 shall be used under the following circumstances and in the following manners:

(1) Within 90 days of the effective date of this chapter, and each three years after the effective date, Snohomish county shall mail a copy of the disclosure text in SCC 32.15.050, with an explanatory informational attachment to owners of designated farmland and real property within approximately 1,300 feet of designated farmland. Seven years after the effective date of this chapter, the planning commission shall evaluate the effectiveness of this notification method and recommend to the county council its retention, modification or deletion;

(2) Development permits and building permits for land designated farmland or land adjacent to or within 1,300 feet of designated farmland shall include the disclosure text in SCC 32.15.050 on the final development or building permit in a location determined by the community development director. Said disclosure notice shall apply to the real property which is subject to the development or building permit as of the date of development or building permit approval and may not be applicable thereafter if areas designated farmland are changed from the farmland designation;

(3) Prior to the closing of a transfer of real property designated farmland, or real property adjacent to or within 1,300 feet of designated farmland, by sale, exchange, gift, real estate contract, lease with option to purchase, any other option to purchase or any other means of transfer (except transfers made by testamentary provisions or the laws of descent), the transferor shall provide the transferee a copy of the disclosure text in SCC 32.15.050 and shall record with the county auditor a copy of the same showing an acknowledgment of receipt executed by the transferee in a form prescribed by the director of community

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STOKES LAWRENCE, PS

P.03/05

**32.15.050**

development. The form of the acknowledged disclosure text shall include a statement that the disclosure notice applies to the subject real property as of the date of the transfer and may not be applicable thereafter if areas designated farmland are changed from the farmland designation.

(4) In no case shall liability attach to Snohomish county for any actions, error or omissions of any person subject to the requirements of this section. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).

**32.15.050 Disclosure text.**

The following shall constitute the disclosure required by this section:

Your real property is within, adjacent to, or within 1,300 feet of designated farmland; therefore, you may be subject to inconveniences or discomforts arising from agricultural activities, INCLUDING BUT NOT LIMITED TO NOISE, ODORS, FUMES, DUST, SMOKE, THE OPERATION OF MACHINERY OF ANY KIND (INCLUDING AIRCRAFT), THE STORAGE AND DISPOSAL OF MANURE, THE APPLICATION BY SPRAYING OR OTHERWISE OF CHEMICAL OR ORGANIC FERTILIZERS, SOIL AMENDMENTS, HERBICIDES AND PESTICIDES, HOURS OF OPERATION, AND OTHER AGRICULTURAL ACTIVITIES. Snohomish county has adopted a Right to Farm Ordinance which may affect you and your land. A copy of said ordinance, chapter 32.15 SCC, may be obtained from Snohomish county.

Agricultural activities conducted on designated farmlands in compliance with acceptable agriculture practices and established prior to surrounding non-agricultural activities are presumed to be reasonable and shall not be found to constitute a nuisance unless the activities have a substantial adverse effect on the public health and safety.

This disclosure applies to the real property which is subject to a development or building permit as of the date of the development or building permit approval or, in the case of real property transfers, the disclosure applies to the subject property as of the date of the transfer. This disclosure may not be applicable thereafter if areas designated farmland are changed from the farmland designation.

Nothing in chapter 32.15 SCC shall affect or impair any right to sue for damages. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).

**32.15.060 Severability.**

If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, it shall not affect the remaining portions of the chapter. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).

**32.15.070 Effective date.**

This chapter shall be effective on October 15, 1993. The disclosure provisions of SCC 32.15.040 and 32.15.050 shall apply to all building and development permit applications and real property transfer transactions which occur on and after January 15, 1994. (Added Ord. 93-040, Aug. 4, 1993, Eff date Oct. 15, 1993).

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STOKES LAWRENCE, PS

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**Snohomish County Code****32.20.040**

authority provided by chapter 76.09 RCW, associated with continued management of forest lands for forest products and excluding those forest practices associated with the conversion of forest land to a non-forest use except for those areas that are reforested to acceptable stocking levels as defined by WAC 222-34. Municipal sewage sludge application to forest lands shall not be considered a forest management activity under this chapter.

(3) "Building permit" means a permit issued under Title 17 SCC, except permits for Group M Occupancies, plumbing and mechanical.

(4) "Development permit" means a permit requiring discretionary review, including but not limited to subdivision approval, short plat approval, planned residential development approval, special use permit, shoreline substantial development permit, and a conditional use permit.

(5) "Person" means an individual, corporation, partnership, association, or other legal entity. (Added Amended Ord. 93-083, Oct. 11, 1993; Amended ord. 95-052, § 1, July 10, 1995, Eff date July 10, 1995).

**32.20.030 Forest management activities -  
Presumed reasonable and not a  
nuisance.**

Forest management activities conducted on designated forest land in compliance with best management practices as defined by the current Washington forest practices rules and regulations (Title 222 WAC) and in compliance with Washington's pesticides regulations (WAC 16-228-185(5)), and established prior to surrounding non-forestry activities, are presumed to be reasonable and shall not be found to constitute a nuisance unless the activity has a substantial adverse effect on the public health, safety and/or environment.

Nothing in this section shall affect or impair any right to sue for damages. (Added Amended Ord. 93-083, Oct. 11, 1993).

**32.20.040 Circumstances for notice and  
disclosure.**

(1) The disclosure text set forth in SCC 32.20.050 shall be used under the following circumstances and in the following manners:

(a) Within 90 days of the effective date of this chapter and each three years after the effective date, Snohomish county shall mail a copy of the disclosure text in SCC 32.20.050, with an explanatory informational attachment to owners of designated forest land and real property within

approximately 300 feet of designated forest land. Seven years after the effective date of this chapter, the planning commission shall evaluate the effectiveness of this notification method and recom-



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STOKES LAWRENCE, PS

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**Snohomish County Code****32.20.060**

mend to the county council its retention, modification or deletion.

(b) Development permits and building permits for land designated forest land or land adjacent to or within 300 feet of designated forest land shall include or have attached the disclosure text in SCC 32.20.050 on the final development or building permit in a location determined by the community development director. Said disclosure notice shall apply to the real property which is subject to the development or building permit as of the date of development or building permit approval and may not be applicable thereafter if areas designated forest land are changed from designated forest land.

(c) Prior to the closing of a transfer of real property designated forest land or real property adjacent to or within 300 feet of designated forest land, by sale, exchange, gift, real estate contract, lease with option to purchase, any other option to purchase or any other means of transfer (except transfers made by testamentary provisions or the laws of descent), the transferor shall provide the transferee a copy of the disclosure text in SCC 32.20.050 and shall record with the county auditor a copy of the same showing an acknowledgment of receipt executed by the transferee in a form prescribed by the director of community development. The form of the acknowledged disclosure text shall include a statement that the disclosure notice applies to the subject real property as of the date of the transfer and may not be applicable thereafter if areas designated forest land are changed from designated forest land.

(2) In no case shall liability attach to Snohomish county for any actions, errors or omissions of any person subject to the requirements of this section. (Added Amended Ord. 93-083, Oct. 11, 1993).

**32.20.050 Disclosure text.**

The following shall constitute the disclosure required by this section:

The real property subject to this notice is designated forest land or land adjacent to or within 300 feet of designated forest land on which a variety of forest management activities could occur that may not be compatible with residential development for certain periods of limited duration. These forest management activities include, but are not limited to, timber harvest, road and trail construction, the operation of machinery, trucks and aircraft, brush control, slash

burning, the application by spraying of forest chemicals and other forest management activities, which activities are lawful if conducted in compliance with Title 222 WAC.

In addition, forest management activities may cause physical and aesthetic risks to residences and other structures within 200 feet of forest lands including falling timber and increased fire hazard. Due to these risks, Snohomish County encourages landowners to locate structures at least 200 feet from adjacent forest land boundaries.

Snohomish county has adopted a Right to Practice Forestry Ordinance (Chapter 32.20 SCC) which provides in part, that "Forest management activities conducted on designated forest land in compliance with best management practices as defined by the current Washington Forest Practices Rules and Regulations (Title 222 WAC), and Washington's Pesticide Regulations (WAC 16-228-185(5)), are presumed to be reasonable and shall not be found to constitute a nuisance unless the activity has a substantial adverse effect on the public health, safety and/or environment." A copy of Chapter 32.20 SCC may be obtained from Snohomish County.

This disclosure applies to the real property which is subject to a development or building permit as of the date of the development or building permit approval or, in the case of real property transfers, the disclosure applies to the subject property as of the date of the transfer. This disclosure may not be applicable thereafter if areas designated forest land are changed from designated forest land.

Nothing in chapter 32.20 SCC shall affect or impair any right to sue for damages. (Added Amended Ord. 93-083, Oct. 11, 1993).

**32.20.060 Exemption from special benefit assessments.**

Forest land designated and classified pursuant to chapter 84.33 RCW shall be entitled to the exemption from special benefit assessments provided by RCW 84.33.210. (Added Amended Ord. 93-083, Oct. 11, 1993).

## **EXHIBIT E**

### **DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS**

This declaration is made this date by Snohomish County, a political subdivision of the State of Washington, which is the owner of present or future interests in that certain real property located in Snohomish County, Washington, commonly known as the Lloyd Family Farmstead property, more particularly described on the attached Exhibit A and incorporated herein by this reference.

Snohomish County finds that the Lloyd Family Farmstead property possesses ecological, historical and open space features, including a historic homesite, important to present and future citizens of Snohomish County and meets the criteria for open space land provided for in RCW 84.34.200. The purpose of this declaration is to ensure that the Lloyd Family Farmstead property be retained forever predominantly in its open space and historical condition and to prevent any use of the property that will significantly impair or interfere with the open space, wildlife habitat, and historical values of the property.

Snohomish County hereby declares that all of the real property described in Exhibit A shall be held, sold, and conveyed subject to the following restrictions, covenants, and conditions, which shall inure to the benefit of the public and be enforceable on behalf of the public by Cascade Land Conservancy, a Washington nonprofit corporation, or its successor, through injunction or demand for specific performance, and shall burden the real property described in Exhibit A and shall pass with the property and each and every lot therein, and shall bind the owners of the property and owners of each and every lot therein, their legal representatives, grantees, heirs, successors and assigns, in perpetuity:

1. The historic homesite on the subject property, in particular the cabin, shall be reasonably maintained and preserved in its current and historic condition; provided, however, that the owner of the subject property has no duty of replacing the cabin should it be significantly damaged or destroyed through fire, flood or other act of nature.
2. Any use or activity on the subject property or improvements to the subject property shall be limited to those which are passive in nature and meet the requirements and intent of RCW 84.34.200-.220. Passive improvements include, but are not limited to, trails, interpretive centers, viewpoints, picnicking facilities, access, restrooms, and landscaping. Active recreational development includes, but is not limited to, ball fields, use by motorized vehicles, playgrounds, swimming pools, and recreation centers, and is not allowed.
3. Any new utility lines installed on the subject property shall be located underground.
4. Any use or activity on the subject property that causes or is likely to cause significant surface alteration (such as excavation or removal of minerals), soil degradation or erosion, or significant pollution of any surface or subsurface waters is not allowed.

5. The draining, filling, dredging, or diking of the wetland areas on the subject property is not allowed; provided, however, that activities that directly support the restoration of habitat for species native within the Bear Creek basin, and performed in conformance with all applicable laws, are allowed.
6. The forested areas of the subject property, in which Snohomish County owns timber rights either as of the date of this Declaration or thereafter, shall be maintained in a manner that protects soil stability and water quality and promotes wildlife habitat. The clear-cutting or high-grading of trees located on the subject property is not allowed.
7. The dumping or disposal of wastes, refuse and debris on the subject property is not allowed.

IN WITNESS WHEREOF, Snohomish County has executed this Declaration this \_\_\_\_ day of \_\_\_\_\_, 2000.

SNOHOMISH COUNTY

\_\_\_\_\_  
Ronald Martin, Director, Parks and Recreation

Acknowledged:

\_\_\_\_\_  
Cascade Land Conservancy

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

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

Exhibit A to Exhibit E

"Fee Property"

PARCEL A:

THAT PORTION OF THE E ½ OF THE E ½ OF THE SE ¼ OF THE SW ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., LYING SOUTH OF COUNTY ROAD, AND ALL OF THE SE ¼ OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

EXCEPT COUNTY ROAD, WITH THE S ¼ CORNER OF SAID SECTION BEING 2844.64 FEET EAST OF THE SW CORNER OF SAID SECTION 30 AND 2741.82 FEET WEST OF THE SE CORNER OF SAID SECTION 30, AS PER CORRECTED JUDGEMENT AFTER APPEAL ENTERED JUNE 18, 1971, UNDER SNOHOMISH COUNTY SUPERIOR COURT CASE NUMBER 91943.

PARCEL B:

NE ¼ OF SW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

PARCEL C:

THE N ½ OF THE SE ¼ AND THE SE ¼ OF THE SE ¼, ALL IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

PARCEL D:

THE NE ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M. AND GOVERNMENT LOT 2 AND THE SE ¼ OF THE NW ¼ OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT COUNTY ROAD.

**SUBJECT TO** A LIFE ESTATE IN THAT PORTION OF PARCEL D DEFINED AS THE NE ¼ OF THE NE ¼ OF SECTION 31 LYING SOUTH AND WEST OF PARADISE LAKE ROAD AND NORTH 330 FEET OF SE ¼ OF NE ¼ OF SECTION 31.

PARCEL E:

THE W ½ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.; EXCEPT THE COUNTY ROAD; AND

TOGETHER WITH THE N ½ OF THE NW ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

EXCEPT THE COUNTY ROAD.

PARCEL F:

BEGINNING AT THE SW CORNER OF THE SE ¼ OF THE NW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

THENCE NORTH 89° 14' 10" EAST ALONG THE EAST AND WEST CENTERLINE OF SAID SECTION 32 FOR 66.74 FEET;  
THENCE NORTH 2°11'48" WEST FOR 68.38 FEET;  
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND SUBTENDING AN ANGLE OF 28°48'12" FOR A DISTANCE OF 175.66 FEET;  
THENCE NORTH 31°00' WEST FOR 42.92 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE SE ¼ OF THE NW ¼;  
THENCE SOUTH 1°36'35" EAST ALONG SAID WEST LINE FOR 272.70 FEET TO POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF THE NORTH 660 FEET OF THE NE ¼ OF THE SW ¼ OF SECTION 32, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NW CORNER OF THE NE ¼ OF THE SW ¼;  
THENCE SOUTH 1°36'35" EAST ALONG THE WEST LINE OF SAID NE ¼ OF THE SW ¼ FOR 660.09 FEET;  
THENCE NORTH 89°14'10" EAST FOR 76.50 FEET;  
THENCE NORTH 2°11'48" WEST FOR 660.21 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 89°14'10" WEST FOR 66.74 FEET TO THE POINT OF BEGINNING.

PARCEL G:

A PORTION OF THE SE ¼ OF THE NW ¼ AND A PORTION OF THE NE ¼ OF THE SW ¼, ALL IN SECTION 32, TOWNSHIP 27, RANGE 6 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NE CORNER OF SAID NE ¼ OF THE SW ¼;  
THENCE SOUTH 1°34'00" EAST ALONG THE EAST LINE THEROF FOR 660.06 FEET TO THE SOUTH LINE OF THE NORTH 660.0 FEET OF SAID NE ¼ OF THE SW ¼;

THENCE SOUTH 89°14'10" WEST ALONG THE SOUTH LINE THEROF FOR 1208.10 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUE SOUTH 89°14'10" WEST FOR 30.01 FEET;  
THENCE NORTH 2°11'48" WEST FOR 728.59 FEET;  
THENCE ON A CURVE TO THE LEFT HAVING A RADIUS OF 349.42 FEET AND CONSUMING A CENTRAL ANGLE OF 28°48'12" FOR 175.66 FEET;  
THENCE NORTH 31°00'00" WEST FOR 42.92 FEET TO THE WEST LINE OF SAID SE ¼ OF THE NW ¼;  
THENCE NORTH 1°36'35" WEST ALONG THE WEST LINE THEROF FOR 61.14 FEET;  
THENCE SOUTH 31°00'00" EAST FOR 96.21 FEET;  
THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 379.42 FEET AND CONSUMING AN ANGLE OF 28°48'12" FOR 190.74 FEET;  
THENCE SOUTH 2°11'48" EAST FOR 729.34 FEET TO THE TRUE POINT OF BEGINNING;

**EXCEPT** ALL TIMBER WITHIN PARCEL A1 AS DEFINED BELOW:

THAT PORTION OF PARCEL B DESCRIBED AS NE  $\frac{1}{4}$  OF SW  $\frac{1}{4}$  OF SECTION 31,  
TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.

THAT PORTION OF PARCEL C DESCRIBED AS N  $\frac{1}{2}$  OF SE  $\frac{1}{4}$  AND SE  $\frac{1}{4}$  OF SE  $\frac{1}{4}$ , ALL  
IN SECTION 31, TOWNSHIP 27 NORTH, RANGE 6 EAST, W.M.;

**EXCEPT** COUNTY ROAD.

THAT PORTION OF PARCEL D DESCRIBED AS S  $\frac{1}{2}$  OF NE  $\frac{1}{4}$ , SE  $\frac{1}{4}$  OF NW  $\frac{1}{4}$ ,  
GOVERNMENT LOT 2, AND NW  $\frac{1}{4}$  OF NE  $\frac{1}{4}$  OF SECTION 31, TOWNSHIP 27 NORTH,  
RANGE 6 EAST, W.M.,

**EXCEPT** THE NORTH 292 FEET OF NW  $\frac{1}{4}$  OF NE  $\frac{1}{4}$ ,

**EXCEPT** THE NORTH 330 FEET OF SE  $\frac{1}{4}$  OF NE  $\frac{1}{4}$ ,

**AND EXCEPT** COUNTY ROAD.

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

**EXHIBIT F**

**MEMORANDUM OF OPTION**

**GRANTOR:** \_\_\_\_\_

**GRANTEE:** \_\_\_\_\_

**Legal Description:** \_\_\_\_\_

**Assessor's Property Tax Parcel/Account Number:** \_\_\_\_\_

**Reference Number of Related Document:** \_\_\_\_\_

This Memorandum of Option Agreement, dated as of the \_\_\_\_ day of \_\_\_\_\_  
2000, is between \_\_\_\_\_ ("Buyer") and  
\_\_\_\_\_ ("Seller").

1. Property. Seller has granted Buyer an option to purchase property described in Exhibit 1, attached, pursuant to that certain Bargain Sale Real Estate Purchase and Sale Agreement With An Option To Purchase entered into between Buyer and Seller, dated \_\_\_\_\_, 2000 (the "Purchase and Sale Agreement").

2. Purpose. This Memorandum of Option Agreement is for purposes of recordation and in no way modifies the Purchase and Sale Agreement.

3. Expiration. The Option expires on or before \_\_\_\_\_  
unless specifically extended by the parties by subsequent recorded memorandum of option agreement.

IN WITNESS of the foregoing provisions, the parties have signed this Memorandum of Option Agreement below: