Mitigation Agreement

THIS MITIGATION AGREEMENT is entered into this 6th day of October, 2010 by and between BD VILLAGE PARTNERS, LP, a Washington limited partnership, and BD LAWSON PARTNERS, LP, a Washington limited partnership (collectively "Owner"); and the CITY OF MAPLE VALLEY, a Washington municipal corporation ("Maple Valley").

RECITALS

WHEREAS, Owner owns the real property in Black Diamond, Washington which is more particularly described on Exhibit A attached hereto (the "Property").

WHEREAS, Owner has applied for and received approval from the City of Black Diamond, pursuant to Ordinances Nos. 10-946 and 10-947, to construct two Master Planned Developments on the Property, which developments are commonly known as The Villages and Lawson Hills (the "MPDs").

WHEREAS, traffic generated by the MPDs will utilize roads in Maple Valley.

WHEREAS, Maple Valley is concerned the traffic from the MPDs will cause unacceptable degradation of the levels of service on Maple Valley roads, and was prepared to file an appeal of the MPD permits had this Agreement not been reached.

WHEREAS, Owner desires to mitigate adverse impacts from the traffic from the MPDs and to avoid Maple Valley appeals of the approvals for the MPDs, the development agreements for the MPDs, and any implementing approvals for the MPDs.

NOW THEREFORE, the parties agree as follows:

AGREEMENTS

1. **Contribution to Transportation Projects.** Owner shall pay Maple Valley a certain percentage share of the cost of the transportation projects on Exhibit B attached hereto (the "Projects"). Owner's percentage share of the cost of each of the Projects is set forth in the column on Exhibit B titled Percentage Payment by Owner ("Owner's Share"). Owner's obligation to pay Owner's Share to Maple Valley shall be applied to the costs of acquiring necessary right-of-way ("ROW") for the Projects, designing the Projects, and constructing the Projects. Owner's obligation to pay Owner's Share of the cost of constructing each Project is triggered by the City of Black Diamond's issuance of the specified number of dwelling unit building permits (regardless of type) set forth in the column entitled "Dwelling Unit Trigger" on Exhibit B (the "Dwelling Unit Trigger"). For example, if a building permit is issued for a 100-unit apartment building, this shall be counted as 100 dwelling units for purposes of the Dwelling Unit Trigger. While the parties have agreed to use Dwelling Unit Trigger for timing of payment, all non-residential uses have been factored into the traffic impact analysis that generated Exhibit B, so building permits for non-residential uses are not counted for purposes of determining Owner's obligations under this Agreement. Building permits for Accessory Dwelling Units (ADUs) shall be counted toward the Dwelling Unit Trigger, provided that building permits for the first 200 ADUs shall not count toward the Dwelling Unit Trigger. For the purposes of this Agreement, "Accessory Dwelling Unit" means a second dwelling unit

either attached to or located on a lot occupied by an owner-occupied single family dwelling. An ADU provides a separate and completely independent dwelling unit with facilities for cooking, sanitation and sleeping and has a separate and independent entry/exit other than the one utilized for the primary residence. An ADU shall not exceed 50% of the size of the primary dwelling on the lot or 800 square feet, whichever is less. "Owner occupancy" means a property owner, as reflected in the real estate tax rolls, who makes his or her legal residence at the subject lot, as evidenced by voter registration, vehicle registration, or similar means, and actually resides upon the lot more than six months out of any given year.

A. Project Scope. Owner's Share obligations under this Agreement for design, ROW, or construction costs shall be based solely and exclusively on and be limited to the scope of the Projects set forth in the column entitled "Project Scope" on Exhibit B (the "Project Scope"). Maple Valley may, at its sole discretion, elect to design, purchase ROW, and construct projects that encompass more or less improvements than described for a given Project on Exhibit B. If Maple Valley constructs less than the Project Scope of a particular Project, Owner's Share shall apply to the actual costs of the portion of the Project actually constructed and to the Official Mitigation Estimate of the portion of the Project not constructed. This effectively allows Maple Valley to construct any Project in phases and/or to only construct a portion of a Project and to apply Owner's Share of the unconstructed portion to another Project. If Maple Valley designs a larger project, purchases right of way that would not be necessary for the Project Scope or constructs more than the Project Scope of a particular project, Maple Valley actual costs shall be apportioned such that Owners Share only applies to the portion of the actual costs that would have been incurred if

Maple Valley had limited the Project Scope to that set forth on Exhibit B.

i. Corporate Limits. Project Scope for all Projects on Exhibit B shall only include improvements within the corporate limits of Maple Valley. In no circumstance, shall Maple Valley require Owner to make Project improvements or pay for portions of Projects outside Maple Valley's city limits.

2. Design Standards for Projects. The Projects shall be designed consistent with the applicable Maple Valley and/or WSDOT design standards in effect at the time the Project is designed. If the Project design exceeds the applicable standards, the cost of the Project attributable to the elective additional design features shall not be included in the Project cost for purposes of calculating Owner's Share of the construction cost. Project costs shall include any necessary storm water facilities required for the road construction, but shall not include other utility costs, except for costs associated with relocating or undergrounding existing utilities to the extent required by applicable standards. If the applicable Maple Valley and/or WSDOT design standards require curb, gutter, lighting, sidewalk, bike lane, and/or other features, then those features shall be included in the Project cost for purposes of calculating Owner's Share.

3. Construction Cost and Construction Cost Estimates.

A. Actual Costs. If the payment for a Project's construction costs is triggered (*see* Paragraph 5(A) on timing of payment below) when actual construction costs are known, Owner's Share shall be applied against the actual costs of construction, including any construction contingency, change order costs, construction

management costs and permitting costs ("Owner's Actual Construction Cost Obligation").

B. Estimated Costs. If payment for a Project's construction costs is triggered before actual construction costs are known, the dollar value of Owner's Share shall be calculated based on Maple Valley's estimate of construction costs, and the estimate shall not include any construction contingency budget or any share of relocation and/or undergrounding cost obligation that is borne by a utility or franchisee. This estimate shall be referred to as the Official Mitigation Estimate and shall be distinguished from any estimate that Maple Valley might prepare for internal planning purposes (the "Official Mitigation Estimate").

C. Reconciliation. If the Project for which Owner paid Owner's Share based upon the Official Mitigation Estimate is later built within the duration of this Agreement, the dollar value of Owner's Share of construction costs shall be reconciled after construction of the Project is completed to reflect the actual costs of construction and Maple Valley shall give Owner notice of final reconciliation of construction costs (the "Reconciled Cost"). Maple Valley shall refund to Owner any overpayment by Owner within sixty (60) days after notice that the Reconciled Cost is completed. Owner shall pay to Maple Valley any underpayment by Owner within sixty (60) days after notice that the Reconciled Cost is completed. No interest charges shall be applied to such Reconciled Cost amounts. If Owner makes a payment for a Project based upon an Official Mitigation Estimate and that Project is built after this Agreement has expired, there will be no reconciliation of the Owner's share of the construction costs.

D. Timing of Estimate. For purposes of this Agreement, the Official Mitigation Estimate, together with the plans and specifications upon which the estimate was based for any Project may be delivered to Owner before the Dwelling Unit Trigger for that Project is reached if the quarterly accounting projections prepared by Owner as described in Paragraph 7 below indicate that the Dwelling Unit Trigger is likely to be reached during the upcoming six-month period. If the Dwelling Unit Trigger is reached before Maple Valley has sent Owner the Official Mitigation Estimate, Maple Valley may opt to defer sending an invoice for the triggered Project, provided it provides notice to Owner of such deferral, until it has a construction cost estimate that it is likely to obtain in the ordinary course of business, e.g., the pre-bid estimate that Maple Valley would typically obtain before sending a project out to bid. Maple Valley may then designate the pre-bid or other estimate as the Official Mitigation Estimate and require payment from Owner within sixty (60) days of providing the Official Mitigation Estimate to Owner consisting of the pre-bid or any other estimate obtained in Maple Valley's ordinary course of business.

4. Resolution of Cost Disputes.

A. Project Scope. Owner may dispute Maple Valley's calculation of Owner's Share of design costs, ROW costs, or constructions costs (i.e., Owner's Actual Construction Cost Obligation, Reconciled Cost, or Official Mitigation Estimate) based on use of the wrong Project Scope. For example, if Maple Valley determines that the second northbound turn lane for Project C should be 500 feet long instead of 300 feet (as called for in Exhibit B), Owner shall not be responsible for any costs (inclusive of design,

ROW, or construction) associated with the additional 200 feet of turn lane. In the event Owner disputes Maple Valley's application of Owner's Share based on Project Scope, the parties shall utilize the following procedure to resolve the dispute:

i. Within ten (10) business days after receipt of disputed payment notice, Owner shall request a meeting with Maple Valley to discuss Project Scope. Parties shall meet and confer within ten (10) business days to see if they can reach agreement regarding Project Scope for purposes of applying Owner's Share to design, ROW purchase, and/or construction costs. If parties reach agreement, then Owner's Share shall be based on the agreed Project Scope.

ii. If parties cannot reach agreement, then parties agree to retain a mutually acceptable third party mediator to help the parties reach agreement on a given Project Scope. Costs for the third party mediator shall be shared equally among the parties. If the mediator cannot resolve the dispute then either party may sue for monetary damages.

The parties shall attempt to resolve Project Scope issues first. If the parties are unable to resolve Project Scope issues pursuant to the process set forth in this Agreement, then Owner shall pay to Maple Valley any disputed amount under protest so that Maple Valley's design or construction of a Project will not be delayed by failure to resolve Project Scope issues first.

B. Actual Construction Costs.

i. Except for any Projects that have already been constructed or published for bid prior to the date of this Agreement, Maple Valley will provide Owner with a complete set of proposed plans and specifications for each Project thirty (30) days before Maple Valley intends to publish the availability of plans and specifications to proposed bidders. Owner shall have ten (10) days to propose changes to Maple Valley's proposed plans and specifications. Maple Valley shall not be obligated to accept Owner's proposed changes and if Maple Valley does not accept Owner's proposed changes, Owner shall not have right to dispute Owner's Actual Construction Cost Obligation on the basis of Maple Valley's rejection of Owner's proposed changes.

ii. Owner shall have the right to dispute Owner's Actual Construction Cost Obligation to the extent that Owner alleges that the Project Scope has been exceeded (see example in subparagraph A above) and shall be resolved pursuant to subparagraph A above.

iii. Owner shall have the right to dispute Owner's Actual Construction Cost Obligation to the extent the Project has been designed in excess of the requirements of applicable standards. An example of designing beyond requirements of applicable standards would be if the standards required a six-foot wide bike lane and Maple Valley constructed a ten-foot wide bike lane.

iv. As a general rule, Owner shall not have the right to dispute Owner's Actual Construction Cost Obligation and shall pay Maple Valley the Owner's Actual

Construction Cost Obligation, subject to the following strictly limited bases for disputing Maple Valley's actual costs which are collectively referred to as the "Permissible Bases for Disputing Actual Costs": a) errors in accounting of Maple Valley's actual costs; b) failure by Maple Valley to reduce total Project costs for grant funding Maple Valley received for a particular Project; c) failure to reduce total Project costs for payments received from a utility or franchisee pursuant to a tariff or franchise; d) Project Scope in excess of that set forth in Exhibit B (see paragraph 4.B.ii, above, in which case the procedures set forth in subparagraph 4.A shall be followed); e) construction in excess of applicable Maple Valley and/or WSDOT standards (see paragraph 4.B.iii, above); f) failure by Maple Valley to comply with the procedures specified in subparagraph 4.B.i (in which case Owner shall have the right to bring challenges that could otherwise have been brought by Owner had Maple Valley complied with those procedures, unless Owner has actual notice at least thirty (30) days prior to publication of plans and specifications for proposed bidders); or g) noncompliance with any other express provision of this Agreement that relates to actual costs. As an example, and not by way of limitation, Owner shall not have the right to dispute Owner's Actual Construction Cost Obligation on the basis of inefficient construction, methods of construction, and/or construction in conformance with the specifications previously provided to Owner by Maple Valley or as modified by agreement of the parties.

v. If Owner alleges one or more Permissible Bases for Disputing Actual Costs, the parties shall utilize the following procedure to resolve the dispute:

a. Owner shall prepare a summary of its cost disputes regarding Owner's Actual Construction Cost Obligation, consistent with WSDOT and/or Maple Valley standards, and deliver it to Maple Valley within thirty (30) days after receipt of an invoice for Owner's Actual Construction Cost Obligation from Maple Valley. The parties shall meet and confer within ten (10) business days after receipt by Maple Valley of Owner's dispute summary to see if they can reach agreement on the amount of the Owner's Actual Construction Cost Obligation. If the parties cannot reach agreement, then the parties shall retain a mutually agreed upon third-party arbitrator. The cost of such third party arbitrator shall be borne solely by Owner. The arbitrator shall establish further procedures for resolving the dispute and shall ultimately make the final determination as to whether Owner's dispute is valid. Owner shall bear the burden of proof in any such arbitration of a dispute regarding Owner's Actual Construction Cost Obligation.

C. Reconciled Cost. As a general rule, Owner shall not have the right to dispute the Reconciled Cost. In the event Owner disputes the Reconciled Cost for a Project on any basis allowed under paragraph 4.B above, the parties shall utilize the procedures set forth in subparagraph 4.B above to resolve the dispute.

D. Construction Cost Estimates. If Owner accepts the Official Mitigation Estimate, Owner shall pay Maple Valley based on the Official Mitigation Estimate. In the event Owner disputes the Official Mitigation Estimate for a Project, the

parties shall utilize the following procedure to resolve the dispute:

i. Owner shall prepare its own Project construction estimate, consistent with WSDOT and/or Maple Valley standards, and deliver it to Maple Valley within thirty (30) days after receipt of the Official Mitigation Estimate. If Owner's estimate is greater than ninety percent of the Official Mitigation Estimate, then Owner shall pay Maple Valley based upon the Official Mitigation Estimate.

ii. If Owner's estimate is less than the Official Mitigation Estimate by ten percent (10%) or more, the parties shall meet and confer within ten (10) business days to see if they can reach agreement on the amount of the Project construction estimate. If the parties cannot reach agreement, then, within thirty (30) days of Maple Valley's receipt of Owner's estimate, the parties shall retain a mutually agreed upon third-party estimator to prepare a third estimate. The parties recognize that Maple Valley may be required to comply with public procurement procedures before retaining the agreed third party estimator. The third party estimator shall be directed to estimate the Project assuming that prevailing wages and other public bidding requirements apply. The third party estimator shall be provided with the Original Mitigation Estimate and Owner's estimate. Neither party shall engage in ex parte communications with the third party estimator.

iii. If the third-party estimate is within five percent (5%) of the mid-point between the Official Mitigation Estimate and Owner's estimate, then Owner shall pay

Maple Valley based upon the third party estimate and the parties shall split the cost of the third party estimate equally. If the third party estimate is not within five percent (5%) of the mid-point between the Official Mitigation Estimate and Owner's estimate, then Owner shall pay Maple Valley Owner's Share based upon the mid-point between the third party estimate and either the Official Mitigation Estimate or the Owner's estimate, whichever is closer to the third party estimate (the "Arbitrated Estimate"). The party whose estimate is farther from the third-party estimate shall pay all of the costs of the third-party estimator.

E. Payment Under Protest. Any time Owner disputes an invoice from Maple Valley for Owner's Share for any Project, Owner shall make such disputed payment in a timely manner, under protest, to Maple Valley according to the timeframes set forth in this Agreement. Following resolution of the dispute per the processes set forth in this Paragraph 4, Maple Valley shall refund any over payment to Owner within thirty (30) days of final resolution.

5. Timing of Payment for Transportation Improvements.

A. Timing of Payment for ROW and Design Costs. Owner shall pay Owner's share of ROW and design costs as those costs are incurred by Maple Valley, except as set forth below, within thirty (30) days after receipt of notice of such costs.

B. Timing of Payment for Construction Costs. Owner shall pay to Maple Valley Owner's share of the cost of constructing a particular Project once its given Dwelling Unit Trigger is reached. Owner's payment shall be due the later of: (i) five (5) business days after the issuance of

the building permit for the Dwelling Unit Trigger; (ii) or sixty (60) days after Maple Valley has delivered to Owner an invoice reflecting Owner's Actual Construction Cost Obligation or Owner's Share of the Official Mitigation Estimate. Owner shall not be allowed to defer payment in the event of a dispute over actual or estimated costs, but shall be entitled to make such payment to Maple Valley under protest. Upon completion of the dispute resolution procedures set forth in Paragraph 4 above, Maple Valley shall refund the difference within thirty (30) days, if any, between the amount paid under protest and the amount ultimately determined owed by Owner under that process.

C. Construction Prior to Dwelling Unit Trigger. If Maple Valley constructs any of the Projects prior to their associated Dwelling Unit Triggers, the Owner shall have no obligation to pay Owner's Share of the construction cost until the Dwelling Unit Trigger is reached. However, Owner's Share of the cost shall accrue interest at the Agreement Interest Rate, as defined in Paragraph 17 from the time the construction of the Project starts until the Owner pays its share of the construction cost. Notwithstanding the foregoing, Owner shall not be required to pay any interest on the T-7 portion of Project E even though the City is likely to construct the T-7 portion of Project E prior to the Dwelling Unit Trigger for Project E being reached. The T-7 portion of Project E is the Maple Valley transportation project titled T-7 in the 2010 Transportation Improvement Project.

D. Limited Option to Pre-pay Actual Costs to Avoid Interest. Owner shall have the option, in its sole discretion, to pay its share of the actual cost of construction of a Project prior to the time the Dwelling Unit Trigger for that Project is reached. This option to pre-pay shall only apply to

Projects or portions of Projects that have actually been constructed prior to the Dwelling Unit Trigger.

E. Owner Obligations Under Early Termination of MPDs. Owner has no obligation to pay for constructing any of the Projects on Exhibit B until the Dwelling Unit Trigger for the particular Project is reached. Under certain scenarios, the Dwelling Unit Trigger may not be reached during the duration of this Agreement. Owner has no obligation to pay for ROW and design costs incurred by Maple Valley after the duration of this Agreement.

F. Right of Way and Design Acquisition Costs. Owner shall pay Owner's Share of ROW acquisition costs and Project design costs when those costs are incurred by Maple Valley, even if the Dwelling Unit Trigger has not been reached, with the following exceptions:

i. Maple Valley shall defer invoicing Owner for Owner's share of any ROW or design costs for any Project until Black Diamond has issued the building permit for the 300th dwelling unit within the MPDs collectively.

ii. For the T-7 portion of Project E, Maple Valley shall not invoice the Owner for ROW or design costs until the Dwelling Unit Trigger for Project E has been reached.

iii. Maple Valley shall not invoice Owner for ROW and design costs for Projects C, G, H, I, and L until Black Diamond has issued the building permit for the 1200th dwelling unit in the MPDs collectively.

iv. Maple Valley shall not invoice Owner for ROW and design costs for Projects J and K until Black

Diamond has issued the building permit for the 2700th dwelling unit in the MPDs collectively.

v. Maple Valley shall not invoice Owner for ROW and design costs for Projects W and X until Black Diamond has issued the building permit for the 4200th dwelling unit in the MPDs collectively.

vi. For purposes of this Agreement, ROW acquisition costs shall include purchase price and/or just compensation amount, legal fees directly related to acquisition and/or condemnation of the ROW, appraisal fees directly related to acquisition and/or condemnation of the ROW, expert witness fees directly related to condemnation of the ROW, ROW agent fees directly related to acquisition and/or condemnation of the ROW, and relocation expenses directly related to acquisition and/or condemnation of the ROW.

G. Payment for Costs of Projects Y& Z.

i. Owner shall pay its share of design costs for Projects Y and Z when City has incurred the design costs, but only after Black Diamond has issued the building permit for the 300th dwelling unit in the MPDs collectively.

ii. When Maple Valley has acquired all of the ROW necessary for Project Z, Maple Valley can invoice Owner for Owner's share of the ROW cost for Project Z. Maple Valley shall not invoice Owner for ROW costs for Project Y until Maple Valley has acquired all of the ROW necessary for Project Z and Project Y.

iii. When Maple Valley is prepared to put Project Z out for bid, Maple Valley may invoice Owner for Owner's share of the cost of constructing Project Z, but only after Black Diamond has issued the building permit for the 1500th dwelling unit in the MPDs collectively. Maple Valley may not invoice Owner for Project Y construction costs unless Maple Valley is prepared to put Project Z out for bid and Maple Valley has either already constructed Project Y or is putting Project Y out for bid but only after Black Diamond has issued the building permit for the 1500th dwelling unit in the MPDs collectively.

6. **Use of Funds.** The payments made by Owner pursuant to this Agreement may be applied toward any Projects described on Exhibit B, subject to the following restrictions:

A. Maple Valley cannot use any funds paid by Owner for actual or estimated construction costs of the Projects toward Maple Valley's costs for ROW or design costs.

B. Funds paid by Owner for Projects Y and Z cannot be used on other Projects. Maple Valley can otherwise apply construction funds for any Projects toward any other Project(s). For example, Maple Valley would be entitled to apply Owner's payment of construction costs for Project E to Project Z.

C. If Maple Valley does not spend funds paid by Owner for any Official Mitigation Estimate for a given Project within five (5) years of the payment of the funds, then Maple Valley must repay those funds to Owner, with interest at the Agreement Interest Rate. The Official Mitigation Estimate shall be considered spent, for purposes of this paragraph, if it has been applied toward

another Project that was actually constructed within five (5) years of Maple Valley's receipt of those funds. If this Agreement expires before five (5) years has elapsed from any particular payment made by Owner, that payment need not be repaid and Owner agrees not to seek repayment from the City through any legal means.

D. Maple Valley may not use any funds paid by Owner for maintenance, road overlays, or any other purpose than the acquisition of ROW for the Projects, design of the Projects, or the construction of the Projects.

7. **Reporting.** In order to facilitate the implementation of the Agreement, the Owner and Maple Valley shall provide periodic reports to each other as follows:

A. Annually, on or before January 31 of each year, Maple Valley shall provide Owner with an accounting for the previous year indicating the Projects on which Maple Valley spent money contributed by Owner pursuant to this Agreement in order for Owner to verify the money was spent on one of the Projects; the money contributed by Owner was spent within five (5) years of the date paid; and that the money contributed by Owner was spent on the appropriate ROW acquisition, design, and Project construction. For any Project under construction, Maple Valley shall provide Owner with notice of any Project change orders and, when available, the estimated costs associated with the change orders.

B. Quarterly, on or before January 31, April 30, July 31, and October 31 of each year following issuance of the first dwelling unit building permit for the MPDs,

Owner shall submit to Maple Valley an accounting for the previous quarter showing the number of preliminary plat and final plat applications filed for the Property; the number of preliminary plat and final plat approvals issued for the Property, the number of building permits issued to date for dwelling units on the Property, the number of ADUs approved by building permit or otherwise, and the number of preliminary plats, final plats, and building permits projected to be approved in the subsequent quarter. Maple Valley has the right to require verification of this information from the City of Black Diamond. Maple Valley may use these projections as a basis for determining when to obtain construction cost estimates. If a Project's Dwelling Unit Trigger is reached between quarterly reports, Owner shall notify Maple Valley of that fact within ten (10) business days of the Dwelling Unit Trigger being reached.

8. Funding by Other Agencies. The parties shall work together to obtain state and federal grants and other funding to apply to the cost of the Projects. If either party obtains state or federal grant funding for all or a portion of any Project, the amount of the grant funding shall be subtracted from the total cost of the Project prior to determining the dollar value of Owner's share of the cost of the Project.

9. Construction of Projects by Owner. If the parties agree on timing, scope, and design, Owner may construct one or more of the Projects pursuant to engineering documents approval by Maple Valley. If Owner constructs a Project pursuant to this paragraph, any portion of Maple Valley's share of the cost of the Project not paid by Maple Valley shall be a credit, with interest at the Agreement Interest Rate, against Owner's share of future Projects, rather than a cash contribution from Maple Valley at the time Owner constructs the Project(s). If required, Owner shall comply with prevailing wage law. Maple Valley shall have

the same rights that Owner has under paragraph 4. B. to dispute actual costs, subject to the same burden of proof and cost obligations that Owner has in that paragraph.

10. Enforcement of Owner's Performance. In order to enforce Owner's performance of its obligations pursuant to the Agreement, Maple Valley may file a lawsuit for breach of this Agreement if Owner fails to fulfill its obligations under this Agreement. Maple Valley's right to enforce the terms of this Agreement shall not be subject to any requirements of the Land Use Petition Act ("LUPA"), Chapter 36.70C RCW, and Owner shall not assert that any such lawsuit for breach of this Agreement is subject to LUPA. Notwithstanding the appeal forbearance provisions contained in Paragraph 13, Maple Valley does not waive any rights it may have under LUPA, if there is a land use decision issued while Owner is alleged to be in breach of this Agreement. The parties expressly agree that Maple Valley may obtain an injunction that prevents future construction, including but not limited to construction of homes after final plats have been recorded within the MPDs until the breach of payment obligation has been cured; provided, however, if Owner pays the disputed amount to Maple Valley under protest, any injunction shall be lifted and Owner may proceed with development pending resolution of the dispute. Except for the property described in Exhibit C and except for any parcels conveyed to the Enumclaw School District, as long as no residential development is proposed on those parcels, Owner and Maple Valley agree to the following:

A. Owner and Maple Valley shall submit a joint letter to the Black Diamond City Council and Owner shall submit new and/or revised sections of the MPD development agreements requesting that the council insert into the development agreement for each MPD a provision stating that if Maple Valley files a lawsuit alleging breach of this Agreement and seeks injunctive relief, Black Diamond shall not issue any additional building permits for either MPD until that lawsuit is

resolved or Owner pays, under protest, the disputed amount to Maple Valley.

B. In the event Maple Valley files a lawsuit alleging nonpayment by Owner of amounts owed pursuant to this Agreement, Maple Valley shall have the right to file a lis pendens against any lots that have not been occupied by third parties, including lots or parcels planned for commercial construction. To the extent Black Diamond issues certificates of occupancy for construction, such certificate shall satisfy this "occupied by third parties" criteria. If certificates of occupancy are not issued for certain types of construction, then "occupancy by third parties" shall be satisfied upon final inspection under the building permit.

C. Owner shall not file any additional applications for subdivisions, binding site plans, design review, clearing and grading, or other land use or building permits, or approvals after the date Maple Valley files any lawsuit alleging breach of this Agreement until the lawsuit is resolved. However, Owner may proceed to file land use applications for either of the MPDs if Owner pays, under protest, the disputed amount to Maple Valley.

D. Owner shall place a note on all preliminary plats, final plats and binding site plans that references Owner's obligations under this Agreement.

E. Owner and Maple Valley shall submit a joint letter to the Black Diamond City Council and Owner shall submit new and/or revised sections of the MPD development agreements requesting that the development agreements for the MPDs provide for

Maple Valley to be a third party beneficiary of conditions and provisions that require Owner to abide by the terms of this Agreement.

F. Owner and Maple Valley shall submit a joint letter to the Black Diamond City Council and Owner shall submit new and/or revised sections of the development agreements requesting Black Diamond's cooperation in providing quarterly accounting to the Owner and to Maple Valley to facilitate the requirements of Paragraph 7(A) of this Agreement.

G. Owner and Maple Valley shall submit a joint letter to the Black Diamond City Council and Owner shall submit new and/or revised sections of the MPD development agreements that require the placement of a note on all preliminary plat, final plats, and binding site plans to facilitate the requirements of Paragraph 10(D) of this Agreement.

H. Owner and Maple Valley shall submit a joint letter to the Black Diamond City Council and Owner shall submit new and/or revised sections of the MPD development agreements that limit the number of Accessory Dwelling Units within the MPDs collectively to 450.

I. The provisions of Paragraph 13 notwithstanding, the parties agree that Maple Valley shall have the limited right to appeal any failure by Black Diamond to incorporate provisions in Paragraphs 10(A),(E), (F), (G), and (H) into the development agreements for the MPDs within the time frames required by law for appeal of those development agreements.

J. The joint letter and new and/or revised sections of the MPD development agreements referenced in Paragraphs 10(A), (E), (F), (G), and (H) shall be submitted to Black Diamond on or before November 5, 2010.

K. The boundaries of Exhibit C to this Agreement may be modified slightly at Owner's sole discretion provided that at least fifty (50) percent of the area described in Exhibit C must remain the same and further provided that the total area of Exhibit C shall not be expanded by more than one acre. If Owner elects to modify the boundaries of Exhibit C it shall provide notice to Maple Valley of such election and shall record a similar notice with the King County Recorder's Office,

11. **Transportation Improvement Program ("TIP") and Projects.** On an annual basis, City staff shall recommend to the Maple Valley City Council that the Projects be placed on Maple Valley's TIP. However, the parties recognize that future Maple Valley City Councils cannot be bound by any provisions of this Agreement in regards to the Projects on Maple Valley's TIP.

12. **No Protest.** Maple Valley shall not protest the formation in the City of Black Diamond of any community facility district ("CFD") to finance the construction of improvements for the MPDs, including the Projects, as long as the property to be included within the CFD is located solely within Black Diamond.

13. **Forbearance from Appeals.** Maple Valley shall not object to, appeal, or support third-party objections or appeals of the MPD permits, or any associated environmental review. Maple Valley shall not object to, appeal, or support third-party objections or appeals of the development agreements for the MPDs or any associated environmental review (subject to the exceptions in Paragraph 10). Maple Valley shall

not object to, appeal, or support third-party objections or appeals of any implementing approvals for the MPDs, including any associated environmental review based on traffic impacts and shall not seek additional traffic mitigation through appeal of implementing land use approvals, Maple Valley's appeal forbearance is conditioned upon this Agreement being fully incorporated into the Owner's development agreement for each MPD and the Owner not being in breach of this Agreement. Notwithstanding the language above, Maple Valley reserves the right to object to and appeal land use decisions that specify haul routes for trucks bringing construction materials to and from the Property, provided that Maple Valley's appeal shall be limited to the haul route impacts in the Maple Valley city limits. This Agreement not to object or appeal shall not apply to any MPD major amendment or other land use decision that allows an increase above 6050 dwelling units or an increase in the commercial square footage over what was analyzed in the Final Environmental Impact Statements for the MPDs. If the MPD permits issued by the City of Black Diamond to the Owner lapse, and/or if an implementing development agreement issued by the City of Black Diamond to the Owner expires, the agreement by Maple Valley to forbear shall have no force or effect, except to the extent that this Agreement has addressed mitigation obligations for any development that has received preliminary plat or binding site plan approval prior to lapse or expiration of the MPD permit approvals or the development agreements.

14. **Relationship to MPD Approval.** This Agreement supersedes any provisions of the approval for the MPDs that are not consistent with the terms of this Agreement. More specifically, Conditions of Approval 9-13 and 15-31 within Exhibit C of the Lawson Hills MPD, Ordinance No. 10-947, and Conditions of Approval 10-14, and 16-34 within Exhibit C of the Villages MPD, Ordinance No. 10-946, are superseded by this Agreement, and as a result, shall have no applicability to Maple Valley and/or the mitigation set forth in this Agreement.

15. **Duration of Agreement.** This Agreement shall expire upon issuance of the 6050th building permit (not including the first 200 ADUs), provided that Owner may elect to terminate the Agreement after the 5500th building permit has issued if Owner has made the required payments associated with Projects W and X, and if Owner is not alleged to otherwise be in default under this Agreement.

A. Major Amendments. Major amendments to the MPDs and/or the development agreements for the MPDs shall not terminate this Agreement.

B. Release of Large Lots on Expiration/Revocation. Any lot or parcel 5-acres or larger that has not been built on during the term of the MPD permit and/or accompanying development agreement, and that is not the subject of a pending application for preliminary plat approval, final plat approval, binding site plan approval, or other land use processes, shall be automatically released from the purview of this Agreement upon the later of: (i) expiration of the applicable MPD permit; (ii) expiration of the applicable development agreement; (iii) revocation of the applicable MPD permit; or (iv) revocation of the applicable development agreement. Any subdivision of real estate released under this provision shall be subject to whatever future traffic mitigation measures are imposed at the time such property is approved for development.

16. **Notices**. Any notice or other communication to any party given under this Agreement will be effective only if in writing and delivered (1) personally, (2) by certified mail, return receipt requested and postage prepaid, (3) by facsimile transmission with written evidence confirming receipt, or (4) by overnight courier (such as UPS, FedEx, or Airborne Express) to the following addresses:

If to Owner:

YarrowBay Holdings LLC
Attn: Colin Lund
10220 NE Points Drive, Suite 120
Kirkland, WA 98033
Phone: (425) 898-2100
Facsimile: (425) 898-2139

With a copy to:

Cairncross and Hempelmann
524 Second Avenue, Suite 500
Seattle, WA 98104-2323
Attn: Donald Marcy
Facsimile: (206) 587-2308

If to City:

City of Maple Valley
Attn: City Manager
PO Box 320
Maple Valley, WA 98038

With a copy to:

City of Maple Valley
Attn: City Attorney
PO Box 320
Maple Valley, WA 98038

The addresses and addressees to which notice is to be given may be changed by written notice given in the manner specified in this Paragraph 16 and actually received by the addressee.

17. **Agreement Interest Rate.** For those circumstances in this Agreement where interest is to be paid by Owner or Maple Valley, the amount of interest owed shall be based upon the amount of interest that either was earned or would have been earned on those funds had they been deposited in the State of Washington Local Government Investment Pool for the period of time specified in this Agreement during which interest accrues.

18. **Attorney's Fees and Expenses**. In the event either party requires the services of an attorney in connection with a suit brought for breach of any covenant or condition of this Agreement and/or to enforce the terms of this Agreement, the substantially prevailing party shall be entitled to a reasonable sum for attorney's and paralegal's fees, expenses and court costs, including those relating to any appeal.

19. **Successors and Assign**. All of the covenants and conditions contained in this Agreement shall run with the land and apply to and be binding upon the parties and their respective heirs, executors, administrators, successors and assigns. Owner shall have the right to assign its obligations as the master developer of the MPDs, provided Owner gives Maple Valley thirty (30) days prior written notice of such assignment.

20. **Choice of Law**. This Agreement shall be construed and governed by the laws of Washington State. Any legal proceeding to enforce the terms of this Agreement shall be in King County, Washington.

21. **Execution in Counterparts**. This Agreement may be executed in one or more counterparts and as executed shall constitute one Agreement, binding on all parties, notwithstanding that all parties are not signatory to the same counterpart.

22. **Severability; Captions**. In the event that any clause or provision of this Agreement should be held to be void, voidable, illegal,

or unenforceable, the remaining portions of this Agreement shall remain in full force and effect. In lieu of each clause or provision that is determined to be void, voidable, illegal, or unenforceable, there shall be added as a part of this Agreement a similar clause or provision as similar as possible that is legal, valid and enforceable. Headings or captions in this Agreement are added as a matter of convenience only and in no way define, limit or otherwise affect the construction or interpretation of this Agreement.

23. **Interpretation**. Whenever a provision of this Agreement uses the term "include" or "including", that term shall not be limiting but shall be construed as illustrative. This Agreement shall be given a fair and reasonable interpretation of the words contained in it without any weight being given to whether a provision was drafted by one party or its counsel.

24. **Entire Agreement**. This Agreement contains all of the terms, promises, conditions and representations, made or entered into by and between the parties, supersedes all prior discussions, agreements and memos, whether written or oral between the parties, and constitutes the entire understanding of the parties and shall be subject to modification or change only in writing and signed by all parties.

25. **Time of the Essence**. Time is of the essence with respect to the performance of every covenant and condition of this Agreement.

26. **Recording of Agreement.** The Parties agree that this Agreement shall be recorded with the King County Recorder's Office and that the costs of recording shall be equally shared between the Parties. Upon termination of this Agreement and at the request of any Party, the other Party shall promptly execute and deliver a recordable instrument identifying the termination of the Agreement.

27. **Authority**. Each Party represents and warrants to the other Party that it has full power and authority to make this Agreement and to

perform its obligations hereunder and that the person signing this Agreement on its behalf has the authority to sign and to bind that Party.

28. **Representation and Warranty of Ownership of MPD Property**. Owner represents and warrants to Maple Valley that BD Village Partners, LP and BD Lawson Partners, LP collectively own fee title to all real property described in Exhibit A to this Agreement. Owner further represents and warrants that the real property described in Exhibit A encompasses all real property that is subject to Black Diamond Ordinances Nos. 10-946 and 10-947, provided that the Parties acknowledge that the legal descriptions in Exhibit A may require revisions based errors or omissions identified during the course of MPD development. If the legal description in Exhibit A does not fully incorporate the Property that is subject to the forthcoming development agreements and any other implementing land use approval, Owner agrees to amend Exhibit A to fully incorporate the legal descriptions of the property that is subject to the development agreements or any implementing land use approval. If, as a result of this Agreement, Maple Valley is sued by any party alleging improper slander of title related to recording this Agreement, Owner shall indemnify, defend and hold Maple Valley harmless from all damages and costs, including costs of defense in any such litigation.

28. **Cost Reimbursement.** Within forty five (45)days from the date of receipt of an invoice from Maple Valley, Owner shall pay Maple Valley $10,000.00 as reimbursement for costs associated with the costs of negotiating this Agreement.

29. **Exhibits**. The following exhibits attached to this Agreement are incorporated by reference and made a part hereof:

EXHIBIT A: MPD Property Legal Description

EXHIBIT B: Project Scope, Owner's Share, and Dwelling Unit Trigger

EXHIBIT C: Property legally described in option recorded under King County Recording No. 20061012001735.

IN WITNESS WHEREOF, the parties have executed this Mitigation Agreement on the date first set forth above.

BD Lawson Partners, LP,
a Washington limited partnership

By: YARROW BAY DEVELOPMENT, LLC, its general partner

By: BRNW, Inc., its Member

By: _____
Brian Ross, President

BD Village Partners, LP,
a Washington limited partnership

By: YARROW BAY DEVELOPMENT, LLC, its general partner

By: BRNW, Inc., its Member

By: _____
Brian Ross, President

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

On this 7th day of October, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Brian Ross, known to me to be the President of BRNW, Inc., a Member of Yarrow Bay Development, LLC, the general partner of **BD Village Partners, L.P.**, a Washington limited partnership, the limited partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited partnership, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

DAINA LYNN MERENESS
NOTARY PUBLIC
COMMISSION EXPIRES 03-28-13
STATE OF WASHINGTON

Signature

Daina Lynn Mereness
Print Name
NOTARY PUBLIC in and for the State of Washington, residing at Edmonds
My commission expires 3/28/13

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

On this 7th day of October, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Brian Ross, known to me to be the President of BRNW, Inc., a Member of Yarrow Bay Development, LLC, the general partner of **BD Lawson Partners, L.P.**, a Washington limited partnership, the limited partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited partnership, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

DAINA LYNN MERENESS
NOTARY PUBLIC
COMMISSION EXPIRES 03-28-13
STATE OF WASHINGTON

Signature

Daina Lynn Mereness
Print Name
NOTARY PUBLIC in and for the State of Washington, residing at Edmonds
My commission expires 3/28/13

City of Maple Valley, a
Washington municipal
Corporation

By:_____
David Johnston, City Manager

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
Christy Todd, City Attorney

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 8th day of October, 2010, before me personally appeared David W. Johnston to me know to be the City Mgr. of the City of Maple Valley, Washington, a municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he/~~she~~ was authorized to execute said instrument and that the seal affixed thereto (if any) is the seal of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

BONNIE GILLEN BARNEY
COMMISSION EXPIRES
NOTARY
PUBLIC
5-09-12
STATE OF WASHINGTON

_____
Print name: Bonnie Gillen Barney
NOTARY PUBLIC in and for the St. of WA
Residing at Kent
Commission expires: 05/09/2012

EXHIBIT A

MPD Property Legal Description

This Exhibit A consists of the following documents:

1) The Villages Legal Description consisting of three (3) pages including Parcel B; Parcels C, D, and E; Parcel BDA; Parcel F-North; Parcel G; Parcel Guidetti.

2) Lawson Hills Legal Description consisting of nine (9) pages produced by Triad Associates.

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY SUBJECT TO THE AGREEMENT

PARCEL B:

THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON.

PARCELS C, D, AND E

ALL OF SECTION 15, TOWNSHIP 21 NORTH, RANGE 6 EAST, W. M., IN KING COUNTY, WASHINGTON;

EXCEPT THE NORTHEAST QUARTER THEREOF;

ALSO EXCEPT THAT PORTION OF THE NORTHWEST QUARTER THEREOF LYING NORTHERLY OF THE CENTERLINE OF MAPLE VALLEY-LAKE SAWYER ROAD;

ALSO EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER THEREOF.

PARCEL BDA:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER;
THE SOUTH HALF OF THE NORTHEAST QUARTER;
THE SOUTHWEST QUARTER;
THE NORTH HALF OF THE SOUTHEAST QUARTER;
THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER;
THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER,
ALL IN SECTION 22, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON.

PARCEL F – NORTH:

THAT PORTION OF SECTION 23, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, AND THAT PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, LYING WESTERLY OF THE WESTERLY MARGIN OF THE ENUMCLAW-BLACK DIAMOND ROAD (SR 169) RIGHT OF WAY;

TOGETHER WITH:

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER AND THE SOUTH HALF OF THE NORTHWEST QUARTER;

AND TOGETHER WITH:

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER;

AND TOGETHER WITH:

THE SOUTH HALF OF THE NORTHEAST QUARTER LYING SOUTHWESTERLY OF THE SOUTHWESTERLY MARGIN OF ENUMCLAW-BLACK DIAMOND ROAD (SR 169) RIGHT OF WAY.

AND TOGETHER WITH:

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER;

PARCEL G:

LOT A OF KING COUNTY BOUNDARY LINE ADJUSTMENT NO. L05L0096 AS RECORDED UNDER RECORDING NO. 20051209900002, SITUATE IN SECTION 27, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON.

PARCEL GUIDETTI:

THAT PORTION OF THE EASTERLY 660 FEET OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 21, NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, LYING SOUTHERLY OF THE AUBURN-BLACK DIAMOND HIGHWAY;

EXCEPT THE EAST 381.24 FEET OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., LYING SOUTHERLY OF AUBURN-BLACK DIAMOND HIGHWAY AND THE EAST 90 FEET OF THE NORTH 165.70 FEET OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON;

(ALSO KNOWN AS PARCEL 1 UNDER SURVEY RECORDED UNDER RECORDING NUMBER 20030917900009.)

NORTH TRIANGLE (PORTIONS OF PARCEL NOS. 022106-9024, 032106-9076, 032106-9014, 032106-9015 AND 032106-9001)

LOTS U, W, X, Y, AND Z OF KING COUNTY BOUNDARY LINE ADJUSTMENT NO. L05L0097, RECORDED UNDER RECORDING NO. 20051209900003, SITUATE IN SECTIONS 2 AND 3, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON.

PARCEL NO. 132106-9048 AND 132106-9007 (FROM PHASE 1 BEE "PARCEL F")

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF LYING WESTERLY AND NORTHWESTERLY OF A LINE BEGINNING ON THE NORTH LINE OF SAID SUBDIVISION AT A POINT BEARING NORTH 03°40'0" WEST FROM A POINT DESIGNATED AS 1438.12 FEET SOUTH AND 680.73 FEET EAST OF THE NORTHWEST OF SAID SECTION 13;
THENCE SOUTH 03°40'00" EAST TO SAID DESIGNATED POINT;
THENCE SOUTH 58°32'19" WEST A DISTANCE OF 198.19 FEET;
THENCE SOUTH 52°19'00" WEST A DISTANCE OF 412.52 FEET;
THENCE SOUTH 18°50'00" WEST A DISTANCE OF 144.72 FEET;
THENCE SOUTH 66°50'00" WEST TO THE SECTION LINE; ALSO

EXCEPT THAT PORTION THEREOF LYING EASTERLY AND NORTHERLY OF A LINE BEGINNING 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION;
THENCE SOUTH 00°32'00" WEST A DISTANCE OF 178.96 FEET;
THENCE NORTH 89°28'00" WEST A DISTANCE OF 116.74 FEET;
THENCE SOUTH 00°09'00" WEST A DISTANCE OF 438.25 FEET;
THENCE SOUTH 03°40'00" EAST A DISTANCE OF 348.10 FEET;
THENCE SOUTH 73°44'00" EAST A DISTANCE OF 336.10 FEET;
THENCE SOUTH 89°48'42" EAST A DISTANCE OF 557.35 FEET, MORE OR LESS, TO A POINT 20 FEET WEST OF AND PARALLEL WITH THE CENTERLINE OF SKID ROAD;
THENCE NORTHEASTERLY ALONG SAID PARALLEL LINE TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION;

ALSO

EXCEPT THAT PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF 262ND AVENUE SOUTHEAST.

PARCEL NO. 132106-9034 (FROM PHASE 1 BEE "PARCEL G")

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION;
THENCE SOUTH 00°32'00" WEST A DISTANCE OF 178.96 FEET;
THENCE NORTH 89°43'00" WEST A DISTANCE OF 116.74 FEET;
THENCE SOUTH 00°09'00" WEST A DISTANCE OF 438.25 FEET;
THENCE SOUTH 03°40'00" EAST A DISTANCE OF 348.10 FEET;
THENCE SOUTH 73°44'00" EAST A DISTANCE OF 336.10 FEET;
THENCE SOUTH 89°48'42" EAST A DISTANCE OF 557.35 FEET, MORE OR LESS, TO A LINE PARALLEL WITH AND 20.00 FEET WESTERLY FROM THE CENTERLINE OF A SKID ROAD;
THENCE NORTHERLY ALONG SAID PARALLEL LINE A DISTANCE OF 1110.00 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO LEONARD AND DONALD KUZARO BY DEED RECORDED UNDER RECORDING NUMBER 3794571;
THENCE NORTH 89°48'42" WEST A DISTANCE OF 1060.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

EXCEPT THEREFROM THE FOLLOWING DESCRIBED TRACT:

A PARCEL FROM THE ABOVE TRACT BEGINNING AT A POINT 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 13, SAID POINT BEING IDENTICAL WITH THE SOUTHWEST CORNER OF THE TRACT SOLD TO JOHN MAKS, AND RUNNING AS FOLLOWS:

THENCE SOUTH 00°32'00" WEST A DISTANCE OF 178.96 FEET;
THENCE NORTH 89°28'00" WEST A DISTANCE OF 116.74 FEET;
THENCE SOUTH 00°09'00" WEST A DISTANCE OF 361.40 FEET;
THENCE SOUTH 89°53'42" EAST A DISTANCE OF 514.10 FEET;
THENCE NORTH 00°20'42" WEST A DISTANCE OF 538.30 FEET;
THENCE NORTH 89°48'42" WEST A DISTANCE OF 391.30 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 132106-9063/132106-9066/132106-9067 (FROM PHASE 2 BEE "PARCEL A")

THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON.

PARCEL NO. 122106-9011 (FROM PHASE 2 BEE "PARCEL C")

THAT PORTION OF THE WEST HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING SOUTHEASTERLY OF THE SOUTHEASTERLY MARGIN OF SOUTHEAST GREEN RIVER GORGE ROAD.

EXCEPT THAT PORTION THEREOF LYING WITHIN THE LANDS CONVEYED TO JOHN MAKS AND MARY MAKS BY DEED RECORDED UNDER RECORDING NUMBER 2068851, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
THAT PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 12, AND THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 13 IN SAID TOWNSHIP AND RANGE DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT WHICH IS 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 13;
THENCE NORTH 00°33'00" EAST A DISTANCE OF 469.94 FEET;
THENCE NORTH 36°49'00" EAST A DISTANCE OF 311.26 FEET;
THENCE SOUTH 89°48'42" EAST A DISTANCE OF 725.85 FEET;
THENCE SOUTH 00°33'00" WEST A DISTANCE OF 719.72 FEET;
THENCE NORTH 89°48'42" WEST A DISTANCE OF 910.01 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 132106-9014

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE NORTHWEST CORNER OF SAID SUBDIVISION;
THENCE SOUTH 43°05'17" EAST 1,862.67 FEET TO THE SOUTHEAST CORNER OF SAID SUBDIVISION AND THE TERMINUS OF THE HEREIN DESCRIBED LINE.

PORTIONS FROM PARCEL NO. 132106-9013, 132106-9057, 132106-9062, AND 132106-9003

LOT B OF KING COUNTY BOUNDARY LINE ADJUSTMENT NO. L09L0056, RECORDED UNDER RECORDING NO. 20100608900003, SITUATE IN SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON.

PARCEL NO. 132106-9024 (FROM DEED)

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT 473.50 FEET SOUTH AND 1051.38 FEET EAST OF NORTHWEST CORNER OF SAID SECTION 13, SAID POINT BEING THE ORIGINAL NORTHEAST OF JAMES L. MANOWSKI'S AND JULIE MANOWSKI'S PROPERTY, AS SET FORTH IN A DEED RECORDED UNDER RECORDING NUMBER 6523609;

THENCE SOUTH 89°49'00" FAST A DISTANCE OF 10.00 FEET TO THE NEW NORTHEAST CORNER OF MONAWSKI PROPERTY, PURSUANT TO A BOUNDARY LINE AGREEMENT, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE SOUTH 06°54'16" WEST A DISTANCE OF 180.19 FEET, SAID LINE BEING THE NEW BOUNDARY BETWEEN MANOWSKI AND KUZARO PARCELS BY AGREEMENT, TO THE SOUTHEAST CORNER OF MANOWSKI PROPERTY WHICH BEARS NORTH 89°49'00" WEST AT A DISTANCE OF 10 FEET FROM THE ORIGINAL SOUTHEAST CORNER OF MANOWSKI PROPERTY;
THENCE SOUTH 00°32'00" WEST A DISTANCE OF 15.00 FEET;
THENCE SOUTH 89°49'00" EAST A DISTANCE OF 60.86 FEET;
THENCE SOUTH 00°20'42" EAST A DISTANCE OF 167.55 FEET;
THENCE SOUTH 86°40'42" EAST A DISTANCE OF 100.00 FEET;
THENCE NORTH 00°20'42" WEST A DISTANCE OF 367.00 FEET;
THENCE NORTH 89°48'42" WEST A DISTANCE
OF 137.89 FEET TO THE TRUE POINT OF BEGINNING;

(ALSO KNOWN AS A PORTION OF BLACK DIAMOND SHORT PLAT NUMBER. 79-734, RECORDED UNDER RECORDING NUMBER 7908069009);

TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS OVER THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE NEW SOUTHEAST CORNER OF THE MANOWSKI PROPERTY AS DESCRIBED ABOVE;
THENCE SOUTH 00°32'00" WEST A DISTANCE OF 15.00 FEET;
THENCE NORTH 89°49'00" EAST A DISTANCE OF 350 FEET, MORE OR LESS, TO THE EAST LINE OF 262ND AVENUE SOUTHEAST AS ESTABLISHED;
THENCE NORTH ALONG SAID EAST LINE A DISTANCE OF 15 FEET, MORE OR LESS, TO A POINT WHICH BEARS NORTH 89°49'00" WEST FROM THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89°49'00" EAST TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 132106-9037 (FROM DEED)

THE SOUTH 180 FEET OF THE FOLLOWING DESCRIBED TRACT:

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMERE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS 211.84 FEET SOUTH AND 690.70 FEET EAST OF THE NORTHWEST CORNER OF SAID SUBDIVISION, SAID POINT BEING THE INTERSECTION OF THE EAST AND SOUTH LINES OF TWO ROADWAYS;
THENCE SOUTH 89°51'00" EAST A DISTANCE OF 119.68 FEET;
THENCE SOUTH 00°32'00" WEST A DISTANCE OF 439.59 FEET;
THENCE NORTH 89°28'00" WEST A DISTANCE OF 116.74 FEET TO THE EAST LINE OF A 30 FOOT ROADWAY;
THENCE ALONG SAID ROADWAY LINE NORTH 00°09'00" EAST A DISTANCE OF 439.74 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 132106-9040 (FROM DEED)

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY LINE OF THE FRANKLIN HOWARD COUNTY ROAD NO. 1018 AT A POINT WHICH IS 677.39 FEET SOUTH AND 278.50 FEET EAST OF THE NORTHWEST CORNER OF SAID SUBDIVISION;
THENCE SOUTH 0°16' EAST 264.21 FEET;

THENCE SOUTH 14°54' EAST 97.79 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 14°54' EAST 112.02 FEET; THENCE SOUTH 24°20' EAST 86.84 FEET;
THENCE NORTH 71°45' EAST 315.72 FEET TO THE WEST LINE OF A 30 FOOT ROADWAY;
THENCE ALONG SAID ROADWAY LINE NORTH 3°40 FEET WEST 33.28 FEET;
THENCE NORTH 0°29' EAST 173.05 FEET; THENCE SOUTH 69°26' WEST 237.81 FEET;
THENCE SOUTH 75°18' WEST 141.86 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 132106-9046 (FROM UNUSED PHASE 3 BEE OPTION 1 "PARCEL A" AND PHASE 4 BEE "PARCEL A")

THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION THEREOF LYING WITHIN THE FOLLOWING DESCRIBED TRACT:
BEGINNING AT A POINT 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION;
THENCE NORTH 00°33'00" EAST 469.94 FEET;
THENCE NORTH 36°49'00" EAST 311.26 FEET;
THENCE SOUTH 89°48'42" EAST 725.85 FEET;
THENCE SOUTH 00°33'00" WEST 719.72 FEET;
THENCE NORTH 89°48'42" WEST 865 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 132106-9053 (FROM UNUSED PHASE 3 OPTION 1 BEE "PARCEL B" AND PHASE 4 BEE "PARCEL C")

THAT PORTION OF SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER;
THENCE SOUTH 0°22'10" EAST ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, 530 FEET;
THENCE NORTH 89°37'50" EAST 115 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 89°37'50" EAST 180 FEET;
THENCE SOUTH 0°22"10" EAST 121 FEET;
THENCE SOUTH 89°37'50" WEST 180 FEET;
THENCE NORTH 0°22'10" WEST 121 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 122106-9012 (FROM UNUSED PHASE 3 OPTION 2 BEE "PARCEL A")

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING SOUTHEASTERLY OF THE SOUTHEASTERLY MARGIN OF SOUTHEAST GREEN RIVER GORGE ROAD;
EXCEPT THAT PORTION THEREOF LYING WITHIN THE LANDS CONVEYED TO JOHN MAKS AND MARY MAKS BY DEED RECORDED UNDER RECORDING NUMBER 2068851, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
THAT PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 12, AND THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 13 IN SAID TOWNSHIP AND RANGE DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT WHICH IS 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 13;
THENCE NORTH 00°33'00" EAST 469.94 FEET;
THENCE NORTH 36°49'00" EAST 311.26 FEET;
THENCE SOUTH 89°48'42" EAST 725.85 FEET;
THENCE SOUTH 00°33'00" WEST 719.72 FEET;
THENCE NORTH 89°48'42" WEST 910.01 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 132106-9008 (FROM PHASE 4 BEE "PARCEL B")

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6
EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF LYING NORTHERLY AND WESTERLY OF A LINE BEGINNING 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION;
THENCE SOUTH 00°32'00" WEST 178.96 FEET;
THENCE NORTH 89°28'00" WEST 116.74 FEET;
THENCE SOUTH 00°09'00" WEST 438.25 FEET;
THENCE SOUTH 03°40'00" EAST 348.10 FEET;

THENCE SOUTH 73°44'00" EAST 336.10 FEET;
THENCE SOUTH 89°48'42" EAST 557.35 FEET, MORE OR LESS, TO A POINT 20 FEET WEST OF AND PARALLEL WITH THE CENTERLINE OF SKID ROAD;
THENCE NORTHEASTERLY ALONG SAID PARALLEL LINE TO THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION; AND

EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER;
THENCE SOUTH 0°22'10" EAST, ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST
QUARTER, 530 FEET;
THENCE NORTH 89°37'50" EAST 115 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 89°37'50" EAST 180 FEET;
THENCE SOUTH 0°22'10" EAST 121 FEET;
THENCE SOUTH 89°37'50" WEST 180 FEET;
THENCE NORTH 0°22'10" WEST 121 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 132106-9033 (FROM ALTA DATED 09-30-08)

THE MOST SOUTHERLY HALF OF THE FOLLOWING DESCRIBED TRACT:
BEGINNING AT A POINT WHICH IS 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;
THENCE NORTH 00°33'00" EAST 469.94 FEET;
THENCE NORTH 36°49'00" EAST 311.26 FEET;
THENCE SOUTH 89°48'42" EAST 725.85 FEET;
THENCE SOUTH 00°33'00" WEST 719.72 FEET;
THENCE NORTH 89°48'42" WEST 910.01 FEET TO THE POINT OF BEGINNING;
TOGETHER WITH THAT PORTION OF THE NORTH HALF OF SAID SECTION 13 CONVEYED TO JOHN MAKS, JR. AND AMELIA MAKS, HIS WIFE, BY QUIT CLAIM DEED RECORDED UNDER RECORDING NUMBER 4984499, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT WHICH IS 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;
THENCE NORTH 00°33'00" EAST 347.27 FEET;
THENCE SOUTH 89°48'22" EAST 270 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 89°48'22" EAST 640 FEET;
THENCE NORTH 00°33'00" EAST 23.74 FEET;
THENCE NORTH 89°48'22" WEST 640 FEET;
THENCE SOUTH 00°33'00" WEST 23.74 FEET TO THE TRUE POINT OF BEGINNING;
EXCEPT THAT PORTION THEREOF CONVEYED TO THOMAS H. MAKS AND GLORIA MAKS, HIS WIFE, BY QUIT CLAIM DEED RECORDED UNDER RECORDING NUMBER 4984498, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT 807.97 FEET EAST AND 472.7 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SECTION 13;
THENCE NORTH 00°33'00" EAST 291 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 00°33'00" EAST 56.27 FEET;
THENCE SOUTH 89°48'22" EAST 270 FEET;
THENCE SOUTH 00°33'00" WEST 56.27 FEET;
THENCE NORTH 89°48'22" WEST 270 FEET TO THE TRUE POINT OF BEGINNING OF THIS EXCEPTION.

PARCEL NO. 132106-9029 (FROM BEE DATED 06-09-08)

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS 192.15 FEET SOUTH AND 810.57 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 13;
THENCE NORTH 00°32'00" EAST A DISTANCE OF 189.47 FEET TO SAID NORTH LINE OF SECTION 13;
THENCE NORTH 89°48'42" WEST, ALONG SAID NORTH LINE OF SECTION 13, A DISTANCE OF 37.73 FEET TO THE SOUTHEASTERLY MARGIN OF THE RIGHT OF WAY OF FRANKLIN HOWARD ROAD NO. 1018;
THENCE SOUTH 37°11'00" WEST A DISTANCE OF 237.34 FEET, ALONG SAID RIGHT OF WAY;
THENCE SOUTH 89°51'00" EAST A DISTANCE OF 174.10 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 132106-9023 (FROM BEE DATED 06-11-07)

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS 211.84 FEET SOUTH AND 690.70 FEET EAST OF THE NORTHWEST CORNER OF SAID SUBDIVISION, SAID POINT BEING THE INTERSECTION OF THE EAST AND SOUTH LINES OF TWO ROADWAYS;
THENCE SOUTH 89°51'00" EAST A DISTANCE OF 119.68 FEET;
THENCE SOUTH 00°32'00" WEST A DISTANCE OF 439.59 FEET;
THENCE NORTH 89°28'00" WEST A DISTANCE OF 116.74 FEET TO THE EAST LINE OF A 30-FEET ROADWAY;
THENCE ALONG THE EASTERLY MARGIN OF SAID ROADWAY NORTH 00°08'00" EAST A DISTANCE OF 438.74 FEET TO THE POINT OF BEGINNING;

EXCEPT THE SOUTH 180 FEET THEREOF CONVEYED TO ALFRED R. SHAY AND ELSIE E. SHAY, HIS WIFE, BY STATUTORY WARRANTY DEED RECORDED UNDER RECORDING NUMBER 6439467.

PARCEL NO. 132106-9010 (FROM PHASE 3 BEE "PARCEL A")

LOT A, CITY OF BLACK DIAMOND BOUNDARY LINE ADJUSTMENT NO. LLA 07-001, RECORDED UNDER RECORDING NUMBER 20080610900012.

PARCEL NO. 132106-9011 (FROM IN FOREST BLA DATED 05-30-08)

LOT B, CITY OF BLACK DIAMOND BOUNDARY LINE ADJUSTMENT NO. LLA 07-001, RECORDED UNDER RECORDING NUMBER 20080610900012.

PARCEL NO. 132106-9009 (FROM IN FOREST BLA DATED 05-30-08)

LOT C, CITY OF BLACK DIAMOND BOUNDARY LINE ADJUSTMENT NO. LLA 07-001, RECORDED UNDER RECORDING NUMBER 20080610900012.

PARCEL NO. 132106-9021 (FROM ALTA STAMPED 11-29-06)

THAT PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 12, AND OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 13, ALL IN TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 13;
THENCE NORTH 00°33'00" EAST 469.94 FEET;
THENCE NORTH 36°49'00" EAST 311.26 FEET;
THENCE SOUTH 89°48'42" EAST 725.85 FEET;
THENCE SOUTH 00°33'00" WEST 719.72 FEET;
THENCE NORTH 89°48'42" WEST 910.01 FEET TO THE POINT OF BEGINNING;

EXCEPT THE MOST SOUTHERLY HALF THEREOF CONVEYED TO JOHN MAKS JR. BY DEED RECORDED UNDER RECORDING NUMBER 3833110; AND

EXCEPT THAT PORTION THEREOF CONVEYED TO JOHN MAKS, JR. AND AMELIA MAKS, HIS WIFE, BY QUIT CLAIM DEED RECORDED UNDER RECORDING NUMBER 4984499, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT WHICH IS 472.70 FEET SOUTH AND 807.97 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 13;
THENCE NORTH 00°33'00" EAST 347.27 FEET;
THENCE SOUTH 89°48'22" EAST 270 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 89°48'22" EAST 640 FEET;
THENCE NORTH 00°33'00" EAST 23.74 FEET;
THENCE NORTH 89°48'22" WEST 640 FEET;
THENCE SOUTH 00°33'00" WEST 23.74 FEET TO THE TRUE POINT OF BEGINNING;

TOGETHER WITH THAT PORTION OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 13 CONVEYED TO THOMAS H. MAKS AND GLORIA MAKS, HIS WIFE, BY QUIT CLAIM DEED RECORDED UNDER RECORDING NUMBER 4984498, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT 807.97 FEET EAST AND 472.7 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SECTION 13;
THENCE NORTH 00°33'00" EAST 291 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 00°33'00" EAST 56.27 FEET;
THENCE SOUTH 89°48'22" EAST 270 FEET;
THENCE SOUTH 00°33'00" WEST 56.27 FEET;
THENCE NORTH 89°48'22" WEST 270 FEET TO THE TRUE POINT OF BEGINNING.

POR. OF PARCELS NO. 112106-9122, 112106-9044, 112106-9015, 112106-9110, 112106-9111, 112106-9112, 112106-9113, 112106-9114, 112106-9020, AND 122106-9049 (HAMMERHEAD)

LOT 3 OF CITY OF BLACK DIAMOND BOUNDARY LINE ADJUSTMENT NO. PLN-10-0010, RECORDED UNDER RECORDING NO. 20100713900006, SITUATE IN SECTIONS 11 AND 12, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON.

PARCEL NO. 142106-9002 (FROM BEE DATED 07-26-06)

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS THEREOF LYING SOUTHERLY OF THE NORTHERLY MARGIN OF PARK STREET (NOW KNOWN AS SOUTHEAST 323RD STREET) AND WESTERLY OF THE EASTERLY MARGIN OF 4TH AVENUE (NOW KNOWN AS 254TH AVENUE SOUTHEAST), AND SOUTHERLY OF THE NORTHERLY MARGIN OF JAMES STREET (NOW KNOWN AS SOUTHEAST 321ST STREET), AND SOUTHERLY AND WESTERLY OF THE NORTH AND EAST LINES OF BLOCK 2, ALL AS PLATTED IN BLACK DIAMOND TOWNSITE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 35 OF PLATS, PAGES 23 THROUGH 27, AND WESTERLY OF THE EASTERLY MARGIN OF THE RIGHT OF WAY OF STATE ROAD NO. 5 (THIRD AVENUE); ALSO
EXCEPT THAT PORTION THEREOF LYING EASTERLY OF THE WESTERLY MARGIN OF THE ABANDONED BRUCE SWITCH OF THE COLUMBIA & PUGET SOUND RAILROAD COMPANY RIGHT OF WAY, AS DESCRIBED IN RECORDING NUMBER 543409, AND

TOGETHER WITH THAT PORTION OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 14 LYING EASTERLY OF THE EASTERLY MARGIN OF THE ABANDONED BRUCE SWITCH OF THE COLUMBIA & PUGET SOUND RAILROAD COMPANY RIGHT OF WAY, AS DESCRIBED IN RECORDING NUMBER 543409, AND LYING NORTHERLY OF THE NORTH LINE OF LAWSON HILL ESTATES, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 162 OF PLATS, PAGES 20 THROUGH 24, IN KING COUNTY, WASHINGTON.

PARCEL NO. 142106-9063 (FROM BEE DATED 07-26-06)

THAT PORTION OF THE PACIFIC COAST RAILROAD COMPANY RIGHT OF WAY (FORMERLY KNOWN AS THE ABANDONED BRUCE-LAWSON TRACK OF THE COLUMBIA AND PUGET SOUND RAILROAD) LYING WITHIN THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF LYING SOUTHERLY OF THE NORTHERLY MARGIN OF SOUTHEAST 323RD STREET (ALSO KNOWN AS PARK STREET); ALSO

EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF BLACK DIAMOND FOR STREET AND UTILITY PURPOSES BY QUIT CLAIM DEED RECORDED UNDER RECORDING NUMBER 9206160254; ALSO

EXCEPT THAT PORTION THEREOF LYING WITHIN THE TRACT CONVEYED TO A. P. KINKADE BY DEED RECORDED UNDER RECORDING NUMBER 3008428, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT WHICH IS 609.24 FEET SOUTH AND 978.51 FEET WEST OF THE NORTHEAST CORNER OF SAID SECTION 14;
THENCE SOUTH 01°38'00" WEST A DISTANCE OF 211.25 FEET;
THENCE NORTH 88°22'00" WEST A DISTANCE OF 618.60 FEET;
THENCE NORTH 01°38'00" EAST A DISTANCE OF 211.25 FEET ALONG A LINE PARALLEL WITH AND 20 FEET EAST OF THE CENTERLINE OF THE RIGHT OF WAY OF THE BRUCE BRANCH OF THE PACIFIC COAST RAILROAD;
THENCE SOUTH 88°22'00" EAST A DISTANCE OF 618.60 FEET TO THE POINT OF BEGINNING; ALSO

EXCEPT THAT PORTION THEREOF LYING WITHIN LAWSON HILL ESTATES, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 162 OF PLATS, PAGES 20 THROUGH 24, IN KING COUNTY, WASHINGTON.

PARCEL NO. 142106-9001 (FROM BEE DATED 07-26-06)

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING NORTHERLY OF THE NORTH LINE OF LAWSON HILL ESTATES, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 162 OF PLATS, PAGES 20 THROUGH 24, IN KING COUNTY, WASHINGTON, AND SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF BLACK DIAMOND SHORT PLAT NUMBER 011-08-83 REV, RECORDED UNDER RECORDING NUMBER 8808039001.

PARCEL NO. 142106-9186 (FROM BEE DATED 07-26-06)

THAT PORTION OF LOT 1, BLACK DIAMOND SHORT PLAT NUMBER 011-08-83 REV, RECORDED UNDER RECORDING NUMBER 8308299001, AS REVISED UNDER RECORDING NUMBER 8808039001, LYING WITHIN THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON.

PARCEL NO. 132106-9054 (FROM BEE DATED 07-26-06)

THAT PORTION OF LOT 1, BLACK DIAMOND SHORT PLAT NUMBER 011-08-83, RECORDED UNDER RECORDING NUMBER 8308299001, AS REVISED UNDER RECORDING NUMBER 8808039001, LYING WITHIN SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON.

PARCEL NO. 132106-9036 (FROM DEED)

LOT 1, CITY OF BLACK DIAMOND SHORT PLAT NO. 03-SP-01 RECORDED UNDER RECORDING NUMBER 20030224900001;

BEING A PORTION OF:
THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 12, AND THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 13;
THENCE SOUTH 72°38'50" EAST 117.22 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 54°10' EAST 463.55 FEET TO THE NORTHWESTERLY MARGINAL LINE OF THE FRANKLIN HOWARD ROAD;
THENCE NORTH 37°11' EAST ALONG SAID LINE 189.6 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO PAUL SAWICKE BY DEED RECORDED UNDER RECORDING NUMBER 1592304, IN KING COUNTY, WASHINGTON;
THENCE WEST 24 FEET;
THENCE NORTH 0°18' WEST ALONG THE WEST LINE OF SAWICKE TRACT 253.48 FEET TO THE CENTERLINE OF THE GRADE OF AN ABANDONED RAILROAD SPUR;
THENCE NORTHEASTERLY ALONG SAID GRADE 915 FEET, MORE OR LESS, TO A POINT ON A LINE PARALLEL WITH AND 20 FEET SOUTHERLY FROM THE CENTERLINE OF THE ABANDONED PACIFIC COAST RAILROAD, BRUCE BRANCH;
THENCE SOUTHWESTERLY ON SAID LINE, PARALLELING THE CENTERLINE TO A POINT WHICH BEARS NORTH 35°56' EAST FROM THE POINT OF BEGINNING;
THENCE SOUTH 35°56' WEST 440 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS ACROSS TRACT "X" OF SAID SHORT PLAT; AND

TOGETHER WITH AN EASEMENT FOR UTILITIES ACROSS OR UNDER THE EASTERLY 60 FEET OF TRACT "X" AS MEASURED A RIGHT ANGLE TO LAWSON STREET.

PARCEL NO. 132106-9038, 132106-9022 (FROM DEED)

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHEASTERLY MARGIN OF THE FRANKLIN-HOWARD COUNTY ROAD NO. 1018 (GREEN RIVER GORGE ROAD), AS SAID MARGIN WAS ESTABLISHED BY DEED

RECORDED UNDER RECORDING NUMBER 1107075, AT A POINT WHICH IS 677.39 FEET SOUTH AND 278.50 FEET EAST OF THE NORTHWEST CORNER OF SAID SUBDIVISION, WHICH POINT IS ALSO THE MOST NORTHERLY CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO JOHN NEIMCZYK BY DEED RECORDED UNDER RECORDING NUMBER 1449328;
THENCE SOUTH 00°16'00" EAST, ALONG THE EAST LINE OF SAID NEIMCZYK TRACT, A DISTANCE OF 264.21 FEET;
THENCE CONTINUING ALONG THE EAST LINE OF SAID NEIMCYZK TRACT, SOUTH 14°54'00" EAST A DISTANCE OF 97.79 FEET TO THE NORTHWEST CORNER OF A TRACT OF LAND SOLD TO STANLEY V. HAWKINS AND DONNIE L. HAWKINS, HUSBAND AND WIFE, BY REAL ESTATE CONTRACT RECORDED UNDER RECORDING NUMBER 6702196;
THENCE NORTH 75°18'00" EAST, ALONG THE NORTH LINE OF SAID HAWKINS TRACT, A DISTANCE OF 141.86 FEET;
THENCE CONTINUING ALONG THE NORTH LINE OF SAID HAWKINS TRACT, NORTH 69°26'00" EAST A DISTANCE OF 237.81 FEET TO THE WESTERLY MARGIN OF A 30-FOOT ROADWAY (262ND AVENUE SOUTHEAST);
THENCE ALONG SAID ROADWAY MARGIN NORTH 00°29'00" EAST A DISTANCE OF 704.92 FEET TO THE SOUTHERLY MARGIN OF A 30-FOOT ROADWAY;
THENCE NORTH 89°51'00" WEST A DISTANCE OF 39 FEET TO THE SOUTHEASTERLY MARGIN OF THE FRANKLIN-HOWARD COUNTY ROAD;
THENCE ALONG SAID ROAD MARGIN SOUTH 37°11'00" WEST A DISTANCE OF 584.45 FEET TO THE BEGINNING.

PARCEL NO. 132106-9047 (FROM DEED)

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT 473.50 FEET SOUTH AND 1061.38 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 13, AND CONSIDERING THE NORTH LINE OF SAID NORTHWEST QUARTER TO BEAR NORTH 89°48"43" WEST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:
THENCE SOUTH 06°54'16" WEST A DISTANCE OF 180.19 FEET;
THENCE SOUTH 00°32'00" WEST A DISTANCE OF 15 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89°49'00" EAST A DISTANCE OF 60.86 FEET;
THENCE SOUTH 00°20'42" EAST A DISTANCE OF 167.55 FEET;
THENCE SOUTH 86°40'42" EAST A DISTANCE OF 100.20 FEET;
THENCE SOUTH 00°20'42" EAST A DISTANCE OF 171.87 FEET;
THENCE NORTH 89°53'42" WEST A DISTANCE OF 514.10 FEET;
THENCE NORTH 00°09'00" EAST A DISTANCE OF 197.82 FEET;
THENCE SOUTH 89°28'00" EAST A DISTANCE OF 200.04 FEET;
THENCE NORTH 00°09'00" EAST A DISTANCE OF 149.00 FEET;
THENCE SOUTH 89°49"00" EAST A DISTANCE OF 150.23 FEET TO THE TRUE POINT OF BEGINNING.
(ALSO KNOWN AS LOT "A", CITY OF BLACK DIAMOND LOT LINE ADJUSTMENT NUMBER 00-01, RECORDED UNDER RECORDING NUMBER 20000301000735.)

WRITTEN BY: ARJ
CHECKED BY: MSH

09.09 10
MARK S. HARRISON
STATE OF WASHINGTON
21467
REGISTERED
PROFESSIONAL LAND SURVEYOR

EXHIBIT B

Project Scope, Owner's Share, and Dwelling Unit Trigger

Exhibit B -- Agreed Mitigation Projects for The Villages and Lawson Hills in the City of Maple Valley

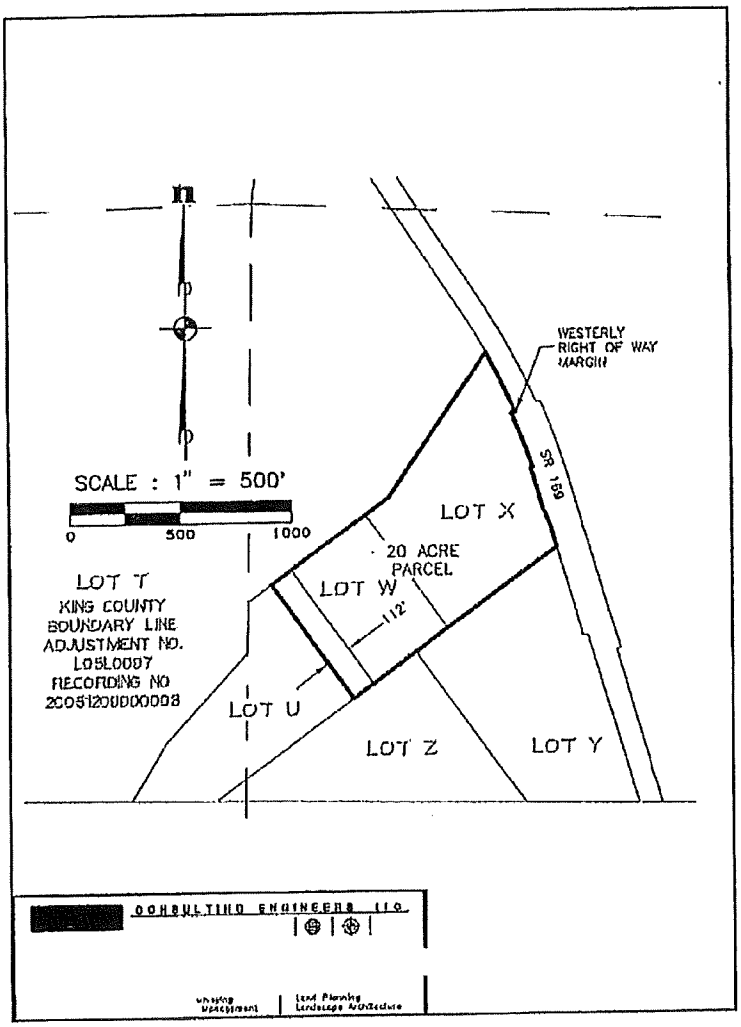
Project	Location Within Maple Valley	Project Scope	Owner's Share	Dwelling Unit Trigger
A	SR169/ Wax Road Intersection	Add one southbound through lane on SR 169 from SE 231st Street to Witte Road. The southbound approach at this intersection will include one existing left turn lane (approx. 160 ft.), two through lanes, and one shared through/right turn lane. Add a second eastbound to southbound right turn lane (200 ft.) on Wax Road (double right turn lanes). Upgrade signal equipments to be able to run the eastbound right turn phase with northbound protected left turn phase at the same time.	25.3%	**Payment due upon BP for 965th dwelling unit**
B	SR 169/ Witte Road SE Intersection	Add once southbound through lane on SR 169 from Wax Road through this intersection. The curb lane will become a right turn lane. The southbound approach to this intersection will be one right turn lane, two through lanes, and one left turn lane.	26.1%	**Payment due upon BP for 885th dwelling unit**
C	SR 169/ SE 240th Street Intersection	Add a second northbound to westbound left turn lane (300 ft) on SR 169 and a second westbound to southbound left turn lane (400 ft.) on SE 240th Street. Widen SE 240th Street west of SR 169 to add a second westbound lane (500 ft).	66.6%	**Payment due upon BP for 1725th dwelling unit**
F	SR 169/ SE 244th Street Intersection	Install traffic signal	63.2%	**Payment due upon BP for 1085th dwelling unit**
I	SR 169 / SE 264th Street, SR 169/ SR 516/, and SR 169/ SE 271st Street Intersections	Upgrade signal equipments to be able to coordinate the following three signals: SR 169/ SE 264th Street, SR 169 / SR 516 and SR 169 / SE 271st Street intersections and set the signal cycle length to be 140 seconds.	54.6%	**Payment due upon BP for 1825th dwelling unit**
K	SR 169 from SE 280th Street to the South City Limit (SR 169 Milepost 10.19)	Widen to a three-lane section by adding a second southbound lane.	58.4%	**Payment due upon BP for 4802th dwelling unit**
L	SE 271st Bypass Road from SR 169 to SR 516	Construct a new 3-lane road. (One eastbound and two westbound lanes) on the SE 271st Street alignment between SR 169 and SR 516. Add a second northbound to westbound left turn lane (200 ft) on SR 169 and a signal at SR 516/ SE 271st intersection. The eastbound approach at SR 169/SE 271st St intersection will include one left turn lane (50'), one through lane and one right turn lane (150'). The westbound approach will include one left turn lane (150'), one through lane and one right turn lane (75').	6.8%	**Payment due upon BP for 2035th dwelling unit**
E	SR 169 from Witte Road SE to SE 244th Street	Construct a second southbound lane on SR 169 from Witte Road SE to SE 244th Street and a second northbound lane on SR 169 from 1,000 feet south of SE 240th Street to Witte Road SE. The southbound approach at the SR 169/SE 240th Street intersection will include one existing left turn lane (approx 380 ft.), one through lane, and one shared through/right turn lane. The northbound approach at the SR 169/SE 240th Street intersection will include two left turn lanes (300 ft.), one through lane, and one shared through/right turn lane.	37.2%	**Payment due upon BP for 700th dwelling unit**

Exhibit B -- Agreed Mitigation Projects for The Villages and Lawson Hills in the City of Maple Valley

Project	Location Within Maple Valley	Project Scope	Owner's Share	Dwelling Unit Trigger
G	SR 169 from SE 244th Street to SE 264th Street	Construct a second southbound lane on SR 169 from SE 244th Street to SE 264th Street. Construct a second northbound lane on SR 169 from SE 264th Street to 1,000 feet north of SE 264th Street.	50.8%	Payment due upon BP for 3225th dwelling unit
H	SR 169 from SE 264th Street to SE 271st Street	Construct a second southbound lane on SR 169 from south of SR 516 to SE 271st Street. The southbound approach at the SR 169/Goodwill driveway intersection will include one through lane and one shared through/right turn lane.	59.0%	Payment due upon BP for 2280th dwelling unit
J	SR 169 from SE 271st Street to SE 280th Street	Construct a second southbound lane on SR 169 from SE 271st Street to SE 280th Street and a second northbound lane on SR 169 from 1,000 feet south of SE 271st Street to SE 271st Street. The southbound approach at the SR 169/SE 276th Street intersection will include one existing left turn lane (approx. 150 ft.), one through lane, and one shared through/right turn lane. The southbound approach at the SR 169/SE 280th Street intersection will include one through lane and one shared through/right turn lane. The northbound approach at the SR 169/SE 271st Street intersection will include two left turn lanes (200 ft.), two through lanes, and one right turn lane (175 ft.).	61.25%	Payment due upon BP for 4135th dwelling unit
W	SR 516 from 216th Ave SE to West City Limit (SR 516 Milepost 14.42)	Widen to 4/5 lanes with curb, gutter and sidewalks from 216th Ave SE to West City Limit. Add a seond westbound lane on SR 516 to 1000 feet east of 216th Ave SE. The eastbound approach at SR 516/216th Ave SE will include one through lane and one right turn lane. The westbound approach will include one left turn lane (approx. 200') and two through lanes. The northbound approach will include one left turn lane (270') and one shared left/right turn lane.	29.9%	Payment due upon BP for 5500th dwelling unit
X	SR 516 / 216th Ave SE Intersection	Restripe the northbound approach to include one left-turn lane and one left- and right-turn share lane. Increase the left lane pocket length to 270 feet. Modify signal to accommodate eastbound right-turn phase overlapping with northound phase.	29.9%	Payment due upon BP for 5500th dwelling unit
Y	SE 240th Street from SR 169 to Witte Road SE	Construct a second westbound lane on SE 240th Street from 500 feet west SR 169 (see project C) to Witte Road SE.	13.5%	Payment due no earlier than BP for 1500th dwelling unit*
Z	extend SE 240th Street	Construct a 2 to 3 lane (2 through lanes with a center turn lane that becomes a turn lane at intersections) extension of SE 240th St between Wax Road and Witte Road. The eastbound approach at Witte Rd/SE 240th St intersection will include one left turn lane (200'), one through lane and one right turn lane (200'). The westbound approach will include one left turn lane and one shared through/right turn lane. The northbound approach will include one left turn lane (150') and one shared through/right turn lane. The southbound approach will include one left turn lane (150') and one shared through/right turn lane.	13.5%	Payment due no earlier than BP for 1500th dwelling unit*

*See paragraph 5.G of the Agreement.

EXHIBIT C

Lot W, Lot X, and the northeasterly 112 feet of Lot U of that Boundary Line Adjustment No. L05L0097, recorded under Recording No. 20051209900003, situated in the southwest quarter of Section 2, Township 21 North, Range 06 East, Willamette Meridian, City of Black Diamond, King County, Washington.

Containing 20 acres, more or less. See figure below: