

SUBDIVISION

Issued By:



CHICAGO TITLE INSURANCE COMPANY

Guarantee/Certificate Number:

0034428-ETU

CHICAGO TITLE INSURANCE COMPANY
a corporation, herein called the Company

GUARANTEES

SG Land Group, LLC and the City of Kirkland

herein called the Assured, against actual loss not exceeding the liability amount stated in Schedule A which the Assured shall sustain by reason of any incorrectness in the assurances set forth in Schedule A.

LIABILITY EXCLUSIONS AND LIMITATIONS

1. No guarantee is given nor liability assumed with respect to the identity of any party named or referred to in Schedule A or with respect to the validity, legal effect or priority of any matter shown therein.
2. The Company's liability hereunder shall be limited to the amount of actual loss sustained by the Assured because of reliance upon the assurance herein set forth, but in no event shall the Company's liability exceed the liability amount set forth in Schedule A.

Please note carefully the liability exclusions and limitations and the specific assurances afforded by this guarantee. If you wish additional liability, or assurances other than as contained herein, please contact the Company for further information as to the availability and cost.

Chicago Title Company of Washington
10500 NE 8th St., Suite 600
Bellevue, WA 98004

Countersigned By:

Authorized Officer or Agent



Chicago Title Insurance Company

By:

President

Attest:

Secretary

ISSUING OFFICE:

Title Officer: Eastside Title Unit
 Chicago Title Company of Washington
 10500 NE 8th St., Suite 600
 Bellevue, WA 98004
 Main Phone: (425)646-9883
 Email: CTIBellevueETU@ctt.com

SCHEDULE A

Liability	Premium	Tax
\$1,000.00	\$350.00	\$33.25

Effective Date: February 20, 2015 at 08:00AM

The assurances referred to on the face page are:

That, according to those public records which, under the recording laws, impart constructive notice of matter relative to the following described property:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Title to said real property is vested in:

SG Land Group, LLC, a Washington Limited Liability Company

subject to the matters shown below under Exceptions, which Exceptions are not necessarily shown in the order of their priority.

END OF SCHEDULE A

EXHIBIT "A"
Legal Description

Parcel A:

Lot 67 and that portion of Lot 68 described as follows:

Beginning at the northwest corner of Lot 68;

Thence south along the west line of said Lot 68 a distance of 37.5 feet;

Thence east and parallel to the north line of said lot 68 to an intersection with the east line of said lot 68;

Thence north along the east line of said Lot 68 to the northeast corner of said Lot 68;

Thence west along the north line of said Lot 68 to the true point of beginning;

Block 57, Burke and Farrar's Kirkland Addition to the City of Seattle Division No. 16, according to the plat thereof, recorded in Volume 20 of Plats, Page 58, in King County, Washington;

Except the north 90 feet of the west 130 feet thereof;

Parcel B:

The north 90 feet of the west 130 feet of the following:

Lot 67 and that portion of Lot 68 described as follows:

Beginning at the northwest corner of Lot 68;

Thence south along the west line of said Lot 68 a distance of 37.5 feet;

Thence east and parallel to the north line of said Lot 68 to an intersection with the east line of said Lot 68;

Thence north along the east line of said Lot 68 to the northeast corner of said Lot 68;

Thence west along the north line of said Lot 68 to the true point of beginning;

Block 57, Burke and Farrar's Kirkland Addition to the City of Seattle Division No. 16, according to the plat thereof, recorded in Volume 20 of Plats, Page 58, in King County, Washington.

SCHEDULE B

H. Reservations and exceptions in United States Patents or in Acts authorizing the issuance thereof.

SCHEDULE B

(continued)

SPECIAL EXCEPTIONS

1. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Washington Natural Gas Company, a Washington corporation
Purpose: Gas pipeline or pipelines
Recording Date: November 20, 1991
Recording No.: 9111201661
Affects: The south 8 feet of the west 130 feet thereof of Parcel A

2. Reservations and recitals contained in the Deed as set forth below:

Grantor: Burke & Farrar, Inc., a Washington corporation
Recording Date: January 23, 1913
Recording No.: 847139

Said document provides for, among other things, the following:

Reservation of all minerals of any nature whatsoever upon or in said land including coal, iron, natural gas and oil and also the use of such surface ground as may be necessary for exploring for and mining, or otherwise extracting and carrying away the same.

3. Release of Damage Agreement, including the terms and provisions thereof:

Executed by: Douglas B. Hiller and Jennifer L. Hiller
Recording Date: June 19, 1998
Recording No.: 9806191094

Releasing the City of Kirkland from all future claims for damages resulting from:

Any landslide or seismic activity occurring on the property

Affects: Parcel A

4. Payment of the real estate excise tax, if required.

The Land is situated within the boundaries of local taxing authority of the City of Kirkland

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Present rate of real estate excise tax as of the date herein is 1.78 percent.

Any conveyance document must be accompanied by the official Washington State Excise Tax Affidavit. The applicable excise tax must be paid and the affidavit approved at the time of the recording of the conveyance documents. (NOTE: Real Estate Excise Tax Affidavits must be printed as legal size forms).

An additional \$5.00 Electronic Technology Fee must be included in all excise tax payments.

If the transaction is exempt, an additional \$5.00 Affidavit Processing Fee is required.

SCHEDULE B

(continued)

5. General and special taxes and charges, payable February 15, delinquent if first half unpaid on May 1, second half delinquent if unpaid on November 1 of the tax year (amounts do not include interest and penalties):

Year: 2015
 Tax Account No.: 123940-0670-02
 Levy Code: 1700
 Assessed Value-Land: \$509,000.00
 Assessed Value-Improvements: \$574,000.00

General and Special Taxes: Billed: \$11,015.80
 Paid: \$00.00
 Unpaid: \$11,015.80

Affects: Parcel A

6. General and special taxes and charges, payable February 15, delinquent if first half unpaid on May 1, second half delinquent if unpaid on November 1 of the tax year (amounts do not include interest and penalties):

Year: 2015
 Tax Account No.: 123940-0671-01
 Levy Code: 1700
 Assessed Value-Land: \$452,000.00
 Assessed Value-Improvements: \$0.00

General and Special Taxes: Billed: \$4,725.07
 Paid: \$00.00
 Unpaid: \$4,725.07

Affects: Parcel B

Note: If the tax amount is not evenly divisible into two payments, King County will require the half payment be rounded up to the next cent. Failure to round up the half payment may result in rejection of the tax payment by the County.

7. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$2,600,000.00
 Dated: February 4, 2015
 Trustor/Grantor: SG Land Group, LLC, a Washington Limited Liability Company
 Trustee: Chicago Title Insurance Company
 Beneficiary: Columbia State Bank
 Recording Date: February 12, 2015
 Recording No.: 2015021200130

8. **Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.**

SCHEDULE B
(continued)

END OF EXCEPTIONS

NOTES

The following matters will not be listed as Special Exceptions in Schedule B of the policy. There will be no coverage for loss arising by reason of the matters listed below because these matters are either excepted or excluded from coverage or are not matters covered under the insuring provisions of the policy.

Note A: Note: FOR INFORMATIONAL PURPOSES ONLY:

The following may be used as an abbreviated legal description on the documents to be recorded, per Amended RCW 65.04.045. Said abbreviated legal description is not a substitute for a complete legal description within the body of the document:

Lot(s): 67 and Portion 68 Burke and Farrar's Kirkland Addition to the City of Seattle Division No. 16
Tax Account No.: 123940-0670-02 and 123940-0671-01

Note B: Note: Any map furnished with this Commitment is for convenience in locating the land indicated herein with reference to streets and other land. No liability is assumed by reason of reliance thereon.

END OF NOTES

END OF SCHEDULE B