

SUBDIVISION

Issued By:



CHICAGO TITLE INSURANCE COMPANY

Guarantee/Certificate Number:

0025633-ETU
Update 3rd Subdivision
Guarantee

CHICAGO TITLE INSURANCE COMPANY

a corporation, herein called the Company

GUARANTEES

Merit Homes Inc., a Washington corporation 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 Insurance Company

By:

President

Attest:

Secretary

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

Countersigned By:

Authorized Officer or Agent



| 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: October 21, 2015 at 08:00 AM

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:

Merit Homes Inc., a Washington corporation

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

Lot(s) 17, except the West 240 feet, and except the South 12 feet, Block 13, Burke and Farrar's Kirkland Addition, Division number 6, according to the plat thereof, recorded in Volume 19 of Plats, Page 68, records of King County, Washington.

SCHEDULE B

GENERAL EXCEPTIONS

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

SCHEDULE B
(continued)

SPECIAL EXCEPTIONS

- 1. Right to enter the Land to make repairs and to cut brush and trees which constitute a menace or danger to the electric transmission line located in the street or road adjoining said Land, as granted by instrument:

Recording Date: March 21, 1965
Recording No.: 5559218

- 2. Covenants, conditions, restrictions, recitals, reservations, easements, easement provisions, dedications, building setback lines, notes, statements, and other matters, if any, but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth on said Plat.

- 3. 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.: 123310-0642-09
Levy Code: 1700
Assessed Value-Land: \$227,000.00
Assessed Value-Improvements: \$265,000.00

General and Special Taxes: Billed: \$5,125.50
Paid: \$2,562.75
Unpaid: \$2,562.75

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

Amount: \$371,250.00
Dated: July 25, 2014
Trustor/Grantor: Merit Homes Inc., a Washington corporation
Trustee: NexTitle & Escrow, a Title and Escrow Co.
Beneficiary: M&T Bank
Recording Date: July 28, 2014
Recording No.: 20140728001634

- 5. Indemnity Agreement regarding hazardous substances:

Grantor: Merit Homes Inc., a Washington corporation
Grantee: M&T Bank
Recording Date: July 28, 2014
Recording No.: 20140728001078

SCHEDULE B
(continued)

6. 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.

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): 17 Block: 13 vol 19 of plats page 68
Tax Account No.: 123310-0642-09

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