

Notice of Intent

State of Washington LOCAL PROGRAM

Local Agency Information

Legal Name: City of McCleary

County: Grays Harbor County

Address: 100 S. 3rd Street

Contact Person: Dani Smith

Phone: 360-495-3667

E-mail: danis@cityofmccleary.com

MCAG No.:

Zip: 98557

Title: Clerk-Treasurer

Fax:

Property (Real Estate or Equipment)

Property description (include quantity, if applicable): 5 parcels that total approximately 347 acres in City of McCleary limits.

Purpose of property (Please be specific and include dept. of use):

The City will use the property for transportation, utility, open space, public safety, and other municipal needs. Private development partnership

Total Project/Property Cost \$3,250,000.00

Finance term: 20 years

Local Funds \$ ()

Useful life:

Grants/Other \$ ()

Desired financing date: February 2022

LOCAL Financing Request: \$ 3,250,000.00

If **real estate**, the Real Estate Worksheet: Is attached Will be provided by (date):

Expected date of closing or executed Construction Contract:

If **equipment**, expected property delivery date:

Select how the property purchase price will be paid:

Reimbursement to Local Agency. *If expenditures are made prior to the COP closing date, a Reimbursement Resolution will be required with your financing documents. To comply with IRS requirements, expenditures made more than 60 days prior to the date of the resolution cannot be reimbursed.*

Direct payment to vendor. *Confirm the vendor is registered in the Statewide Vendor System at <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services> or call 360.407.8180.*

Security Pledge

Voted general obligation of local government Non-voted general obligation of local government

Other Information

If any of the following apply, please provide a complete discussion on a separate page:

Yes No Is the local agency a party to significant litigation?

Yes No Has the agency received a bond rating in the last two years? If yes, bond rating(s):
(attach rating agency letter)

The Local Agency reasonably expects to be reimbursed for original expenditures made to acquire the personal/real property from sale proceeds of certificates of participation in a Personal/Real Property Financing Lease with the State Treasurer in the maximum amount expected to be financed as identified above. The Local Agency reasonably expects that the personal/real property will be used for its governmental purpose and not by any nongovernmental person for private business use.

Signature: _____

Date:

Printed Name: Dani Smith

Title: Clerk-Treasurer

Credit Application

State of Washington LOCAL PROGRAM

Please provide the following information with the agency's Notice of Intent to finance through the LOCAL PROGRAM.

General

Local Agency Name: City of McCleary

Located in the incorporated community of: Grays Harbor County

Population served: 1653

Please provide a brief background on the agency: when it was formed, recent changes in service area or tax base related to annexations or mergers.

Incorporated on January 6, 1943. No significant or recent changes in tax base related to annexations or mergers.

Are you aware of any proposed changes to the tax base of the agency such as plans to annex/merge/dissolve portions of a district/county/city)? If so, how would this affect the agency's size and operations?

No.

Provide the number of agency employees in each of the past three years. Do unions represent employees or bargaining groups? If yes, when do the associated contracts expire? Are labor relations considered satisfactory?

2019 - 24 employees; 2020 - 25 employees; 2021 - 25 employees.

Union representation, IBEW - expires December 31, 2022; FOP - expire December 31, 2023; Teamsters Local #252 - expires December 31, 2024

Discuss any major changes to significant employers or taxpayers in the area. Are you aware of pending closures or changes in employment levels?

No significant changes to employers or taxpayers in the area.

Not aware of pending closures or changes in employment levels.

Special Purpose Districts only: List facilities and major equipment operated by the district.

N/A

Litigation

Please accept or modify as appropriate, the following:

There is not now pending or, to the best of knowledge, threatened, any litigation restraining or enjoining the execution of the Local Agency Financing Agreement or the levy and collection of taxes to pay the payments thereunder. The City is party to routine legal proceedings and claims, and the collective impact of these legal proceedings and claims is not likely to have a material impact on revenues of the entity.

Assessed Valuation

Please complete the table below on assessed value, noting the source materials. Explain any unique or unusual valuation numbers (e.g. revaluation year).

Year of tax collection (include last 5 years)	Total assessed value for regular levy	Reduced assessed value for excess or bond levy
Current year		
2020	170,192,431	
2019	121,842,753	
2018	104,695,062	
2017	94,846,925	
2016	95,189,734	

Tax Levy and Rate

Provide the levy rate per \$1,000 assessed to taxpayers for the last five years, and the dollar amount of regular levy.

Year of Tax Collection	Regular Levy Rate per \$1,000	Regular Levy Total \$\$ Levied	Other Levy Rate per \$1,000	Bond Levy Rate per \$1,000	Levy Lid Lift Included? (Y/N) If Y, provide amount
Current Year					69,000
2020	2.3075550	392,728			69,000
2019	2.91806	355,544			69,000
2018	3,217849	336,892			69,000
2017	2.8157326	267,064			N
2016	2.7637677	263,082			N

Does the agency currently have authority to impose any voter-approved levy lid lifts in the future? If so, please describe the term(s) and authorized amount(s) of such lid lifts.

Yes, we have authority to impose voter-approved levy lid lifts in the future.
Approximately \$69,000 collection in 2021 and 2022.

Has the levy rate been reduced in recent years because of other taxing district levies?

No.

Are you aware of any potential or impending constraints or reductions associated with the agency's levy rates? If yes, please explain.

Not aware of any potential or impending constraints or reductions associated with our levy rates.

Financial Operations

Statement of Revenues and Expenditures and Fund Balance Report

Basis of accounting: Cash Accrual

Please attach copies of the Statement of Revenues and Expenditures and Fund Balance Report for the General or Operating Fund, for the past five years. Clearly indicate whether each year has been audited. If financial statements are not available for the most recent year, please provide preliminary numbers. Please provide details to explain any unusual activity such as one-time expenditures or revenues.

The past 5 years of financial reports are attached

Budget – General/Operating Fund (2 years)

Please attach the budget summary for the General or Operating fund for the current and past year. Be sure it includes summary information on revenues and expenditures – do not send the entire budget.

Budget reports are attached

Please discuss any ending fund balance policies. Is there an expectation that the ending fund balance will be drawn down to a pre-determined level in the future? If so, why and when?

Service Contracts

Briefly describe any service contracts (terms, length, dollar value, etc), including contracts with cities, counties or special purpose districts within the applicant's boundaries, if any. If such contracts constitute more than 10% of your agencies annual operating revenues or expenditures, please provide a history of the specific revenue/expenditures associated with the contract(s) and the remaining term of the contract(s). An example of such a contract might include a fire district that receives revenue from another entity for purposes of fire protection services outside of that fire district's natural boundaries.

See attached

Debt

Outstanding Long-term Debt

Provide the following information on all outstanding debt. Include general obligation debt and other types of debt that are payable from the agency's general or operating fund, as well as any outstanding state loans. Use an additional page or attachment if necessary.

	Debt No. 1	Debt No. 2	Debt No. 3
Description of debt	See attached		
First payment date			
Last payment date			
Voted or non-voted pledge	Non-voted	Non-voted	Non-voted
Amount originally borrowed			
Amount currently outstanding			
Annual payments due			
Fund responsible for repayment			

Short-term Obligations

Provide information on any short-term obligations including interfund loans or loans from the County Treasurer, noting the amount of the loan, the purpose, the repayment schedule and the fund source for repayment.

None

Additional Financing Plans

Discuss additional financing plans that are in process or anticipated over the next 18 to 24 months.

None

Expected payment source for COP lease payments

Does the agency anticipate making the COP lease payments from a source other than the agency's general or operating fund? If so please describe this alternative source of funds, provide a 5-year history and any other claims on this source of funds.

No

Reserves

Does the agency maintain any financial reserves outside of its general or operating fund? Please describe these reserves, provide a 5-year history and any expected expenditure of these reserve funds in the near future.

No

Provide any additional information that would be helpful for the review of the LOCAL PROGRAM credit application.

The information provided above is complete and accurate to the best of my knowledge. I am not aware of any additional information that would affect the Office of the State Treasurer's review of the agency.

Signature: _____

Date:

Printed Name: Dani Smith

Title:

Forward this application to the LOCAL Program
matthew.schoenfeld@tre.wa.gov
brianna.may@tre.wa.gov
Office of the State Treasurer, Legislative Building, PO Box
40200, Olympia, WA 98504-0200
(360) 902-9022

LOCAL Real Estate Financing and Project Overview

General

Common name of property/building	DTF Properties – McCleary Industrial and Commercial Parcels		
Address of property/building	55 Larson Road, McCleary, Washington 98557		
Contact Information			
Finance Contact	Real Estate/Construction Contact		
Name	Dani Smith	Name	Todd Baun
Title	Clerk-Treasurer	Title	Public Works Director
Phone	360-495-3667	Phone	360-495-3667
Email	danis@cityofmccleary.com	Email	toddb@cityofmccleary.com

Select the type of project you intend to finance:

- New Construction
 Acquisition of Property
 Refinancing – *Please provide a copy of the existing financing contract to OST*

Timing

Target acquisition date, if acquisition : 11/30/2021

Expected timing, if construction:

Bid date:

Construction start:

Construction completion:

Required Information and Documentation

Please attach a copy of the **legal description** of the property

The Legal Description is included

Has a title report or preliminary commitment for **title insurance** been obtained?

Yes No
If yes, please provide a copy to OST.

Estimated Project and Finance Information *

Please provide an estimated project budget as follows. All soft costs should be identified.

Acquisition Price	3,250,000.00
Acquisition Costs (provide detail)	
Title Insurance	
Phase I	
Other	
Other	
Construction Costs	
Contract price	
Architect/Engineer	
Other	
Total project cost	
Amount paid by agency	
Total amount to be financed	3,250,000

** Include only costs to be incurred by the Agency. All costs relating to the LOCAL Program financing will be estimated and provided by the Office of the State Treasurer.*

Desired length of financing	20 years
Repayment source (i.e. voted levy, revenue, savings from payment reductions)	City Revenue, timber and property sales

Use of Land or Building

Building size	sq ft
Who will occupy the building upon completion of the project?	
What is the intended use of the building?	
Who were the previous tenants?	
What was the previous use?	
Is the property to be acquired currently occupied by any agency of the State, or other local government agencies?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If so, are any private or federal government tenant leases expected to continue?	
For any private or federal government leases that are expected to continue, please provide the following for <u>EACH</u> tenant:	
Business/agency use	
Ending date of lease term	
Terms of any renewal options	
Periodic lease payments	(monthly) (annually)
Square footage occupied	
Intended use by the State Agency	
Any state agency leases that are expected to continue must be assigned to the State Agency. Also, for any private tenants, estoppels must be provided, and all security deposits and prepaid rents should be transferred to the Agency.	
Does the Agency expect to enter into ANY type of management agreements, service contracts or other business arrangements relating to the property with any other parties?	Possible sale of portions of property
Has a Phase 1 Environmental Review been performed? If so, were there any item that indicated the need for a Phase 2 review?	Currently performing

Order No.
PT3374

Ref No.:
49 LARSON RD
MCCLEARY, WA 98557

Guarantee No.
LBGA 08003275

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND THE CONDITIONS AND STIPULATIONS OF THIS GUARANTEE,

RECEIVED

FEB 07 2019

G.H. COUNTY
PROSECUTING ATTORNEY



**OLD REPUBLIC NATIONAL
TITLE INSURANCE COMPANY**
a Corporation, of Minneapolis, Minnesota

GUARANTEES

the Assured named in Schedule A against actual monetary loss or damage 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.

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Corporation
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

Countersigned:

By

[Handwritten signature]
[Handwritten signature]

President

Attest

Secretary

By

Warren S. Drake, Jr.

Schedule A

LOT BOOK GUARANTEE	Order No.	PT3374
	Ref. No.	
	Guarantee No.	LBGA 08003275
	Liability	\$ 175.00
	Fee	\$ 75.00
	Tax	\$ 6.60
	Total	\$ 81.60

1. Name of Assured:

GRAYS HARBOR COUNTY

2. Date of Guarantee: **January 28, 2019 at 8:00 a.m.**

The assurances referred to on the face page hereof are:

That, according to the Company's property records relative to the following described land (but without examination of those Company records maintained and indexed by name):

**** SEE EXHIBIT "A" ATTACHED ****

A. The last recorded instrument purporting to transfer title to said land is:

STATUTORY WARRANTY DEED:

GRANTOR: PORT BLAKELY TREE FARMS (LIMITED PARTNERSHIP), A WASHINGTON LIMITED PARTNERSHIP

GRANTEE: USA INVESTMENT GROUP LLC, A WASHINGTON LIMITED LIABILITY COMPANY

DATED: DECEMBER 17, 2012

RECORDED: DECEMBER 21, 2012

FILE NO.: 2012-12210053

EXCISE NO.: 207646

B. There are no mortgages, or deeds of trust which purport to affect said land, other than those shown below under Exceptions.

No guarantee is made regarding (a) matters affecting the beneficial interest of any mortgage or deed of trust which may be shown herein as an exception, or (b) other matters which may affect any such mortgage or deed of trust.

No guarantee is made regarding any liens, claims of lien, defects or encumbrances other than those specifically provided for above, and, if information was requested by reference to a street address, no guarantee is made that said land is the same as said address.

Exceptions:

NONE

NOTE 1: **2018 GENERAL TAXES IN THE AMOUNT OF \$6,203.02 HAVE BEEN PAID IN FULL.**

TAX ACCOUNT NO.: 618051120000

AFFECTS: PARCEL A

2018 GENERAL TAXES IN THE AMOUNT OF \$1,391.10 HAVE BEEN PAID IN FULL.

TAX ACCOUNT NO.: 618051112007

AFFECTS: PARCEL B

Order No.
PT3374

Ref No.:

Guarantee No.
LBGA 08003275

EXHIBIT 'A'

The land referred to is situated in the County of Grays Harbor State of Washington, and is described as follows:

PARCEL A:

THE NORTHWEST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN; EXCEPT NORTHERN PACIFIC RAILWAY RIGHT-OF-WAY; SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.

PARCEL B:

THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, LESS NORTHERN PACIFIC RAILROAD RIGHT-OF-WAY AND LESS THE COUNTY ROAD;

LESS THAT PORTION OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

**BEGINNING AT THE NORTHWEST CORNER OF SAID TRACT;
THENCE SOUTH ALONG THE WEST LINE, 281 FEET;
THENCE EASTERLY 669 FEET, MORE OR LESS, TO A POINT IN THE EAST LINE OF SAID TRACT 330 FEET SOUTH OF NORTHEAST CORNER THEREOF;
THENCE NORTH ALONG THE EAST LINE OF SAID TRACT, 330 FEET;
THENCE WEST ALONG THE NORTH LINE OF SAID TRACT, 669 FEET, MORE OR LESS TO THE POINT OF BEGINNING.
SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.**

Order No.
PT3374

Ref No.:

Guarantee No.
LBGA 08003275

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SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.

GUARANTEE CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this Guarantee mean:

- (a) the "Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.
- (b) "land": the land described or referred to in Schedule (A) (C) or in Part 2, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A) (C) or in Part 2, nor any right, title, interest estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "public records": records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "date": the effective date.

2. NOTICE OF CLAIM TO BE GIVEN BY ASSURED CLAIMANT

An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

3. NO DUTY TO DEFEND OR PROSECUTE

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

4. COMPANY'S OPTION TO DEFEND OR PROSECUTE ACTIONS; DUTY OF ASSURED CLAIMANT TO COOPERATE

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provisions of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (b) If the Company elects exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.

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- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provisions of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (b) If the Company elects exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.

8. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.

(c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

9. REDUCTION OF LIABILITY OR TERMINATION OF LIABILITY

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to paragraph 4 shall reduce the amount of liability pro tanto.

10. PAYMENT OF LOSS

(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

11. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

12. ARBITRATION

Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the amount of liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured.

The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

13. LIABILITY LIMITED TO THIS GUARANTEE; GUARANTEE ENTIRE CONTRACT

(a) This Guarantee together with all endorsement, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee,

(c) No amendment of endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

14. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at the office which issued this Guarantee or to its Home Office: 400 Second Avenue South, Minneapolis, Minnesota 55401, (612) 371-1111.

8. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.

(c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

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All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to paragraph 4 shall reduce the amount of liability pro tanto.

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(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

11. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

12. ARBITRATION

Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the amount of liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured.

The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

13. LIABILITY LIMITED TO THIS GUARANTEE; GUARANTEE ENTIRE CONTRACT

(a) This Guarantee together with all endorsement, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee,

(c) No amendment of endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

14. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at the office which issued this Guarantee or to its Home Office: 400 Second Avenue South, Minneapolis, Minnesota 55401, (612) 371-1111.

LARSON CO. ROAD

80.70

10/10/11	18	150	2	6	3
200608	150	79	121	6	3
S = A	669				

**SUBJECT
PROPERTY**



6-200000

120070

SUMMIT BRANCH

NORTHERN PACIFIC RY.

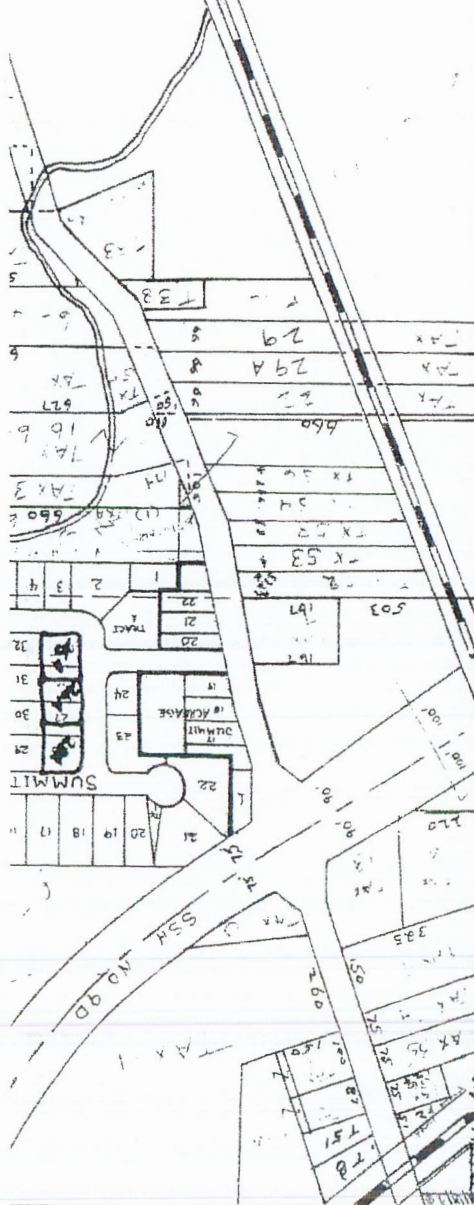
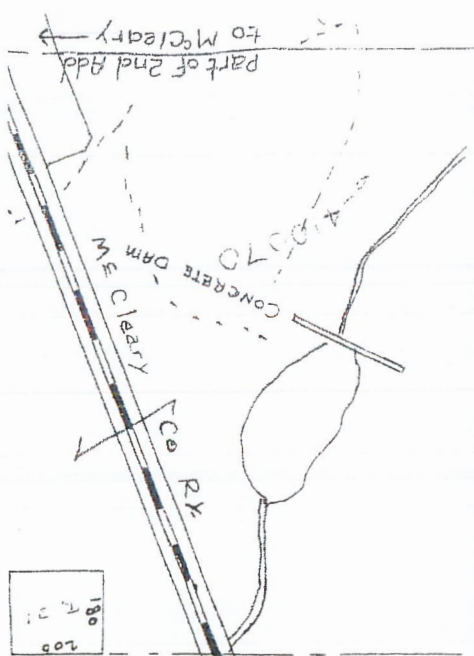
THIS SKETCH IS PROVIDED, WITHOUT CHARGE, FOR YOUR INFORMATION. IT IS NOT INTENDED TO SHOW ALL MATTERS RELATED TO THE PROPERTY INCLUDING, BUT NOT LIMITED TO, AREA, DIMENSIONS, EASEMENTS, ENCROACHMENTS, OR LOCATIONS OF BOUNDARIES. IT IS NOT A PART OF, NOR DOES IT MODIFY, THE COMMITMENT OR POLICY TO WHICH IT IS ATTACHED. THE COMPANY ASSUMES NO LIABILITY FOR ANY MATTER RELATED TO THIS SKETCH, UNLESS SUCH COVERAGE IS SPECIFICALLY PROVIDED BY THE COVERED RISKS OF THE POLICY. REFERENCE SHOULD BE MADE TO AN ACCURATE SURVEY FOR FURTHER INFORMATION.

6-420

SAC: 76659 For map

756000

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156000

120070



CO. ROAD 80.70 SUBJECT

Z

Z

Schedule A

LOT BOOK GUARANTEE	Order No.	PT3376
	Ref. No.	
	Guarantee No.	LBGA 08003276
	Liability	\$ 175.00
	Fee	\$ 75.00
	Tax	\$ 6.60
	Total	\$ 81.60

1. Name of Assured:

GRAYS HARBOR COUNTY

2. Date of Guarantee: **January 28, 2019 at 8:00 a.m.**

The assurances referred to on the face page hereof are:

That, according to the Company's property records relative to the following described land (but without examination of those Company records maintained and indexed by name):

**** SEE EXHIBIT "A" ATTACHED ****

A. The last recorded instrument purporting to transfer title to said land is:

COUNTY TREASURER'S DEED:

GRANTOR: KENNETH E. ALBERT AS TREASURER OF GRAYS HARBOR COUNTY,
STATE OF WASHINGTON
GRANTEE: USA INVESTMENT GROUP LLC
DATED: SEPTEMBER 15, 2017
RECORDED: NOVEMBER 6, 2017
FILE NO.: 2017-11060003
EXCISE NO.: 226257

SAID COUNTY TREASURER'S DEED IS A RE-RECORDING OF COUNTY TREASURER'S DEED RECORDED SEPTEMBER 28, 2017. UNDER AUDITOR'S FILE NO. 2017-09280038, RECORDS OF GRAYS HARBOR COUNTY.

B. There are no mortgages, or deeds of trust which purport to affect said land, other than those shown below under Exceptions.

No guarantee is made regarding (a) matters affecting the beneficial interest of any mortgage or deed of trust which may be shown herein as an exception, or (b) other matters which may affect any such mortgage or deed of trust.

No guarantee is made regarding any liens, claims of lien, defects or encumbrances other than those specifically provided for above, and, if information was requested by reference to a street address, no guarantee is made that said land is the same as said address.

Exceptions:

NONE

NOTE 1: 2018 GENERAL TAXES IN THE AMOUNT OF \$573.42 HAVE BEEN PAID IN FULL.
TAX ACCOUNT NO.: 618051133006

NOTE 2: TITLE COMPANY NOTES PER THE GRAYS HARBOR COUNTY ASSESSORS OFFICE THE LAND USE IS DESIGNATED AS 91.

Schedule A

LOT BOOK GUARANTEE	Order No.	PT3376
	Ref. No.	
	Guarantee No.	LBGA 08003276
	Liability	\$ 175.00
	Fee	\$ 75.00
	Tax	\$ 6.60
	Total	\$ 81.60

1. Name of Assured:

GRAYS HARBOR COUNTY

2. Date of Guarantee: **January 28, 2019 at 8:00 a.m.**

The assurances referred to on the face page hereof are:

That, according to the Company's property records relative to the following described land (but without examination of those Company records maintained and indexed by name):

**** SEE EXHIBIT "A" ATTACHED ****

A. The last recorded instrument purporting to transfer title to said land is:

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GRANTOR: KENNETH E. ALBERT AS TREASURER OF GRAYS HARBOR COUNTY,
STATE OF WASHINGTON

GRANTEE: USA INVESTMENT GROUP LLC

DATED: SEPTEMBER 15, 2017

RECORDED: NOVEMBER 6, 2017

FILE NO.: 2017-11060003

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Exceptions:

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TAX ACCOUNT NO.: 618051133006

NOTE 2: TITLE COMPANY NOTES PER THE GRAYS HARBOR COUNTY ASSESSORS OFFICE THE LAND USE IS DESIGNATED AS 91.

Order No.
PT3376

Guarantee No.
LBGA 08003276

EXHIBIT 'A'

The land referred to is situated in the County of Grays Harbor State of Washington, and is described as follows:

PARCEL A:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN;
THENCE NORTH 0° 20' 11" WEST ALONG THE WEST SECTION LINE, A DISTANCE OF 24.25 FEET, TO THE NORTH BOUNDARY LINE OF STATE HIGHWAY SR 108, THE TRUE POINT OF BEGINNING;
THENCE NORTH 0° 20' 11" WEST A DISTANCE OF 305.75 FEET;
THENCE SOUTH 89° 13' 21" EAST A DISTANCE OF 273.78 FEET;
THENCE SOUTH 0° 20' 11" EAST A DISTANCE OF 304.28 FEET;
THENCE NORTH 89° 31' 49" WEST A DISTANCE OF 273.75 FEET TO THE TRUE POINT OF BEGINNING;
(ALSO KNOWN AS PARCEL 4 OF SS# 78-3, RECORDED MARCH 9, 1978, UNDER AUDITOR'S FILE NO. 122072);
SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.

PARCEL A-1:

A PERMANENT NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS DESCRIBED AS FOLLOWS:
THE WEST 25 FEET OF THE SOUTH 40 FEET OF PARCEL 3 OF SS# 78-3, RECORDED MARCH 9, 1978, UNDER AUDITOR'S FILE NO. 122072;
SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.

Order No.
PT3376

Guarantee No.
LBGA 08003276

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**COMMENCING AT THE SOUTHWEST CORNER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN;
THENCE NORTH 0° 20' 11" WEST ALONG THE WEST SECTION LINE, A DISTANCE OF 24.25 FEET, TO THE NORTH BOUNDARY LINE OF STATE HIGHWAY SR 108, THE TRUE POINT OF BEGINNING;
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THENCE SOUTH 0° 20' 11" EAST A DISTANCE OF 304.28 FEET;
THENCE NORTH 89° 31' 49" WEST A DISTANCE OF 273.75 FEET TO THE TRUE POINT OF BEGINNING;
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SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.**

ORT EGCS1

SCHEDULE OF EXCLUSIONS FROM COVERAGE OF THIS GUARANTEE

1. Except to the extent that specific assurances are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:

(a) Defects, liens, encumbrances, adverse claims or other matters against the title, whether or not shown by the public records.

(b) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the public records.

(c) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the public records.

2. Notwithstanding any specific assurances which are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:

(a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the land expressly described in the description set forth in Schedule (A), (C) or in Part 2 of this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways to which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any structure or improvements; or any rights or easements therein, unless such property, rights or easements are expressly and specifically set forth in said description.

(b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the public records; (1) which are created, suffered, assumed or agreed to by one or more of the Assureds; (2) which result in no loss to the Assured; or (3) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of the assurances provided.

(c) The identity of any party shown or referred to in Schedule A.

(d) The validity, legal effect or priority of any matter shown or referred to in this Guarantee.

GUARANTEE CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this Guarantee mean:

- (a) the "Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.
- (b) "land": the land described or referred to in Schedule (A) (C) or in Part 2, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A) (C) or in Part 2, nor any right, title, interest estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "public records": records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "date": the effective date.

2. NOTICE OF CLAIM TO BE GIVEN BY ASSURED CLAIMANT

An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

3. NO DUTY TO DEFEND OR PROSECUTE

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

4. COMPANY'S OPTION TO DEFEND OR PROSECUTE ACTIONS; DUTY OF ASSURED CLAIMANT TO COOPERATE

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provisions of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (b) If the Company elects exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.

GUARANTEE CONDITIONS AND STIPULATIONS (Continuation)

(d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, an Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, an Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 2 of these Conditions and Stipulations have been provided to the Company, a proof of loss or damage signed and sworn to by the Assured shall be furnished to the Company within ninety (90) days after the Assured shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matters covered by this Guarantee which constitute the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Assured to provide the required proof of loss or damage, the Company's obligation to such Assured under the Guarantee shall terminate. In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonable pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY

In case of a claim under this Guarantee, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Liability or to Purchase the Indebtedness.

The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage or a lienholder, the Company shall have the option to purchase the indebtedness secured by said mortgage or said lien for the amount owing thereon, together with any costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

Such purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness, together with any collateral security, to the Company upon payment of the purchase price.

Upon the exercise by the Company of the option provided for in Paragraph (a) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4, and the Guarantee shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant. To pay or otherwise settle with other parties for or in the name of an Assured claimant any claim assured against under this Guarantee, together with any costs, attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of the option provided for in Paragraph (b) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4.

7. DETERMINATION AND EXTENT OF LIABILITY

This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to the Exclusions From Coverage of This Guarantee.

The liability of the Company under this Guarantee to the Assured shall not exceed the least of:

(a) the amount of liability stated in Schedule A or in Part 2;

(b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 6 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or

(c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to any defect, lien or encumbrance assured against by this Guarantee.

8. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.

(c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

9. REDUCTION OF LIABILITY OR TERMINATION OF LIABILITY

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to paragraph 4 shall reduce the amount of liability pro tanto.

10. PAYMENT OF LOSS

(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

11. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

12. ARBITRATION

Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the amount of liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured.

The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

13. LIABILITY LIMITED TO THIS GUARANTEE; GUARANTEE ENTIRE CONTRACT

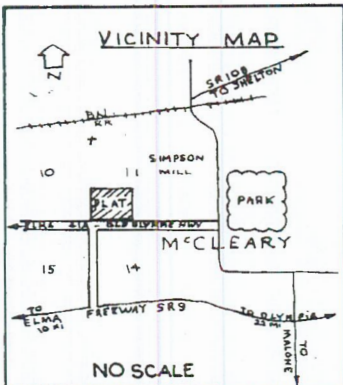
(a) This Guarantee together with all endorsement, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee,

(c) No amendment of endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

14. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at the office which issued this Guarantee or to its Home Office: 400 Second Avenue South, Minneapolis, Minnesota 55401, (612) 371-1111.



ACKNOWLEDGEMENT

This short plat is made with free consent and in accordance with the desires of the owner.

Ralph Pettyjohn

State of Washington } \$5.
County of Grays Harbor }

This is to certify that on this 27 day of Jan, 1977, before me the undersigned, a Notary Public, personally appeared Ralph Pettyjohn and he signed and sealed this document as his voluntary act and deed for the uses and purposes herein mentioned.

Witness my hand and official seal the day and year first above written.

Charles K. Brokke
Notary Public in and for State of Wash.
Residing at Quincy

G.H. COUNTY SHORT PLAT NO. _____

A PORTION OF SEC. 11 TWP. 18 N., R. 5 W., W.M.

ORIGINAL TRACT - THE WEST 726 FT. OF THE SOUTH 330 FT. OF S. W. 1/4 SEC. 11, TWP. 18 N., R. 5 W., W.M. LESS HIGHWAY.

ASSESSORS PARCEL NO. 18W0511-330010

NOTICE: IT IS ILLEGAL TO FURTHER DIVIDE SHORT PLATTED LOTS NO. 1, 2, 3, 4 DESCRIBED BELOW FOR A PERIOD OF FIVE (5) YEARS FROM THE DATE OF RECORDING OF THIS MAP WITH THE COUNTY AUDITOR.

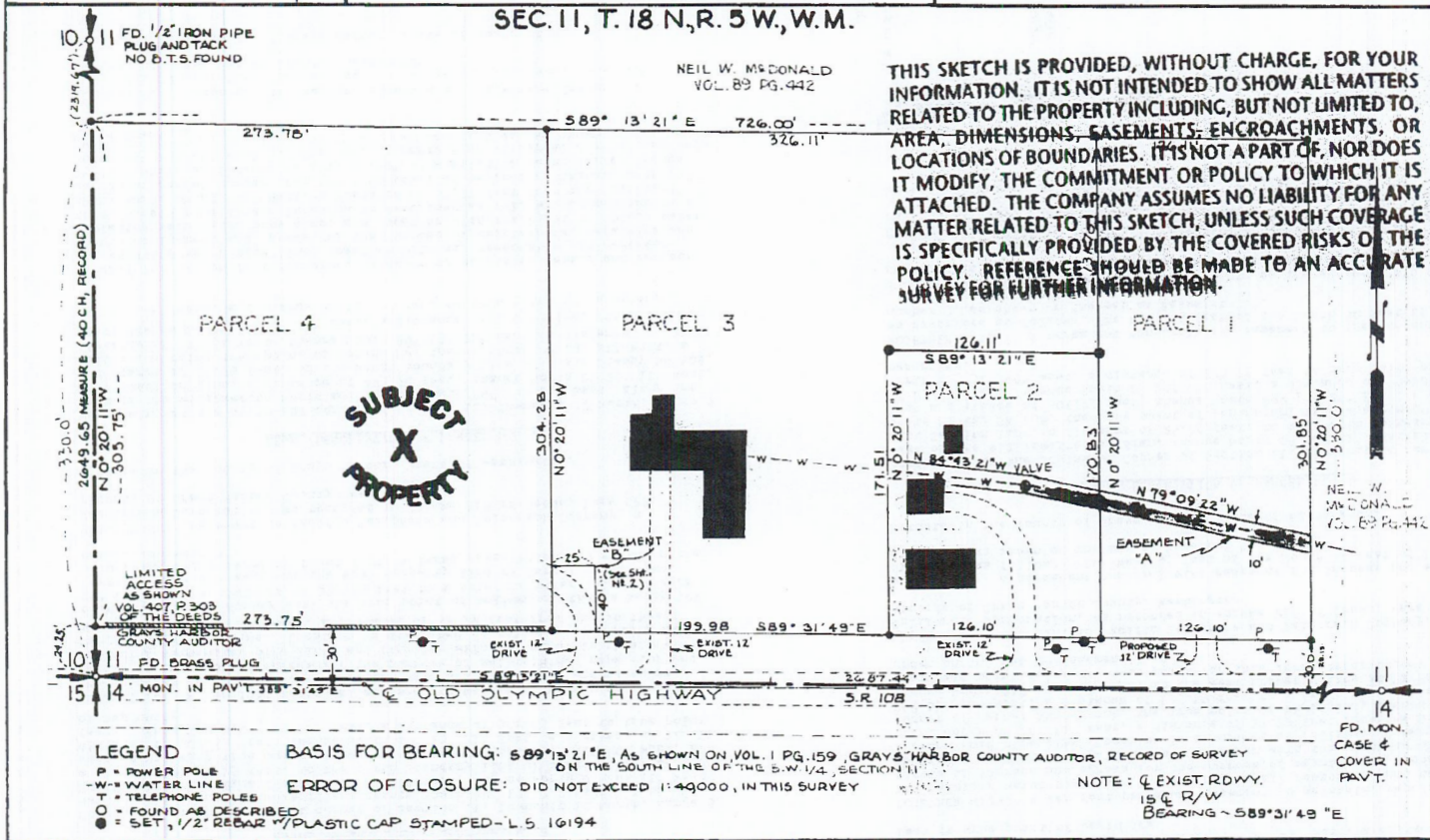
FUTURE PERMITS:
THE APPROVAL OF THIS SHORT PLAT IS NOT A GUARANTEE THAT FUTURE PERMITS WILL BE GRANTED

ACKNOWLEDGEMENTS AND CERTIFICATES

PLANNING DIRECTOR ADMINISTRATOR
Mel Williamson 3-9-78
DATE

HEALTH DEPARTMENT
PRELIMINARY INSPECTIONS INDICATE SOIL CONDITIONS MAY ALLOW USE OF SEPTIC TANKS AS A TEMPORARY MEANS OF SEWAGE DISPOSAL FOR SOME BUT NOT NECESSARILY ALL BUILDING SITES WITHIN THIS SHORT PLAT. PROSPECTIVE PURCHASERS OF LOTS ARE URGED TO MAKE INQUIRY AT THE G.H. PACIFIC COUNTY HEALTH DEPARTMENT ABOUT THE ASSURANCE OF SEPTIC TANK PERMITS FOR SPECIFIC LOTS.

Water Supply Approved Disapproved _____
William J. Henge 3-8-78
ENVIRONMENTAL HEALTH SPEC. DATE
Paul Sweet 3-8-78
DIRECTOR OF HEALTH DATE



PUBLIC WORKS DEPARTMENT
S. P. Blinn 3-8-78
ADMINISTRATIVE ENGR. DATE

COUNTY TREASURER
I HEREBY CERTIFY THAT ALL STATE AND COUNTY TAXES HERETOFORE LEVIED AGAINST THE SHORT PLATTED PROPERTY DESCRIBED HEREON ACCORDING TO THE BOOKS AND RECORDS OF MY OFFICE HAVE BEEN FULLY PAID AND DISCHARGED.

Charles J. Farned 3-7-78
DEPUTY TREASURER DATE

NAME AND ADDRESS OF ORIG. TRACT OWNER
RALPH AND FAYE PETTYJOHN
RTE. 1 BOX 5 MCCLEARY, WASH. 98557
495-2629
PHONE

EXISTING ZONING R-2

SOURCE OF WATER PUBLIC SYSTEM

SEWER SYSTEM SEPTIC TANKS

WIDTH AND TYPE OF ACCESS 60' PUBLIC ROAD

NO. OF SHORT PLATTED LOTS 4

SCALE 1" = 50'

LEGAL DESCRIPTION
THE WEST 726 FEET OF THE SOUTH 330 FEET OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, LESS HIGHWAY, AS RECORDED UNDER AUDITORS NR. 77-02140 IN GRAYS HARBOR COUNTY RECORDS.

C.K. BROKKE & ASSOC.
SURVEYING - PLANNING - PROJECT MANAGEMENT

SURVEYED FOR: RALPH AND FAYE PETTYJOHN
RTE. 1 BOX 5 MCCLEARY WASH. 98557
PHONE: 495-3629

SCALE: 1" = 50'

DATE: 1-20-78

SURVEYED BY: C.K. BROKKE & ASSOC.
103 E. BROADWAY
MONTESANO, WASHINGTON 98563

PHONE: (206) 249-3279
P.O. BOX 3402 (206) 859-2516,
FEDERAL WAY, WASHINGTON 98003

DRAWN BY: MFD
CHECKED BY: NEM

DATE: _____

DWG. NO. 78M-100

SURVEYOR'S CERTIFICATE
This map correctly represents a survey made by me or under my direction in conformance with the requirements of the Survey Recording Act of the request of _____

Ralph Pettyjohn in January, 1978

Signed and Sealed: *Charles K. Brokke*
Lic. No. 16194



AUDITOR'S CERTIFICATE
Filed for record this 9th day of March, 1978
at 2:00 P.M. in book 2 of maps
at page 21-22 at the request of _____

C.K. BROKKE & ASSOC.

Dana Gustafson Deputy
William J. Henge Auditor

See Microfilm # 78-05056

LEGAL DESCRIPTION OF ORIGINAL PROPERTY

The west 726 Feet of the South 330 feet of the Southwest quarter of Section 11, Township 18 North, Range 5 West, of the Willamette Meridian, less Highway.

AND ALSO: Subject to the relinquishment of access rights on the Westerly 270.0 Feet as recorded in Volume 407, Page 303 of Deeds, Grays Harbor County.

AND ALSO: Subject to a easement to Pacific Telephone Company as recorded in Volume 218, Page 622 of Deeds, Grays Harbor County.

LEGAL DESCRIPTION OF PARCEL NO. 1

Commencing at the Southwest corner of Section 11, Township 18 North, Range 5 West of the Willamette Meridian; thence South 89° 13' 21" East, along the South section line, a distance of 726.00 feet, thence North 0° 20' 11" West, a distance of 28.15 feet, to the North Boundary line of State Hi-way SR 108, said point being true point of beginning; thence North 89° 31' 49" East, a distance of 302.53 feet; thence South 89° 13' 21" East, a distance of 126.11 feet; thence South 0° 20' 11" East, a distance of 301.85 feet to true point of beginning.

SUBJECT TO: A ten foot perpetual easement to maintain, repair and replace the existing water pipe line, together with all reasonable and necessary rights of ingress and egress for the purpose of maintaining, repairing and replacing said water pipe line, and together with the right to obtain water through said pipe line. Location is described as follows, commencing at a point North 0° 20' 11" West, a distance of 57.77 feet from the Southeast corner of Parcel Number one; the true point of beginning; thence North 79° 09' 22" West, a distance of 175.19 feet to a existing water valve; thence North 84° 43' 21" West, to the West property line of Parcel number two; said point being terminus point for this legal description. As shown on the map as easement "A".

SUBJECT TO: Easement to Pacific Telephone and Telegraph Company, a California Corporation, as recorded in Volume 218 of Deeds, Page 622, records of Grays Harbor County, Washington.

Situate in the County of Grays Harbor, State of Washington.

LEGAL DESCRIPTION OF PARCEL NO. 2

Commencing at the Southwest corner of Section 11, Township 18 North, Range 5 West of the Willamette Meridian; thence South 89° 13' 21" East, along the South section line, a distance of 473.78 feet; thence North 0° 20' 11" West, a distance of 26.79 feet, to the North boundary line of State Hi-way SR 108, said point being true point of beginning; thence North 0° 20' 11" West, a distance of 171.51 feet; thence South 89° 13' 21" East, a distance of 126.11 feet; thence South 0° 20' 11" East, a distance of 170.83 feet; thence North 84° 31' 40" West, a distance of 126.10 feet to true point of beginning.

SUBJECT TO: A ten foot perpetual easement to maintain, repair and replace the existing water pipe line, together with all reasonable and necessary rights of ingress and egress for the purpose of maintaining, repairing and replacing said water pipe line, and together with the right to obtain water through said pipe line. Location is described as follows, Commencing at a point North 0° 20' 11" West, a distance of 57.77 feet from the Southeast corner of Parcel Number one; the true point of beginning; thence North 79° 09' 22" West, a distance of 175.19 feet to a existing water valve; thence North 84° 43' 21" West, to the West property line of Parcel number two; said point being terminus point for this legal description. As shown on the map as easement "A".

SUBJECT TO: Easement to Pacific Telephone and Telegraph Company, a California Corporation, as recorded in Volume 218 of Deeds, Page 622, records of Grays Harbor County, Washington.

Situate in the County of Grays Harbor, State of Washington.

SUBDIVISION OF SEC. 11,
TWP. 18N., R. 5W., W.M. IN
GRAY'S HARBOR COUNTY, WA.
AS PER SURVEY RECORDED
IN VOL. 1, PAGE 159, OF
SURVEYS, G. H. C.

LEGAL DESCRIPTION OF PARCEL NO. 3

Commencing at the southwest corner of Section 11, Township 18 North, Range 5 West of the Willamette Meridian; thence South 89° 13' 21" East, along the South section line, a distance of 273.78 feet; thence North 0° 20' 11" West, a distance of 25.72 feet, to the North boundary of State Hi-way SR 108, said point being true point of beginning; thence North 0° 20' 11" West, a distance of 304.28 feet; thence South 89° 13' 21" East, a distance of 326.11 feet; thence South 0° 20' 11" East, a distance of 131.70 feet; thence North 89° 13' 21" West, a distance of 126.11 feet; thence South 0° 20' 11" East, a distance of 171.51 feet; thence North 89° 31' 49" West, a distance of 199.98 feet to true point of beginning.

TOGETHER WITH: A ten foot perpetual easement to maintain, repair and replace the existing water pipe line, together with all reasonable and necessary rights of ingress and egress for the purpose of maintaining, repairing and replacing said water pipe line, and together with the right to obtain water through said pipe line. Location is described as follows, Commencing at a point North 0° 20' 11" West, a distance of 57.77 feet from the Southeast corner of Parcel Number one; the true point of beginning; thence North 79° 09' 22" West, a distance of 175.19 feet to a existing water valve; thence North 84° 43' 21" West, to the West property line of Parcel number two; said point being terminus point for this legal description. As shown on the map as easement "A".

SUBJECT TO: Easement to Pacific Telephone and Telegraph Company, a California Corporation, as recorded in Volume 218 of Deeds, Page 622, records of Grays Harbor County, Washington.

SUBJECT TO: A permanent non-exclusive easement for ingress and egress as described as follows: The West 25 feet of the South 40 feet of Parcel Number 3, as shown on the map as Easement "B".

Situate in the County of Grays Harbor, State of Washington.

LEGAL DESCRIPTION OF PARCEL NO. 4

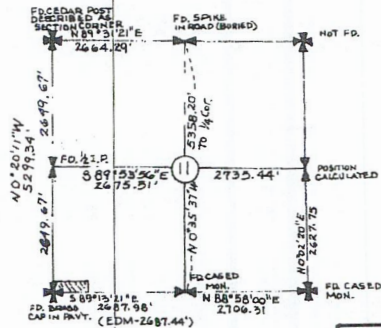
Commencing at the Southwest Corner of Section 11, Township 18 North, Range 5 West of the Willamette Meridian, thence North 0° 20' 11" West along the West Section line, a distance of 24.25 feet, to the North boundary line of State Hi-way SR 108, the true point of beginning; thence North 0° 20' 11" West a distance of 305.75 feet; thence South 89° 13' 21" East, a distance of 273.78 feet; thence South 0° 20' 11" East, a distance of 304.28 feet; thence North 80° 31' 49" West, a distance of 273.75 feet to true point of beginning.

TOGETHER WITH: A permanent non-exclusive easement to ingress and egress as described as follows: The West 25 feet of the South 40 feet of parcel number 3, as shown on the map as Easement "B".

SUBJECT TO: Relinquishment of access rights on the westerly 270.0 feet as recorded in Volume 407, Page 303 of Deeds, Grays Harbor County.

SUBJECT TO: Easement to Pacific Telephone and Telegraph Company, a California Corporation, as recorded in Volume 218 of Deeds, Page 622, records of Grays Harbor County, Washington.

Situate in County of Grays Harbor, State of Washington.



C.K. BROKKE & ASSOC.
SURVEYING - PLANNING - PROJECT MANAGEMENT
SHEET 2 OF 2 DWG. NO. 78M-100

Order No.
PT3375

Guarantee No.
LBGA 08003274

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND THE CONDITIONS AND STIPULATIONS OF THIS GUARANTEE,

RECEIVED

FEB 07 2019

G.H. COUNTY
PROSECUTING ATTORNEY



**OLD REPUBLIC NATIONAL
TITLE INSURANCE COMPANY**
a Corporation, of Minneapolis, Minnesota

GUARANTEES

the Assured named in Schedule A against actual monetary loss or damage 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.

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Corporation
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

Countersigned:

By

President

By Warren S. Drake, Jr.

Attest

Secretary

Schedule A

LOT BOOK GUARANTEE

Order No.	PT3375
Ref. No.	
Guarantee No.	LBGA 08003274
Liability	\$ 175.00
Fee	\$ 75.00
Tax	\$ 6.60
Total	\$ 81.60

1. Name of Assured:

GRAYS HARBOR COUNTY

2. Date of Guarantee: **January 24, 2019 at 8:00 a.m.**

The assurances referred to on the face page hereof are:

That, according to the Company's property records relative to the following described land (but without examination of those Company records maintained and indexed by name):

**** SEE EXHIBIT "A" ATTACHED ****

A. The last recorded instrument purporting to transfer title to said land is:

STATUTORY WARRANTY DEED:

GRANTOR:	MCDONALD LAND COMPANY, A WASHINGTON CORPORATION
GRANTEE:	USA INVESTMENT GROUP LLC
DATED:	DECEMBER 18, 2012
RECORDED:	DECEMBER 21, 2012
FILE NO.:	2012-12210039
EXCISE NO.:	207633

B. There are no mortgages, or deeds of trust which purport to affect said land, other than those shown below under Exceptions.

No guarantee is made regarding (a) matters affecting the beneficial interest of any mortgage or deed of trust which may be shown herein as an exception, or (b) other matters which may affect any such mortgage or deed of trust.

No guarantee is made regarding any liens, claims of lien, defects or encumbrances other than those specifically provided for above, and, if information was requested by reference to a street address, no guarantee is made that said land is the same as said address.

Exceptions:

NONE

NOTE 1: 2018 GENERAL TAXES IN THE AMOUNT OF \$123.90 HAVE BEEN PAID IN FULL.
TAX ACCOUNT NO.: 618051044001
AFFECTS: PARCEL A

2018 GENERAL TAXES IN THE AMOUNT OF \$131.92 HAVE BEEN PAID IN FULL.
TAX ACCOUNT NO.: 618051133003
AFFECTS: PARCEL B

2018 GENERAL TAXES IN THE AMOUNT OF \$766.36 HAVE BEEN PAID IN FULL.
TAX ACCOUNT NO.: 618051134001
AFFECTS: A PORTION OF PARCEL C

(CONTINUED)

2018 GENERAL TAXES IN THE AMOUNT OF \$83.84 HAVE BEEN PAID IN FULL.

TAX ACCOUNT NO.: 618051134007
 AFFECTS: A PORTION OF PARCEL C

2018 GENERAL TAXES IN THE AMOUNT OF \$419.30 HAVE BEEN PAID IN FULL.

TAX ACCOUNT NO.: 618051134002
 AFFECTS: PARCEL D

NOTE 2: TITLE COMPANY NOTES PER THE GRAYS HARBOR COUNTY ASSESSORS OFFICE THE LAND USE IS DESIGNATED AS 88 AND 91.

NOTE 3: ACCORDING TO THE RECORDS OF GRAYS HARBOR COUNTY ASSESSOR, THE CURRENT VALUE OF SAID PREMISES IS AS FOLLOWS:

TAX ACCOUNT NO.: 618051044001
 LAND: \$9,853.00
 IMPROVEMENTS: \$0.00
 TOTAL: \$9,853.00
 AFFECTS: PARCEL A

TAX ACCOUNT NO.: 618051133003
 LAND: \$9,067.00
 IMPROVEMENTS: \$0.00
 TOTAL: \$9,067.00
 AFFECTS: PARCEL B

TAX ACCOUNT NO.: 618051134001
 LAND: \$49,600.00
 IMPROVEMENTS: \$0.00
 TOTAL: \$49,600.00
 AFFECTS: A PORTION OF PARCEL C

TAX ACCOUNT NO.: 618051133007
 LAND: \$4,370.00
 IMPROVEMENTS: \$0.00
 TOTAL: \$4,370.00
 AFFECTS: A PORTION OF PARCEL C

TAX ACCOUNT NO.: 618051134002
 LAND: \$26,600.00
 IMPROVEMENTS: \$0.00
 TOTAL: \$26,600.00
 AFFECTS: PARCEL D

INFORMATIONAL NOTE: Under law passed by the 1996 Washington State Legislature, a new format is required for documents submitted for recording after January 1, 1997. Under this standardization, certain information is required on the first page of each Contract, Deed, Deed of Trust, etc. For your information, therefore, Title Company provides the following information:

Assessor's Property Tax Parcel No. 618051044001, 618051133003, 618051134001,
 618051134007, 618051134002
 Abbreviated Legal Description: PTN S ½ SE 10-18-5; PTN S ½ SW 11-18-5

END OF REPORT

Order No.
PT3375

Guarantee No.
LBGA 08003274

EXHIBIT 'A'

The land referred to is situated in the County of Grays Harbor State of Washington, and is described as follows:

PARCEL A:

ALL THAT PORTION OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 10, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, LYING SOUTHERLY OF THE RIGHT-OF-WAY OF THE NORTHERN PACIFIC RAILWAY COMPANY;
EXCEPTING THEREFROM THE FOLLOWING:
BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, 895 FEET EAST OF THE SOUTH QUARTER CORNER THEREOF;
THENCE, NORTH, PARALLEL WITH THE EAST LINE OF SAID SECTION TO THE SOUTHERLY RIGHT-OF-WAY LINE OF THE NORTHERN PACIFIC RAILWAY COMPANY;
THENCE SOUTHWESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE SOUTH LINE OF SAID SECTION;
THENCE EAST ALONG THE SOUTH LINE OF SAID SECTION TO THE POINT OF BEGINNING;
ALSO EXCEPTING THEREFROM THE FOLLOWING:
BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, 1025 FEET WEST OF THE SOUTHEAST CORNER OF SAID SECTION;
THENCE NORTH 400 FEET;
THENCE WEST 200 FEET;
THENCE SOUTH 400 FEET TO THE SOUTH LINE OF SAID SECTION;
THENCE EAST ALONG SAID SOUTH LINE 200 FEET TO THE POINT OF BEGINNING;
ALSO EXCEPTING RIGHTS-OF-WAY FOR PUBLIC ROADS;
SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.

PARCEL B:

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, EXCEPTING THEREFROM THE EAST 112 FEET OF THE SOUTH 830 FEET THEREOF;
ALSO EXCEPTING THEREFROM THE WEST 726 FEET OF THE SOUTH 330 FEET THEREOF;
ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF LYING WITHIN THE RIGHT-OF-WAY OF THE OLD OLYMPIC HIGHWAY RUNNING ALONG THE SOUTHERLY LINE OF SAID TRACT;
SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.

PARCEL C:

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, LYING NORTH OF OLD OLYMPIC HIGHWAY;
EXCEPTING THEREFROM THE FOLLOWING:
BEGINNING AT THE INTERSECTOIN OF THE EAST LINE OF SAID SUBDIVISION WITH THE NORTH LINE OF OLYMPIC HIGHWAY;
THENCE WEST ALONG SAID NORTH HIGHWAY LINE 285 FEET;
THENCE NORTH 484 FEET, MORE OR LESS, TO THE SOUTH LINE OF ASH STREET, AS PLATTED IN THE THIRD ADDITION TO THE TOWNSITE OF MCCLEARY, AS PER PLAT RECORDED IN

VOLUME 6 OF PLATS, PAGE 56, RECORDS OF GRAYS HARBOR COUNTY, PRODUCED WEST;
THENCE EAST ALONG SAID PRODUCED SOUTH LINE OF SAID ASH STREET, 285 FEET, MORE
OR LESS, TO THE EAST LINE OF SAID SUBDIVISION;
THENCE SOUTH, ALONG SAID EAST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF
BEGINNING;
ALSO EXCEPTING THEREFROM THE FOLLOWING:
BEGINNING AT A POINT ON THE NORTH LINE OF SAID OLD OLYMPIC HIGHWAY WHICH IS 285
FEET WEST OF ITS INTERSECTION WITH THE EAST LINE OF SAID SUBDIVISION;
THENCE WEST ALONG THE NORTH LINE OF SAID SUBDIVISION TO A POINT 360 FEET EAST OF
THE WEST LINE OF SAID SUBDIVISION;
THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID SUBDIVISION, 416 FEET;
THENCE EAST, PARALLEL WITH THE NORTH LINE OF OLD OLYMPIC HIGHWAY TO AN
INTERSECTION WITH THE WEST LINE OF A TRACT OF LAND CONVEYED TO TOWN OF
MCCLEARY BY DEED DATED FEBRUARY 15, 1967 AND RECORDED JUNE 26, 1967, UNDER
AUDITOR'S FILE NO. 189724, RECORDS OF GRAYS HARBOR COUNTY;
THENCE SOUTH ALONG THE WEST LINE OF SAID TRACT 416 FEET TO THE POINT OF
BEGINNING;
SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON,

PARCEL D:

A PART OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11,
TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS
FOLLOWS:
BEGINNING AT A POINT ON THE NORTH LINE OF THE OLD OLYMPIC HIGHWAY 493 FEET WEST
OF ITS INTERSECTION WITH THE EAST LINE OF SAID SUBDIVISION;
THENCE WEST ALONG THE NORTH LINE OF SAID HIGHWAY TO A POINT 360 FEET EAST OF
THE WEST LINE OF SAID SUBDIVISION;
THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID SUBDIVISION, 416 FEET;
THENCE EAST, PARALLEL WITH THE NORTH LINE OF SAID HIGHWAY, TO THE NORTHWEST
CORNER OF A TRACT OF LAND CONVEYED TO E. A. MCCURDY BY DEED RECORDED JULY 3,
1961, UNDER AUDITOR'S FILE NO. 80331, RECORDS OF GRAYS HARBOR COUNTY;
THENCE SOUTH 416 FEET TO THE POINT OF BEGINNING;
EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT ON THE NORTH LINE OF THE OLD OLYMPIC HIGHWAY 493 FEET WEST
OF ITS INTERSECTION WITH THE EAST LINE OF SAID SUBDIVISION;
THENCE WEST ALONG THE NORTH LINE OF SAID HIGHWAY A DISTANCE OF 275 FEET;
THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID SUBDIVISION, A DISTANCE OF 250
FEET;
THENCE EAST, PARALLEL WITH THE NORTH LINE OF SAID HIGHWAY, A DISTANCE OF 275
FEET;
THENCE SOUTH A DISTANCE OF 250 FEET TO THE POINT OF BEGINNING;
ALSO EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT ON THE NORTH LINE OF THE OLD OLYMPIC HIGHWAY 493 FEET WEST
OF ITS INTERSECTION WITH THE EAST LINE OF SAID SUBDIVISION;
THENCE WEST ALONG THE NORTH LINE OF SAID HIGHWAY A DISTANCE OF 275 FEET;
THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID SUBDIVISION, A DISTANCE OF 250
FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;
THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID SUBDIVISION A DISTANCE OF 50
FEET;
THENCE EAST, PARALLEL WITH THE NORTH LINE OF SAID HIGHWAY, A DISTANCE OF 275
FEET;
THENCE SOUTH, PARALLEL WITH THE EAST LINE OF SAID SUBDIVISION, A DISTANCE OF 50
FEET;
THENCE WEST 275 FEET TO THE POINT OF BEGINNING;
SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.

TOGETHER WITH A NON-EXCLUSIVE EASEMENT OVER THE SOUTHERLY 25 FEET OF THE PREMISES DESCRIBED IN WARRANTY DEED RECORDED JULY 6, 1972 UNDER AUDITOR'S FILE NO. 22557, RECORDS OF GRAYS HARBOR COUNTY, FOR UTILITY LINES, BOTH UNDERGROUND AND OVERHEAD, TOGETHER WITH THE RIGHT OF ENTRY ONTO SAID 25 FOOT STRIP FOR CONSTRUCTION, REPAIR, MAINTENANCE AND OPERATION OF SAID LINES. PROVIDED HOWEVER, THAT SUCH WORK WILL BE PERFORMED WITH A MINIMUM DISTURBANCE OF THE SURFACE RIGHTS, AND UPON COMPLETION OF THE SURFACE WILL BE RESTORED AS NEAR AS POSSIBLE TO ITS FORMER CONDITIONS.

ORT EGCS1

SCHEDULE OF EXCLUSIONS FROM COVERAGE OF THIS GUARANTEE

1. Except to the extent that specific assurances are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:

(a) Defects, liens, encumbrances, adverse claims or other matters against the title, whether or not shown by the public records.

(b) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the public records.

(c) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the public records.

2. Notwithstanding any specific assurances which are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:

(a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the land expressly described in the description set forth in Schedule (A), (C) or in Part 2 of this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways to which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any structure or improvements; or any rights or easements therein, unless such property, rights or easements are expressly and specifically set forth in said description.

(b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the public records; (1) which are created, suffered, assumed or agreed to by one or more of the Assureds; (2) which result in no loss to the Assured; or (3) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of the assurances provided.

(c) The identity of any party shown or referred to in Schedule A.

(d) The validity, legal effect or priority of any matter shown or referred to in this Guarantee.

GUARANTEE CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this Guarantee mean:

- (a) the "Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.
- (b) "land": the land described or referred to in Schedule (A) (C) or in Part 2, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A) (C) or in Part 2, nor any right, title, interest estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "public records": records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "date": the effective date.

2. NOTICE OF CLAIM TO BE GIVEN BY ASSURED CLAIMANT

An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

3. NO DUTY TO DEFEND OR PROSECUTE

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

4. COMPANY'S OPTION TO DEFEND OR PROSECUTE

ACTIONS; DUTY OF ASSURED CLAIMANT TO COOPERATE

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provisions of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (b) If the Company elects exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.

GUARANTEE CONDITIONS AND STIPULATIONS (Continuation)

(d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, an Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, an Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 2 of these Conditions and Stipulations have been provided to the Company, a proof of loss or damage signed and sworn to by the Assured shall be furnished to the Company within ninety (90) days after the Assured shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matters covered by this Guarantee which constitute the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Assured to provide the required proof of loss or damage, the Company's obligation to such Assured under the Guarantee shall terminate. In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY

In case of a claim under this Guarantee, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Liability or to Purchase the Indebtedness.

The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage or a lienholder, the Company shall have the option to purchase the indebtedness secured by said mortgage or said lien for the amount owing thereon, together with any costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

Such purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness, together with any collateral security, to the Company upon payment of the purchase price.

Upon the exercise by the Company of the option provided for in Paragraph (a) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4, and the Guarantee shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant. To pay or otherwise settle with other parties for or in the name of an Assured claimant any claim assured against under this Guarantee, together with any costs, attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of the option provided for in Paragraph (b) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4.

7. DETERMINATION AND EXTENT OF LIABILITY

This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to the Exclusions From Coverage of This Guarantee.

The liability of the Company under this Guarantee to the Assured shall not exceed the least of:

(a) the amount of liability stated in Schedule A or in Part 2;

(b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 6 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or

(c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to any defect, lien or encumbrance assured against by this Guarantee.

8. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.

(c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

9. REDUCTION OF LIABILITY OR TERMINATION OF LIABILITY

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to paragraph 4 shall reduce the amount of liability pro tanto.

10. PAYMENT OF LOSS

(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

11. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

12. ARBITRATION

Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the amount of liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured.

The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

13. LIABILITY LIMITED TO THIS GUARANTEE; GUARANTEE ENTIRE CONTRACT

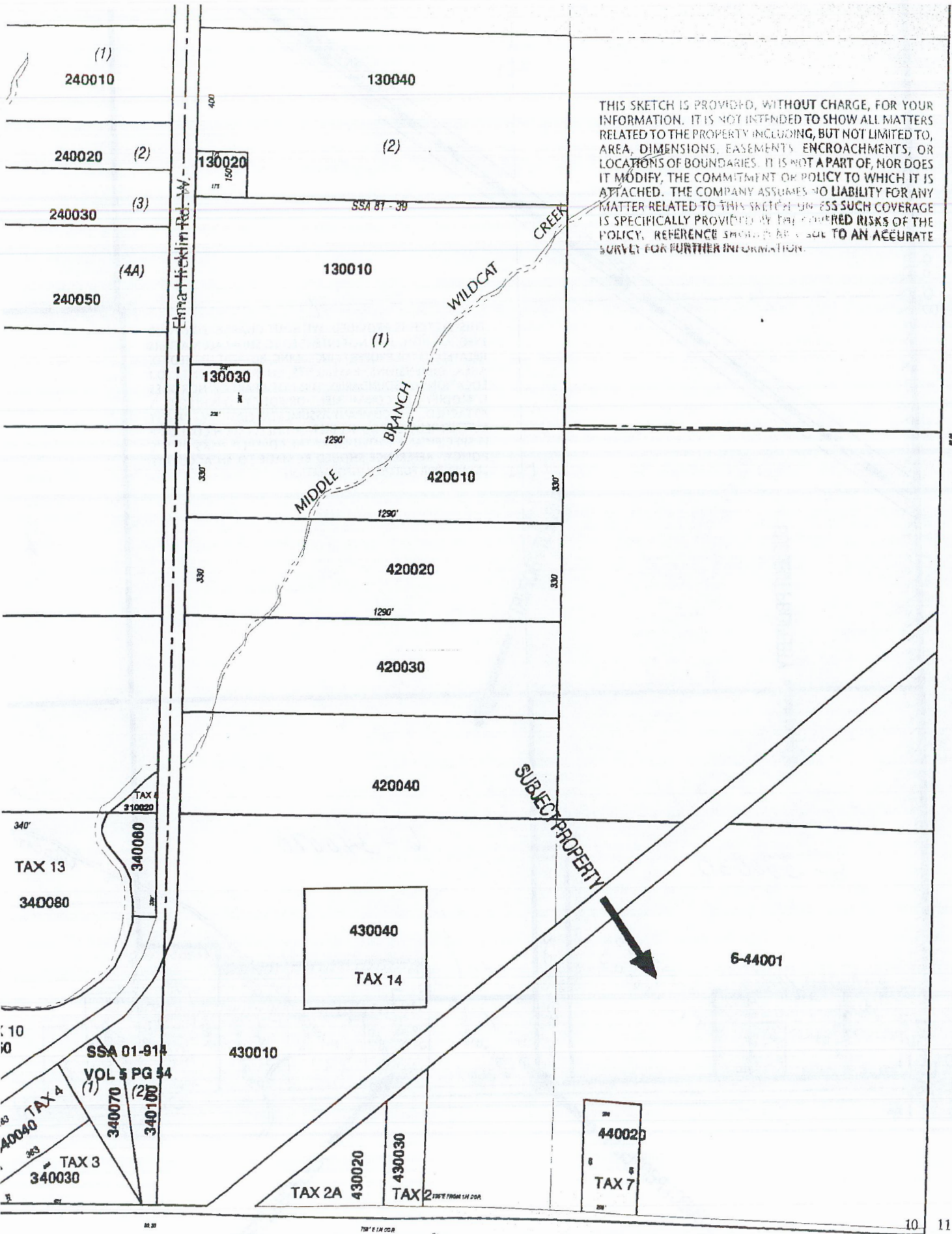
(a) This Guarantee together with all endorsement, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee,

(c) No amendment of endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

14. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at the office which issued this Guarantee or to its Home Office: 400 Second Avenue South, Minneapolis, Minnesota 55401, (612) 371-1111.



THIS SKETCH IS PROVIDED, WITHOUT CHARGE, FOR YOUR INFORMATION. IT IS NOT INTENDED TO SHOW ALL MATTERS RELATED TO THE PROPERTY INCLUDING, BUT NOT LIMITED TO, AREA, DIMENSIONS, EASEMENTS, ENCROACHMENTS, OR LOCATIONS OF BOUNDARIES. IT IS NOT A PART OF, NOR DOES IT MODIFY, THE COMMITMENT OR POLICY TO WHICH IT IS ATTACHED. THE COMPANY ASSUMES NO LIABILITY FOR ANY MATTER RELATED TO THIS SKETCH UNLESS SUCH COVERAGE IS SPECIFICALLY PROVIDED BY THE COVERED RISKS OF THE POLICY. REFERENCE SHOULD BE MADE TO AN ACCURATE SURVEY FOR FURTHER INFORMATION.

Emmett Hicklin Rd. W.

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