



Meeting Agenda

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Tuesday, August 18, 2015

7:00 PM

Council Chambers

1. ROLL CALL

1.A ANNOUNCEMENTS

1.B APPROVAL OF AGENDA

2. SPECIAL RECOGNITION

- 2.A** [15-0784](#) Special Recognition: Action Plan Video Highlighting Pear Blossom Place

3. PUBLIC COMMUNICATION

(Estimated Time: 0-30 Minutes) (Sign-up Sheets are provided in the Foyer.)

During this portion of the meeting, citizens may address the City Council regarding items related to City business, including items on the Agenda. In order for the City Council to maintain impartiality and the appearance of fairness in upcoming matters and to comply with Public Disclosure Law for political campaigns, speakers will not be permitted to make public comments before the Council in these three areas: (1) on agenda items for which the City Council either held a Public Hearing in the last 45 days, or will hold a Public Hearing within 45 days, or (2) where the public testimony may implicate a matter on which the City Council will be required to act in a quasi-judicial capacity, or (3) where the speaker promotes or opposes a candidate for public office or a ballot measure.

Individual comments are limited to three (3) minutes or less. In order to hear as many people as possible during the 30-minutes set aside for Public Communication, the City Council will refrain from commenting on individual remarks until all public comment has been taken. The City Council will allow for additional public comment to be taken at the end of the meeting for those who signed up at the beginning of the meeting and did not get an opportunity to speak during the allotted 30-minutes.

COUNCIL RESPONSE TO PUBLIC COMMUNICATION (Optional)

4. CONSENT CALENDAR

(Items of a Routine Nature)

- 4.A** [15-0793](#) Approval of August 11, 2015 Study Session Minutes

Attachments: [Minutes](#)

- 4.B** [15-0794](#) Approval of August 11, 2015 City Council Meeting Minutes

Attachments: [Minutes](#)

- 4.C** [15-0639](#) Approval of Mutual Aid Agreement between Thurston PUD #1 and City

of Olympia for the use of Emergency Water System Interties

Attachments: [Mutual Aid Agreement between City of Olympia and Thurston PUD#1 for Emergency Water Intertie](#)

4. SECOND READINGS

- 4.D [15-0655](#) Approval of an Ordinance Revising Zoning of the LOTT Wastewater Treatment Facility and Associated Maps, and Other Housekeeping Changes that Reflect Prior Council Actions

Attachments: [Ordinance](#)
[LOTT Rezone Info](#)
[LOTT Alliance Letter](#)

- 4.E [15-0759](#) Approval of Ordinance Related to Veterinary Clinic Zoning

Attachments: [Ordinance Veterinary Clinic Zoning](#)
[Zoning Map](#)

4. FIRST READINGS - None

5. PUBLIC HEARING - None

6. OTHER BUSINESS

- 6.A [15-0791](#) Approval of an Option to Purchase Real Estate Owned by Wonderland Holdings LLC, an Approximately 75-Acre Parcel Previously Known as Kaiser Heights

Attachments: [Option to Purchase](#)

7. CONTINUED PUBLIC COMMUNICATION

(If needed for those who signed up earlier and did not get an opportunity to speak during the allotted 30 minutes)

8. REPORTS AND REFERRALS

8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

8.B CITY MANAGER'S REPORT AND REFERRALS

9. ADJOURNMENT

The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council meeting, please contact the Council's Secretary at 360.753-8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.



City Council

Special Recognition: Action Plan Video Highlighting Pear Blossom Place

Agenda Date: 8/18/2015
Agenda Item Number: 2.A
File Number: 15-0784

Type: recognition **Version:** 1 **Status:** Recognition

Title

Special Recognition: Action Plan Video Highlighting Pear Blossom Place

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Briefing only; no action requested.

Report

Issue:

Staff will share the third in a five-part video series highlighting inspiring stories of partnerships moving our community forward in accomplishing our Comprehensive Plan vision.

Staff Contact:

Stacey Ray, Senior Planner, Community Planning and Development, 360.753.8046

Presenter(s):

Stacey Ray, Senior Planner, Community Planning and Development

Background and Analysis:

Olympia has a new Comprehensive Plan with a clear vision for our community's future. The Action Plan will lay out specifically what we, as a community, will do to accomplish our adopted goals. That may include everything from individual projects to on-going programs. The Plan will also include community indicators to help us track our progress and share stories of success.

The City in collaboration with TCTV is producing a series of videos to highlight the five Action Plan Action Areas: Community Services, Downtown, Economy, Environment, and Neighborhoods. The videos share stories of inspiring community partnerships that are helping move us forward in accomplishing our Comprehensive vision, and are meant to encourage community members to get involved in the City's first Action Plan.

Tonight, staff will share the third video produced in the five-part series, which focuses on Community

Services. The video highlights how Pear Blossom Place Family Shelter is providing local families with access to basic needs, such as food, shelter, and support when they need it most.

Located in what once was an unused City of Olympia office building, Pear Blossom Place is run by the Family Support Center of South Sound as a 24-hour temporary, emergency shelter for families in Thurston County who find themselves without a safe place to call home. A small staff and hundreds of volunteers participate in providing guests at Pear Blossom Place with their basic needs, housing and employment resources, and a warm, welcoming environment so they focus on finding permanent, safe housing for their family.

All three videos completed in the series so far are available to view on the City website at www.olympiawa.gov/takeaction <<http://www.olympiawa.gov/takeaction>>.

Neighborhood/Community Interests (if known):

The Action Plan is a city-wide initiative with potential to impact a wide variety of neighborhoods and community interests.

Financial Impact:

Completion of the City's first Action Plan is a budgeted initiative for 2015 and 2016.



City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8447

City Council

Approval of August 11, 2015 Study Session Minutes

Agenda Date: 8/18/2015
Agenda Item Number: 4.A
File Number: 15-0793

Type: minutes **Version:** 1 **Status:** Consent Calendar

Title

Approval of August 11, 2015 Study Session Minutes



Meeting Minutes - Draft

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Tuesday, August 11, 2015

6:00 PM

Council Chambers

Study Session

1. ROLL CALL

Present: 7 - Mayor Stephen H. Buxbaum, Mayor Pro Tem Nathaniel Jones, Councilmember Jim Cooper, Councilmember Julie Hankins, Councilmember Steve Langer, Councilmember Jeannine Roe and Councilmember Cheryl Selby

2. BUSINESS ITEM

2.A [15-0771](#) LOTT State of the Utility Presentation

LOTT Executive Director Mike Strub presented the annual State of the Utility Report. He reviewed the following

- Financial Health, including budget, rates, and audits
- Changing Dynamics and how capacity needs have changed
- Joint Municipal Utilities Services Act, which allows regional organizations like LOTT to be official public entities and thus issue bonds, act as its own treasurer, and enjoy simplified procurement procedures to purchase surplus public land and be eligible for grants and awards. He noted the basic structure of LOTT stays the same.

Councilmembers asked clarifying questions.

The report was completed.

3. ADJOURNMENT

The meeting adjourned at 6.35 p.m.



City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8447

City Council

Approval of August 11, 2015 City Council Meeting Minutes

Agenda Date: 8/18/2015
Agenda Item Number: 4.B
File Number: 15-0794

Type: minutes **Version:** 1 **Status:** Consent Calendar

Title

Approval of August 11, 2015 City Council Meeting Minutes



Meeting Minutes - Draft

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Tuesday, August 11, 2015

7:00 PM

Council Chambers

1. ROLL CALL

Present: 7 - Mayor Stephen H. Buxbaum, Mayor Pro Tem Nathaniel Jones, Councilmember Jim Cooper, Councilmember Julie Hankins, Councilmember Steve Langer, Councilmember Jeannine Roe and Councilmember Cheryl Selby

1.A ANNOUNCEMENTS

Mayor Buxbaum announced the Council met in Study Session at 6:00 p.m. to receive a report from LOTT.

1.B APPROVAL OF AGENDA

The agenda was approved.

2. SPECIAL RECOGNITION

2.A [15-0763](#) Special Recognition - Presentation of the Association of Washington Cities WellCity Award

Accounting Supervisor Stacy Hamilton stated the City received the AWC Wellness Award. She explained the upcoming health questionnaire and health screenings. She urged all Councilmembers to participate in the screening.

The recognition was received.

3. PUBLIC COMMUNICATION

City Manager Steve Hall stated the City has been informed that the investigative report on the May 21 officer-involved shooting has been referred to the Thurston County Prosecutor. He reiterated that the City has no role in the process and awaits the finding with the rest of the community. City Attorney Mark Barber noted comments regarding a candidate or ballot issue is not permitted under Public Communications.

The following people spoke: James Wellings, Terren Zander, Stuart Reed, Brad O'Brien, Nicola Purpura, Curtis Leonard, Ron Nesbitt, Jane Stavish, and Maria Ruth.

COUNCIL RESPONSE TO PUBLIC COMMUNICATION

Councilmember Cooper asked the Council to consider holding a Study Session

regarding the minimum wage. Council agreed and Mayor Buxbaum requested Thurson County Economic Development Council be included in the discussion for input on a more regional basis.

Mayor Buxbaum asked for a prioritized list on road repairs.

4. CONSENT CALENDAR

- 4.A** [15-0745](#) Approval of July 14, 2015 Special Study Session Meeting Minutes

The minutes were adopted.

- 4.B** [15-0744](#) Approval of July 21, 2015 Special Study Session Meeting Minutes

The minutes were adopted.

- 4.C** [15-0743](#) Approval of July 21, 2015 City Council Meeting Minutes

The minutes were adopted.

- 4.D** [15-0770](#) Approval of Bills and Payroll Certificates

Payroll check numbers 87965 through 88057 and Direct Deposit transmissions:
Total: \$4,031,352.56; Claim check numbers 3662177 through 3663567: Total:
\$6,959,428.06.

The decision was adopted.

- 4.E** [15-0737](#) Approval of Bid Award for the 2015 Priority Storm and Sewer Repairs Project

The decision was adopted.

- 4.F** [15-0741](#) Approval of Sublease with Family Support Center for Preschool Program

The contract was adopted.

- 4.G** [15-0758](#) Approval of Proposed Donation of a 3.19-Acre Parcel of Land for Use as Undeveloped Open Space

The decision was adopted.

4. SECOND READINGS - None

4. FIRST READINGS

- 4.H** [15-0759](#) Approval of Ordinance Related to Veterinary Clinic Zoning

The ordinance was approved on first reading and moved to second reading.

Approval of the Consent Agenda

Councilmember Cooper moved, seconded by Councilmember Hankins, to adopt the Consent Calendar. The motion carried by the following vote:

Aye: 7 - Mayor Buxbaum, Mayor Pro Tem Jones, Councilmember Cooper, Councilmember Hankins, Councilmember Langer, Councilmember Roe and Councilmember Selby

5. PUBLIC HEARING

5.A [15-0428](#) PUBLIC HEARING - Draft 2015-2020 Waste ReSources Management Plan

Waste ReSources Director Dan Daniels provided an update on the success of the one-side road collection. Senior Program Specialist Ron Jones presented the 2015-2020 Waste ReSources Plan. He reviewed the Planning Steps, Goals, aspects of the Plan, and next steps.

The public hearing was opened at 8:27 p.m.

The following people spoke: Curtis Leonard and John Webster.

The public hearing was closed at 8:32 p.m.

Councilmember Langer moved, seconded by Councilmember Hankins, to accept the recommendation of the Land Use and Environment Committee and the Utility Advisory Committee to approve the draft 2015-2020 Waste ReSources Management Plan. The motion carried by the following vote:

Aye: 7 - Mayor Buxbaum, Mayor Pro Tem Jones, Councilmember Cooper, Councilmember Hankins, Councilmember Langer, Councilmember Roe and Councilmember Selby

6. OTHER BUSINESS

6.A [15-0761](#) Approval of Selected Traffic Box Mural Wrap Project Designs

Arts Commission Chair Marygrace Jennings reviewed the results for this project and said installation should be completed by November. Art in Public Places Committee Chair Diana Fairbanks presented the winners of the 20 mural wrap designs.

Councilmember Roe moved, seconded by Councilmember Selby, to approve the recommendation from the Arts Commission to approve the publicly-selected mural wrap designs for downtown and west side traffic boxes for fabrication. The motion carried by the following vote:

Aye: 7 - Mayor Buxbaum, Mayor Pro Tem Jones, Councilmember Cooper, Councilmember Hankins, Councilmember Langer, Councilmember Roe and Councilmember Selby

7. CONTINUED PUBLIC COMMUNICATION

8. REPORTS AND REFERRALS

8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

Councilmembers reported on meetings they attended.

8.B CITY MANAGER'S REPORT AND REFERRALS - None

9. ADJOURNMENT

The meeting adjourned at 9:04 p.m.



City Council

Approval of Mutual Aid Agreement between Thurston PUD #1 and City of Olympia for the use of Emergency Water System Interties

Agenda Date: 8/18/2015
Agenda Item Number: 4.C
File Number: 15-0639

Type: decision **Version:** 1 **Status:** Consent Calendar

Title

Approval of Mutual Aid Agreement between Thurston PUD #1 and City of Olympia for the use of Emergency Water System Interties

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve and authorize the City Manager to sign the Mutual Aid Agreement with Thurston PUD #1.

Report

Issue:

Whether to approve a mutual aid agreement authorizing the City of Olympia and Thurston PUD #1 to provide water to each other in the event of emergencies.

Staff Contact:

Laura Keehan, Senior Planner, Public Works Water Resources, 360.753.8321

Presenter(s):

None - Consent Calendar Item

Background and Analysis:

This mutual aid agreement provides that in cases of emergency the City of Olympia and Thurston PUD #1 can request potable water service from each other for use in firefighting, drinking water, and personal hygiene. This helps ensure that our customers do not experience an interruption in water service. An intertie already exists to provide water between Olympia's water system and the PUD's water system. The intertie is located at the intersection of Pacific Avenue and Seahawk Street. For a period of time greater than 72 hours, the responding agency will bill for the actual cost incurred (e.g., electricity to pump, disinfection chemicals, staffing, etc.) to provide water. There is no charge for periods of time less than 72 hours.

Neighborhood/Community Interests (if known):

This agreement helps ensure that our respective customers are supplied with drinking water during emergencies.

Options:

1. Authorize the mutual aid agreement. This helps ensure that in the event of an emergency, drinking water customers do not experience an interruption in service.
2. Decline the authority to sign the mutual aid agreement. Drinking water customers may be more likely to experience an interruption in service during emergencies.

Financial Impact:

In the event of an emergency greater than 72 hours, the responding agency will bill for the actual cost incurred to provide water. There is no water meter at the intertie to measure the amount of water provided.

AGREEMENT
Mutual Aid Agreement Between the Public Utility District No. 1 of
Thurston County and the City of Olympia
For the Use of Emergency Water System Interties

THIS AGREEMENT is made and entered into this ____ day of _____, 2015 by and between the Public Utility District No. 1 of Thurston County, a public utility district of the State of Washington organized under Title 54 RCW, hereinafter referred to as "Thurston PUD," and the City of Olympia, a municipal corporation of the State of Washington, hereinafter referred to as "Olympia", collectively hereinafter referred to as the "parties".

WHEREAS, the purpose of the pre-emergency agreement between the parties is to provide for immediate assistance and coordinated interconnection of the respective potable water system of each city with the other to protect life and property; and

WHEREAS, this Agreement is authorized under chapter 39.34 RCW, WAC 246-290-135, RCW 54.16.090, and RCW 90.03.390; and

WHEREAS, the signatory public entity asking for assistance shall herein be referred to as the "Requesting Agency"; and

WHEREAS, the signatory public entity agreeing to assist another signatory city asking for assistance shall herein be referred to as the "Responding Agency;" and

WHEREAS, it is necessary and desirable that this Agreement be executed for the exchange of mutually beneficial services; and

WHEREAS, this Agreement is consistent with the Thurston County Coordinated Water System Plan and the North Thurston County Coordinated Water System Plan Area-Wide Supplement;

NOW, THEREFORE, the parties agree to this Agreement as follows:

I. SPECIFIC CONDITIONS

1. Each signatory to this Agreement agrees in a proclaimed emergency, as defined by RCW 38.52.010(6)(a), to provide potable water service to the Requesting Agency for use in fire fighting, drinking water, and personal hygiene. The emergency will be proclaimed by a public official from both jurisdictions. The City Manager, Public Works Director, City Engineer, Water Resources Manager, General Manager, or Operations Manager (or

their designees) of either public entity or jurisdiction shall proclaim that such emergency exists.

2. Water will be provided whenever there is a jointly declared emergency, but the water use will never exceed water rights (unless permitted by law or by the Department of Ecology), taking into consideration water stored in reservoirs. Washington Department of Health requirements for minimum water storage and minimum water line pressures will also be maintained (unless permitted by law or the Department of Health). There are no seasonal or other restrictions other than those provided by this agreement. Except as otherwise provided by this agreement, there are no additional water conservation programs, data collection, water demand forecasting, and other operational matters required by this agreement.
3. The aforementioned potable water service shall be supplied through an emergency water system intertie located at Location A (Exhibit A).
4. Activation of said interties shall be coordinated and administered by the Requesting and Responding Agencies' Public Works Departments or Operations Division.
5. No emergency intertie activation shall take place without a representative from the Responding and Requesting Agencies present at the intertie location at the time of activation.
6. The purpose of this Agreement is for the mutual benefit; therefore, there shall be no service charge for water service provided for short-term emergencies, defined as the service of water for seventy-two (72) hours or less.
7. For a period greater than seventy-two (72) hours, the Requesting Agency shall be billed for the actual cost incurred (e.g., pumping, chemical and staffing costs, etc.) to provide water based on a methodology from the Responding Agency.
8. The Requesting Agency shall, to the extent feasible, implement conservation measures that restrict non-emergency water consumption to levels that will not impinge on water service levels necessary to protect health and safety, and to meet the reasonable expectations of the customers of the Responding Agency.
9. The Responding Agency shall retain the right to deny or withdraw some or all of its resources at any time should assistance to the Requesting Agency

impinge on the protection of property and life in the Responding Agency's jurisdiction, as determined by the Responding Agency.

10. In addition to financial provisions identified in items 5, 6, and 7 above, it is hereby understood that for services provided beyond a seventy-two (72) hour period, the Responding Agency shall be reimbursed (e.g., labor, equipment, materials, and other related expenses as applicable, including loss or damage to equipment) at its adopted usual and customary rates. The Responding Agency shall submit an itemized voucher of costs to the Public Works Director of the Requesting Agency, or General Manager, with sixty (60) days after completion of work (RCW 38.52.080). Unless otherwise agreed, the Responding Agency shall receive reimbursement within ninety (90) days after the voucher submittal date.

II. INTERLOCAL ELEMENTS:

1. Duration. This agreement shall be "on-going" until terminated by the parties as provided by paragraph 6 of this section.
2. No separate legal entity is created by this agreement.
3. No joint organization whatsoever is created.
4. No common budget is to be established.
5. No personal or real property is to be jointly acquired.
6. This Mutual Aid Agreement shall be effective immediately upon signature by both parties and shall remain in effect indefinitely, unless terminated by either:
 - A. Unilateral written notice by one party to the other that it intends to withdraw from this Agreement, in which case the termination will be effective immediately, unless otherwise specified, or
 - B. Written agreement signed by both parties, in which case the termination shall be effective immediately upon signature by both parties, unless another termination date, mutually agreed to by both parties, is specified.
7. The Contract Administrator for the City shall be the Olympia Water Resources Director. The Contract Administrator for Thurston PUD shall be the Thurston PUD's Chief Financial Officer.
8. This agreement shall be recorded with the Thurston County Auditor's Office prior to being effective, or, alternatively, listed by subject on each respective public agency's web site or other electronically retrievable public source, and in accordance with the requirements of RCW 39.34.040.

9. Each party shall be responsible for its own finances and for its own personal and real property.

III. GENERAL CONDITIONS

1. All lawsuits whatsoever in regards to this agreement shall be brought in Thurston County Superior Court. The governing law shall be laws of Washington State.

2. All notices with regard to this agreement shall be sent in addition to any other legal requirement to:

City of Olympia:

City of Olympia Public Works
Attention: Andy Haub, P.E., Water Resources Director
PO Box 1967
Olympia, WA 98507

Thurston PUD:

Thurston PUD
Attention: John Weidenfeller, General Manager
921 Lakeridge Way SW, Suite 301
Olympia, WA 98502

THURSTON PUD

CITY OF OLYMPIA

By: 
General Manager


By: _____
City Manager

ATTEST:

By: 
Clerk

By: _____
City Clerk

APPROVED AS TO FORM:

By: 
General Counsel

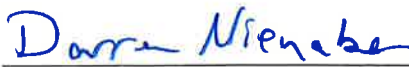
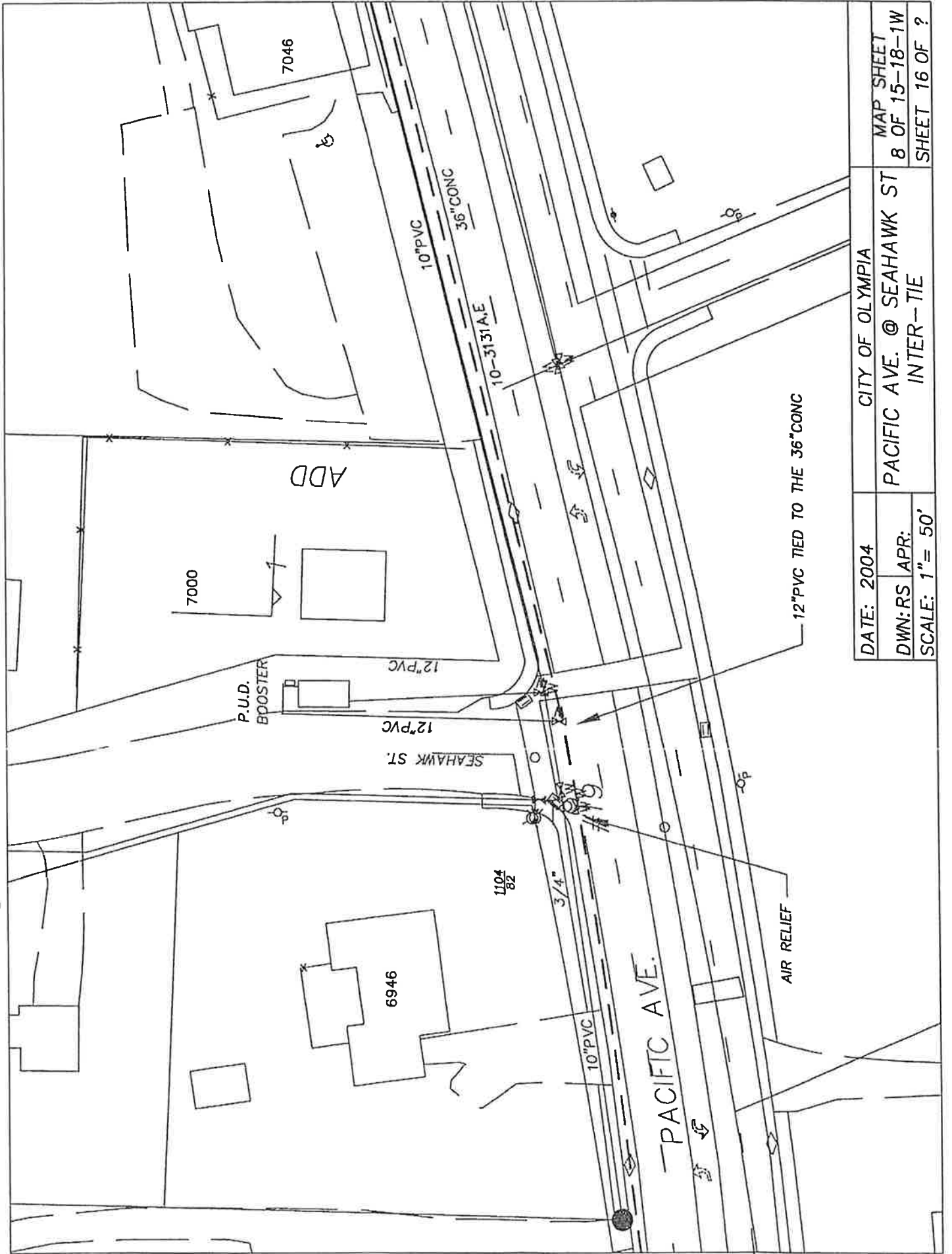
By: 
Deputy City Attorney

Exhibit A – Intertie at Seahawk Street

Resolution 15-12 Exhibit A - Seahawk Pump Station



DATE: 2004	CITY OF OLYMPIA	
DWN:RS	PACIFIC AVE. @ SEAHAWK ST	
APR:	INTER-TIE	
SCALE: 1" = 50'	MAP SHEET	8 OF 15-18-1W
	SHEET 16 OF ?	



City Council

Approval of an Ordinance Revising Zoning of the LOTT Wastewater Treatment Facility and Associated Maps, and Other Housekeeping Changes that Reflect Prior Council Actions

Agenda Date: 8/18/2015
Agenda Item Number: 4.D
File Number: 15-0655

Type: ordinance **Version:** 2 **Status:** 2d Reading-Consent

Title

Approval of an Ordinance Revising Zoning of the LOTT Wastewater Treatment Facility and Associated Maps, and Other Housekeeping Changes that Reflect Prior Council Actions

Recommended Action

Planning Commission Recommendation:

Approve the LOTT zoning map amendment as proposed. (On February 26, 2015, the Land Use and Environment Committee was briefed regarding this and other Comprehensive-Plan-implementing code amendments; however the Committee did not issue a formal recommendation.)

City Manager Recommendation:

Move to approve attached ordinance on second reading.

Report

Issue:

To ensure consistency between the City's development regulations and the updated Comprehensive Plan adopted in December of 2014, a variety of code amendments have been proposed by City staff. This particular amendment would change the land use zoning of the site of the LOTT Alliance (Lacey -Olympia-Tumwater-Thurston) wastewater treatment plant in downtown Olympia from "Industrial" to "Urban Waterfront" consistent with the updated Plan's Future Land Use Map. This zoning map amendment also includes a number of other miscellaneous 'clean-up' changes to the map as described below.

Staff Contact:

Todd Stamm, Principal Planner, Community Planning and Development Department, 360.753.8597

Presenter:

Consent agenda item - not applicable.

Background and Analysis:

The background and analysis have not changed from first reading on July 21, 2015.

From early in the 1960s until 1981, generally all of the peninsula north of State Avenue between East and West Bays was in a 'Heavy Industry' zone. In 1981 the City created a new 'Central Waterfront' zone (now termed Urban Waterfront) and applied it to lands along East Bay and generally south of what is now Market Street. However, two blocks including the LOTT wastewater treatment plant remained in the Industrial category. In 1995 the City expanded the Urban Waterfront zone to the north beyond Market Street to include what is now the Farmer's Market, Batdorf and Bronson coffee roasters, and adjoining land. As a result, the LOTT industrial zone is now surrounded on all sides by Urban Waterfront zoning and by light industrial, retail, marine services, the Hands-on-Children museum, and similar uses.

Washington's Growth Management Act requires that development regulations must be "consistent with and implement the comprehensive plan." RCW 36.70A.040. The recently adopted update of Olympia's Comprehensive Plan changed the future land use designation of the LOTT wastewater treatment plant site from "Industrial" to "Urban Waterfront." The proposed ordinance (attached) would make a similar change to the development code's Zoning Map. LOTT Alliance's 'no objection' position is set forth in the attached letter.

The Plan describes Urban Waterfront as, "Consistent with the State's Shoreline Management Act, this designation provides for a compatible mix of commercial, light industrial, limited heavy industrial, and multifamily residential uses along the waterfront." In contrast, the Industrial District "is intended to provide for the continuation and development of heavy manufacturing industries in locations where they will be compatible with other similar uses, and which do not negatively impact adjacent land uses."

Nine acres of the LOTT site are currently in the Industrial zoning category, while the remainder is designated as Urban Waterfront. Both the Industrial and Urban Waterfront zones provide for wastewater treatment plants as permitted uses. The existing facility - although originally located entirely within the Industrial zone - now spans the zoning line and extends into the Urban Waterfront category. The attached summary, which was produced for a neighborhood informational meeting, provides more details comparing the building size and land use limitations of the two zones. In the City staff's opinion, the continuing designation of this portion of the treatment plant as 'Industrial' could lead to a misimpression that in the near future it may be converted to industrial uses - such a misunderstanding could 'chill' development of neighboring properties for uses not compatible with heavy industry.

The criteria for evaluating a rezone are set forth in Olympia Municipal Code 18.59.050 and 18.59.055. In summary, they require that: (a) Any rezone be consistent with the Plan's Future Land Use Map; (b) The rezone maintain the public health, safety, or welfare; (c) The rezone be consistent with other development regulations; (d) The rezone be compatible with neighboring zoning; and (e) Public facilities be adequate for the new zone. These criteria provide that both Urban Waterfront and Urban Waterfront-Housing zones are consistent with the Urban Waterfront land use category. Following a public hearing on June 16, 2014, the Planning Commission deliberated; found that the proposal conformed to the Plan and the criteria of the code, and on July 7 recommended approval of this rezone.

Accompanying Revisions of the Zoning Map

Any amendment of the City's "Official Zoning Map" requires an ordinance and action of the Council.

Such actions are not without administrative costs. As a result, over time the City has accumulated a set of other Zoning Map changes that staff proposes to make concurrently with this rezone. The staff proposes that in addition to the LOTT rezone, the Official Zoning Map be revised as follows:

Street Names: The version of the Zoning Map adopted in 2013 included few street names. The map would be revised to correct this oversight and improve ease of use by adding many more street names to the Map.

Annexations: The city limits shown on the Zoning Map would be revised to reflect the recent annexations of the three 'unincorporated islands' by the City.

WSECU Rezone: This rezone of the south half of Block 62 of Sylvester's Addition from Urban Residential to Downtown Business was prospectively granted over ten years ago. This is the site of the Washington State Employees Credit Union (WSECU) offices at 330 Union Avenue SE. A 2003 development agreement with WSECU resulting from a rezone request from the property owner provided that if this office building was built as proposed, the City would rezone this site. The office building was constructed as agreed. This map change would implement this agreement.

'Village' Approvals: To provide appropriate notice to the general public, Olympia's development code provides that the "master plan" approvals of urban and neighborhood villages granted by City Council are to be noted on the Zoning Map. This amendment would add notes regarding approvals and modifications previously granted for Woodbury Crossing, the Village at Mill Pond, and Briggs Village developments.

Planned Residential Developments: Similarly to 'villages,' Olympia's code provides that the lot-by-lot limitations imposed on mixed-residential "planned residential developments" approved by the Council are to be referenced on the Zoning Map. This amendment would add those notes with regard to the Grass Lake Village (a 'village' in name, but not by zoning) and Bayhill residential subdivisions on the north side of Harrison Avenue which were approved in 2003 and 2005, respectively.

Design Review map: The City's land use zoning is also the background of the 'Official Design Review Map' of the City, which displays the design review districts and corridors. Thus this ordinance also provides for updating the 'zoning layer' in the background of that Map.

These changes are administrative, clerical and 'house-keeping' in nature and thus have not been subject to further public review independent of the original actions described above. Upon final approval of the attached ordinance, the Mayor would be presented with copies of both the Zoning Map and a revised Design Review Map (which has the zoning as an underlying layer) for signature consistent with the ordinance.

Neighborhood/Community Interests (if known):

Public interest has been limited to the comments from the LOTT Alliance (attached) and other supportive public comments.

Options:

1. Approve ordinance on second reading as proposed.
2. Direct revision of proposed ordinance.
3. Refer to Land Use and Environment Committee for review.
4. Decline to amend Zoning Map.

Financial Impact:

None anticipated.

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, AMENDING THE OFFICIAL ZONING MAP OF OLYMPIA, UPDATING THE RELATED OFFICIAL DESIGN REVIEW MAP, AND, IN PARTICULAR, REVISING THE ZONING OF THE LOTT WASTEWATER TREATMENT FACILITY FROM INDUSTRIAL TO URBAN WATERFRONT AND OTHER HOUSEKEEPING CHANGES THAT REFLECT PRIOR ACTIONS OF THE CITY COUNCIL.

WHEREAS, on June 16, 2014, the Olympia Planning Commission received a briefing on the proposal to amend the Official Zoning Map of Olympia to change the land use zoning of the LOTT Alliance wastewater treatment plant site from Industrial to Urban Waterfront, held a public hearing on that same date, and deliberated on July 7, 2014; and

WHEREAS, following the public hearing and deliberations, the Planning Commission recommended amendments to the Official Zoning Map as described, the area of the map amendment encompasses approximately nine acres; and

WHEREAS, pursuant to RCW 43.21C.450, this action is exempt from the State Environmental Policy Act (SEPA); and

WHEREAS, this zoning map amendment is consistent with the City of Olympia Comprehensive Plan's Future Land Use Map and is specifically enacted to implement an aspect of the updated Plan approved by the City on December 16, 2014; and

WHEREAS, this zoning map amendment meets the goals and requirements of the Growth Management Act; and

WHEREAS, it is efficient and effective to concurrently adopt other clerical 'house-keeping' amendments of the Official Zoning Map, which reflects prior actions of the City Council, specifically (1) the addition of street names to the zoning map, (2) revision of the city limits to reflect areas annexed by (areas commonly referred to as "islands"), (3) revision of the zoning of the south half of block 62 of Sylvester's Addition subdivision (WSECU site) from Urban Residential to Downtown Business as agreed to by the City Council in that development agreement dated October 20, 2003, (4) the addition of map notes referencing master planned development Ordinances 6655, 6773, and 6896, regarding Woodbury Crossing, the Village at Mill Pond, and Briggs Village, respectively, and (5) the addition of map notes referencing the Grass Lake Village and Bayhill Planned Residential Development final plats, which limit land uses as provided by Olympia Municipal Code 18.56.080(D); and

WHEREAS, the zoning map forms the base layer of the Official Design Review Map of the City of Olympia and it is therefore necessary to update the Official Design Review Map to reflect the zoning map revisions described above; and

WHEREAS, Chapter 35A.63 and 36.70 RCW and Article 11, Section 11 of the Washington State Constitution authorize and permit the City to adopt this Ordinance; and

WHEREAS, this Ordinance is supported by the staff report and materials associated with this Ordinance, along with other documents on file with the City of Olympia; and

WHEREAS, this Ordinance is also supported by the professional judgment and experience of the City staff who have worked on this proposal; and

WHEREAS, City Staff are known to the City Council, and staff's curriculum vitae shall be part of the record in support of this Ordinance;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. Amendment of Official Zoning Map and Official Design Review Map. The Official Zoning Map of Olympia and the related Official Design Review Map of Olympia, as referenced by Olympia Municipal Code Sections 18.02.160 and 18.100.080 and as shown on the maps attached hereto as Exhibits A and B respectively are hereby amended and adopted.

Section 2. Official Maps.

A. The City Manager or his designee is authorized to prepare such maps reflecting this Ordinance. The Mayor is authorized but not required to sign an Official Zoning Map and Official Design Review Map reflecting this Ordinance.

B. Copies of the Official Zoning Map and the Official Design Review Map are and shall be retained on file with the City Clerk.

Section 3. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or application of the provisions to other persons or circumstances shall remain unaffected.

Section 4. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 5. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Darren Nienaber DCA

CITY ATTORNEY

PASSED:

APPROVED:

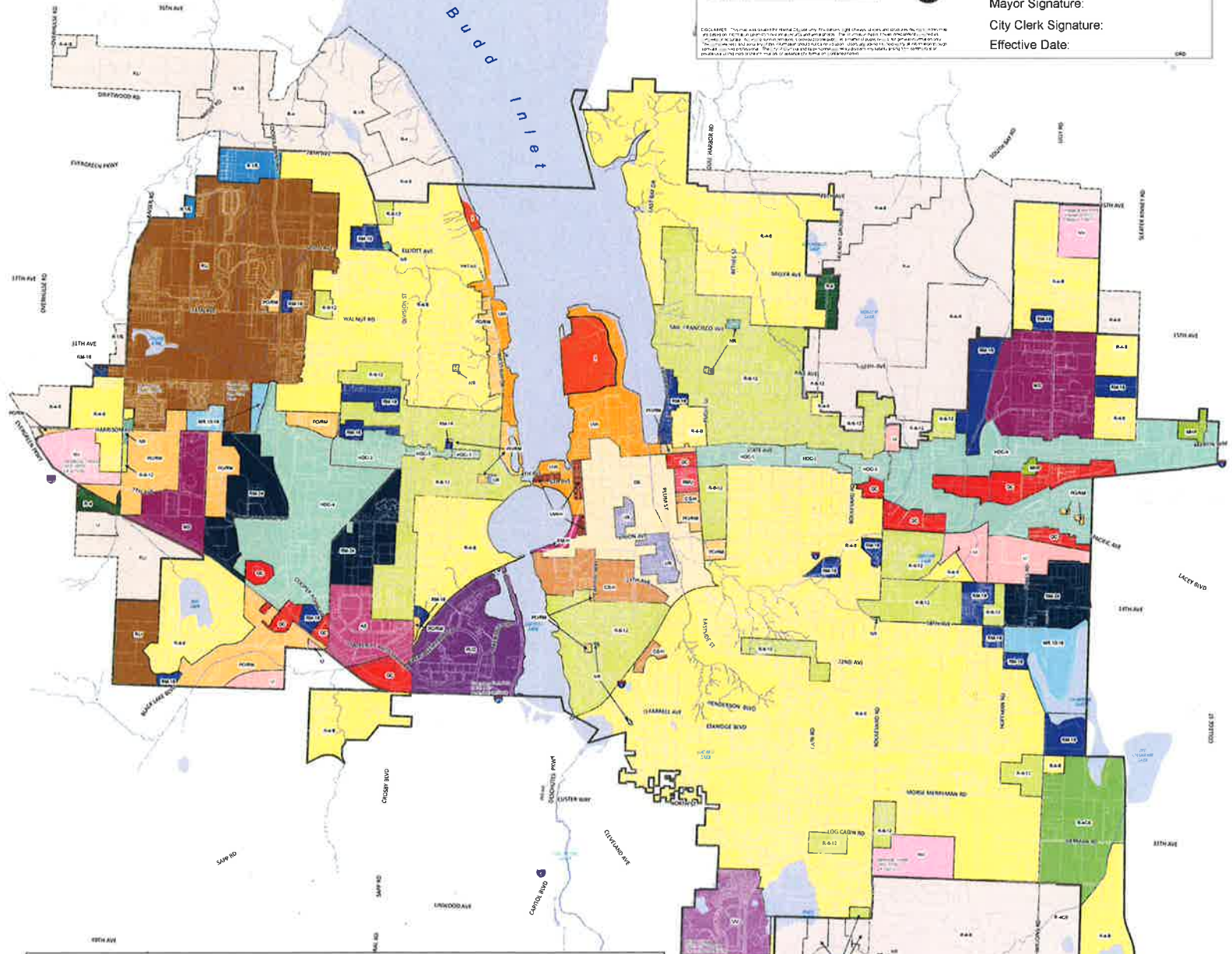
PUBLISHED:

2015 DRAFT ZONING MAP



Mayor Signature:
 City Clerk Signature:
 Effective Date:

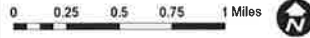
DISCLAIMER: This map is subject to change and is not intended to be used as a legal document. It is provided for informational purposes only. The City of Olympia reserves the right to amend, modify, or delete any information on this map at any time without notice. The information on this map is not intended to be used as a legal document. The City of Olympia reserves the right to amend, modify, or delete any information on this map at any time without notice.



Zoning Map Legend

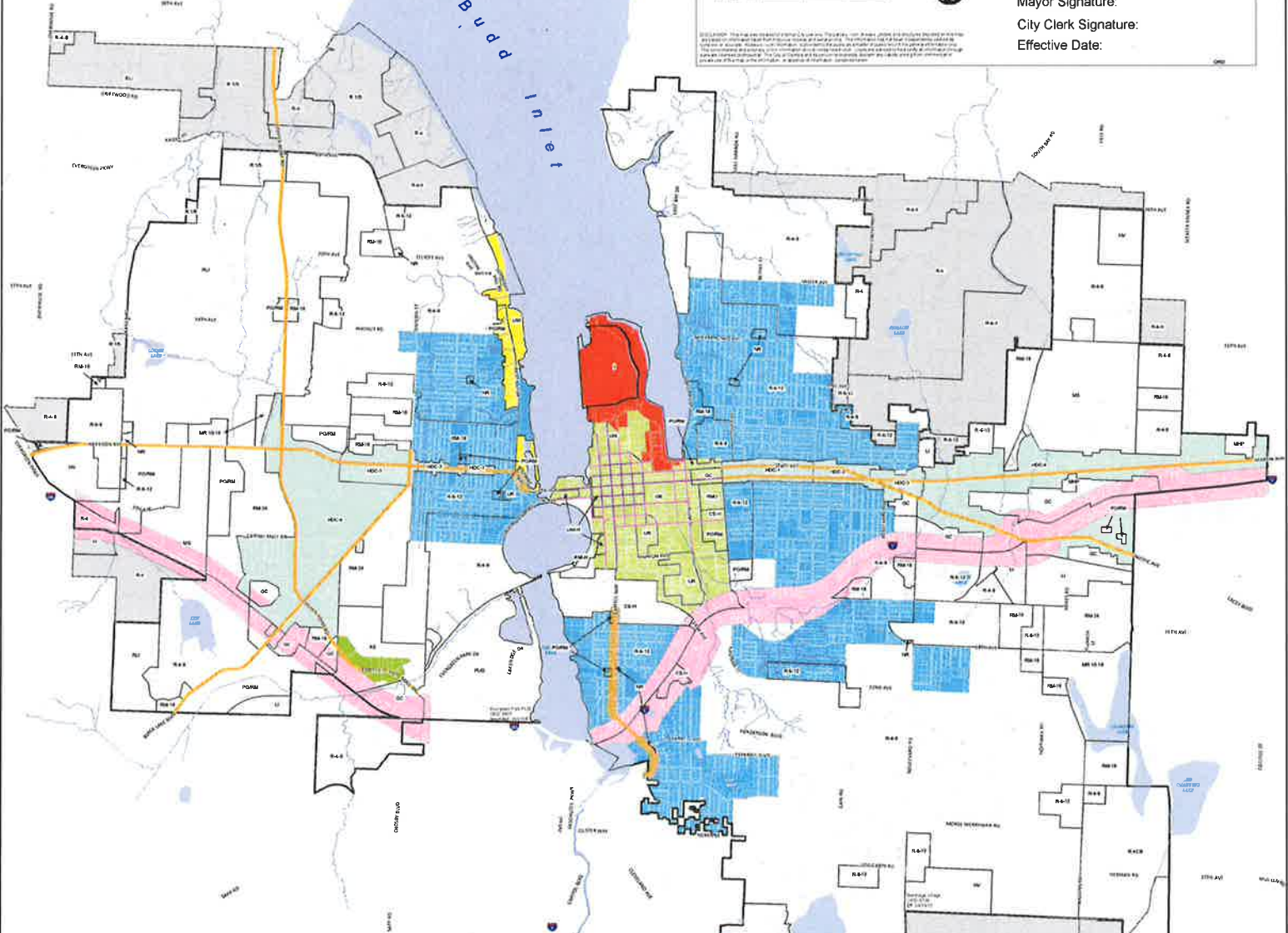
	Olympia City Limits		RESIDENTIAL 1 UNIT PER 5 ACRE
	Urban Growth Area		MIXED RESIDENTIAL 7-13 UNITS
Zone Name			MIXED RESIDENTIAL 10-18 UNITS
	HIGH DENSITY CORRIDOR 1		RESIDENTIAL MULTIFAMILY 18 UNITS
	HIGH DENSITY CORRIDOR 2		RESIDENTIAL MULTIFAMILY 24 UNITS
	HIGH DENSITY CORRIDOR 3		SINGLE-FAMILY RESIDENTIAL (CHAMBERS BASIN)
	HIGH DENSITY CORRIDOR 4		SINGLE-FAMILY RESIDENTIAL 4
	AUTO SERVICES		SINGLE-FAMILY RESIDENTIAL 4-8
	COMMERCIAL SERVICE HIGH DENSITY		TWO FAMILY RESIDENTIAL 6-12
	COMMUNITY ORIENTED SHOPPING CENTER		MANUFACTURED HOUSING PARK
	DOWNTOWN BUSINESS		RESIDENTIAL LOW IMPACT
	GENERAL COMMERCIAL		RESIDENTIAL MIXED USE
	INDUSTRIAL		PLANNED UNIT DEVELOPMENT
	LIGHT INDUSTRIAL		NEIGHBORHOOD VILLAGE
	HIGH RISE MULTIFAMILY		URBAN RESIDENTIAL
	MEDICAL SERVICE		URBAN VILLAGE
	PROFESSIONAL OFFICE/RESIDENTIAL MULTIFAMILY		URBAN WATERFRONT
	NEIGHBORHOOD RETAIL		URBAN WATERFRONT HOUSING

2015 DRAFT DESIGN REVIEW MAP



Mayor Signature:
City Clerk Signature:
Effective Date:

DISCLAIMER: This map was prepared for the City of Olympia, Washington, and is not intended to constitute a contract or any other legal instrument. It is provided for informational purposes only. The City of Olympia is not responsible for any errors or omissions on this map. The user of this map is advised to verify the accuracy of the information shown on this map with the City of Olympia Planning Department. The City of Olympia is not responsible for any damages, including consequential damages, arising from the use of this map. The City of Olympia is not responsible for any damages, including consequential damages, arising from the use of this map.



Design Review Map Legend

- Olympia City Limits
- Urban Growth Area

Design Review District Name

- AUTO ORIENTED DISTRICT
- DESIGN REVIEW CORRIDOR
- DOWNTOWN DISTRICT
- FREEWAY CORRIDOR
- HIGH DENSITY CORRIDOR
- INFILL REGULATIONS
- PEDESTRIAN OVERLAY STREET A
- PEDESTRIAN OVERLAY STREET B
- PORT DESIGN DISTRICT
- RESIDENTIAL SCALE CORRIDOR
- WEST BAY DRIVE DISTRICT

Pedestrian Streets

- A
- B
- Design Review Corridors

Zoning Code Name

- HD-1 HIGH DENSITY CORRIDOR 1
- HD-2 HIGH DENSITY CORRIDOR 2
- HD-3 HIGH DENSITY CORRIDOR 3
- HD-4 HIGH DENSITY CORRIDOR 4
- AS AUTO SERVICES
- CSH COMMERCIAL SERVICE HIGH DENSITY
- COB COMMUNITY ORIENTED SHOPPING CENTER
- DB DOWNTOWN BUSINESS
- GC GENERAL COMMERCIAL
- I INDUSTRIAL
- LI LIGHT INDUSTRIAL
- HMF HIGH RISE MULTIFAMILY
- MS MEDICAL SERVICE
- POF PROFESSIONAL OFFICE/RESIDENTIAL MULTIFAMILY
- NR NEIGHBORHOOD RETAIL
- MR-7-13 MIXED RESIDENTIAL 7-13 UNITS
- MR-10-18 MIXED RESIDENTIAL 10-18 UNITS
- R-1 RESIDENTIAL 1 UNIT PER 5 ACRE
- RM-18 RESIDENTIAL MULTIFAMILY 18
- RM-24 RESIDENTIAL MULTIFAMILY 24 UNITS PER ACRE
- RC-38 SINGLE FAMILY RESIDENTIAL (CHAMBERS BASIN)
- R-4 SINGLE FAMILY RESIDENTIAL 4
- R-4.4 SINGLE FAMILY RESIDENTIAL 4.4
- R-6-12 TWO FAMILY RESIDENTIAL 6-12
- MHP MANUFACTURED HOUSING PARK
- RL RESIDENTIAL LOW IMPACT
- RMU RESIDENTIAL MIXED USE
- PUD PLANNED UNIT DEVELOPMENT
- NV NEIGHBORHOOD VILLAGE
- UR URBAN RESIDENTIAL
- UV URBAN VILLAGE
- UW URBAN WATERFRONT
- UWH URBAN WATERFRONT HOUSING



LOTT ALLIANCE WASTEWATER TREATMENT PLANT ZONING

May 22, 2014

The update of Olympia's Comprehensive Plan now being considered by the City Council has led to a review of the City's current zoning map. One of the sites that the staff has identified for a possible change is a portion of LOTT's downtown property north of Adams Street. The staff is now seeking public comment on this possibility. Comments and questions should be directed to Todd Stamm, Principal Planner, at city hall at 360.753.8597 or tstamm@ci.olympia.wa.us. Note that before any decisions are made, the Olympia Planning Commission would hold a public hearing and review the proposal – and any final decision would be made by the City Council.



Current Land Use

Zoning:

Industrial (I)

Being Considered:

Change to Urban Waterfront (UW)

Options:

Retain Industrial zoning; change to Urban Waterfront zoning; or place in Urban Waterfront zone, but impose 45-foot height limit instead of standard 65-foot limit. See next page for a basic comparison of the two zones.

Why change? Wastewater treatment facilities are allowed by both the Industrial and Urban Waterfront zones. In fact, the treatment plant has outgrown the industrial designation on the map above and now extends into the surrounding Urban Waterfront area. LOTT's use of this portion of their property is not expected to change. However, designation of a portion of the LOTT site as Industrial does result in this site being treated as potentially occupied by heavy industry by appraisers of adjacent land. City regulations similarly require soundproofing of nearby buildings as if the LOTT plant will someday be an industrial site. Removing the Industrial designation would avoid such impressions, without affecting LOTT activities.

New Future (long-term) Land Use designation being considered for this site as part of the Comprehensive Plan: “Urban Waterfront. Consistent with the State’s Shoreline Management Act, this designation provides for a compatible mix of commercial, light industrial, limited heavy industrial, and multifamily residential uses along the waterfront.”

In general the Urban Waterfront zone is intended as a mixed use area near the waterfront of downtown and along West Bay, with view protection provisions. The zone would allow most businesses, but auto-oriented business such as service stations, auto sales and drive-through restaurants are prohibited. Although heavy industry is prohibited, most forms of light industry are allowed. Residential uses are generally allowed, except for low-density uses like single-family homes. Medical services requiring overnight stays are generally prohibited. Most public facilities, including wastewater treatment plants, are allowed, although some such as jails require special approval.

In contrast, the Industrial zone is intended for heavy manufacturing and other industry. Commercial uses are generally limited to those that commonly occur in industrial areas. Residential uses are prohibited, and even government offices require a special ‘conditional use’ approval.

Note that specific lists of permitted uses can be provided upon request. Development standards of the two zones are outlined below:

DEVELOPMENT STANDARDS - LOTT SITE COMPARISON

STANDARD	Industrial Zone	Urban Waterfront
MINIMUM LOT SIZE	No minimum.	No minimum.
FRONT YARD SETBACK	No minimum.	No minimum; however, see Chapter 18.100 for design guidelines for pedestrian access and view corridors
REAR YARD SETBACK	No minimum.	No minimum; however, see OMC 18.100 for design guidelines for pedestrian access and view corridors
SIDE YARD SETBACK	No minimum.	No minimum; however, see Chapter 18.100 for design guidelines for pedestrian access and view corridors
MAXIMUM BUILDING HEIGHT	50 feet	65', plus two additional residential stories may be built. See OMC 18.06.100(A)(2)(b)
MAXIMUM BUILDING COVERAGE	1 sq. ft. of floor area per sq. ft. of land area	100% for properties not between the shoreline and the nearest upland street
MAX. DEVELOPMENT COVERAGE	100%	100% development coverage

June 16, 2014

City of Olympia Planning Commission
c/o Todd Stamm, Principal Planner
Olympia Community Planning and Development Department

Dear Mr. Stamm:

This letter is in regards to the City of Olympia's proposal to rezone portions of the Budd Inlet Treatment Plant property from Industrial to Urban Waterfront. After reviewing this proposal with you, as well as our Board of Directors, senior management team, and key staff, we have determined that this change is not likely to negatively affect our operations or future facilities improvements. Accordingly, the LOTT Clean Water Alliance has no objections to this rezone proposal as it currently exists.

Sincerely,



Richard L. Hughes
General Counsel



City Council

Approval of Ordinance Related to Veterinary Clinic Zoning

Agenda Date: 8/18/2015
Agenda Item Number: 4.E
File Number: 15-0759

Type: ordinance **Version:** 2 **Status:** 2d Reading-Consent

Title

Approval of Ordinance Related to Veterinary Clinic Zoning

Recommended Action

Planning Commission Recommendation:

Approve the ordinance amending Title 18 of the Olympia Municipal Code to allow veterinary offices/clinics in additional zoning districts, subject to limiting animals to be kept indoors except for very brief periods of time necessary for the animals' health.

City Manager Recommendation:

Move to approve the ordinance on second reading as recommended by the Planning Commission.

Report

Issue:

Should the Olympia Municipal Code be amended to allow veterinary offices/clinics in additional zoning districts, subject to limiting animals to be kept indoors except for very brief periods of time necessary for the animals' health?

Staff Contact:

Leonard Bauer, Deputy Director, Community Planning & Development, 360.753.8206

Presenter(s):

None. Consent Item.

Background and Analysis:

The Olympia Municipal Code defines veterinary offices/clinics as:

"A place where animals receive medical care and the boarding of animals is limited to short-term care incidental to the hospital use." (OMC 18.02.180(O))

Medical treatment for animals that is combined with longer-term boarding of the animals is defined separately in the Code as "Animal Hospital." (OMC 18.02.180(A))

Because of an increasing demand for veterinary services in the community, the city council referred

to the Planning Commission consideration of increasing the zoning districts in which veterinary offices/clinics are permitted.

There are currently three of Olympia's 13 commercial zoning districts in which veterinary offices/clinics are permitted. By comparison, medical offices (for humans) are permitted in 13 of the 14 commercial zoning districts.

Veterinary offices/clinics are currently a permitted use in the following zoning districts: General Commercial (GC), and High-Density Corridor 2, 3, and 4 (HDC-2, -3, and -4).

The proposed ordinance would also permit this use in these additional zoning districts: Medical Services (MS), Professional Office/Residential Multi-Family (PORM), Downtown Business (DB) and High-Density Corridor 1 (HDC-1). The attached City zoning map illustrates the current locations of these zoning districts.

In the additional zoning districts in which veterinary offices/clinics would be permitted, the following restriction would apply in order to minimize impacts on nearby properties:
"Animals shall be kept indoors except for very brief periods of time as necessary for the animal's health."

Neighborhood/Community Interests (if known):

Notice of the Planning Commission's public hearing was published in *The Olympian* and sent to interested parties and the Coalition of Neighborhood Associations. As this amendment would affect many areas within the City of Olympia, there is potential interest community-wide.

Options:

1. Approve the ordinance amending Title 18 of the Olympia Municipal Code to allow veterinary offices/clinics in additional zoning districts on second reading.
2. Consider a specific amendment to the ordinance.
3. Choose not to amend the Olympia Municipal Code regarding zoning for veterinary clinics.

Financial Impact:

None.

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, AMENDING OLYMPIA MUNICIPAL CODE SECTIONS 18.02.180, 18.06.040 AND 18.06.060 RELATED TO ZONING PROVISIONS FOR VETERINARY OFFICES/CLINICS.

WHEREAS, the Olympia City Council referred to the Olympia Planning Commission consideration of zoning districts in which veterinary offices/clinics are permitted; and

WHEREAS, the City of Olympia and Thurston County region has experienced increased demand for veterinary services; and

WHEREAS, the Olympia Planning Commission received a briefing on the proposed code amendment on July 6 and 20, 2015, and held a duly-noticed public hearing on July 20, 2015; and

WHEREAS, following the public hearing and deliberations, on August 3, 2015, the Planning Commission recommended amendments to the Olympia Municipal Code further defining zoning districts in which veterinary offices/clinics would be permitted; and

WHEREAS, this proposal is exempt from the State Environmental Policy Act (SEPA), as a land use decision consistent with the adopted Olympia Comprehensive Plan; and

WHEREAS, Chapter 35A.63 and 36.70 RCW and Article 11, Section 11 of the Washington State Constitution authorize and permit the City to adopt this Ordinance; and

WHEREAS, on August 11, 2015, the City Council duly considered the recommendations of the Planning Commission and City staff; and

WHEREAS, this Ordinance is supported by the staff report and materials associated with this Ordinance, along with other documents on file with the City of Olympia, including but not limited to documents relating to Community Planning and Development File No. 15-0058; and

WHEREAS, this Ordinance is also supported by the professional judgment and experience of the City staff who have worked on this proposal; and

WHEREAS, City Staff are known to the City Council, and staff's curriculum vitae shall be part of the record in support of this Ordinance;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. Amendment of OMC 18.02.180(O). Olympia Municipal Code Subsection 18.02.180(O) is hereby amended to read as follows:

18.02.180 Definitions

O. DEFINITIONS - SPECIFIC.

Office, Veterinary/Clinic. A place where animals receive are given medical care and the boarding of animals is limited to short-term care incidental to the hospital use. ~~This is not a Medical Office.~~ (See also Animal Hospital.)

Section 2. Amendment of OMC 18.02.180(V). Olympia Municipal Code Subsection 18.02.180(V) is hereby amended to read as follows:

V. DEFINITIONS - SPECIFIC.

Veterinary Clinic. See Office, Veterinary/Clinic. A place where animals are given medical care and the boarding of animals is limited to short-term care incidental to hospital use.

Section 3. Amendment of OMC 18.06.040. Olympia Municipal Code Section 18.06.040 is hereby amended to read as follows:

TABLE 6.01 PERMITTED AND CONDITIONAL USES														
COMMERCIAL DISTRICT	NR	PO/R M	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	APPLICABLE REGULATIONS
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
1. EATING & DRINKING ESTABLISHMENTS														
Drinking Establishments			P		P	P	P		C 18.06 .060(P)		P	P	P	
Drinking Establishments - Existing		P 18.06.0 60 (GG)				P								
Restaurants, with drive-in or drive-through			P										P	
Restaurants, with drive-in or drive-through, existing			P				P 18.06.06 0(U)					C	P	
Restaurants, without drive-in or drive-through	P 18.06.06 0(U)(3)	C	P	P 18.06.0 60(U)(2)	P	P	P 18.06.06 0(U)(1)	P	P	P	P	P	P	
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
2. INDUSTRIAL USES														
Industry, Heavy														
Industry, Light			C		P/C 18.06.0 60(N)									
On-Site Treatment & Storage Facilities for Hazardous Waste					P 18.06.0 60(Q)									
Piers, Wharves, Landings					P									
Printing, Industrial			C		P/C 18.06.0 60(N)									

**TABLE 6.01
PERMITTED AND CONDITIONAL USES**

COMMERCIAL DISTRICT	NR	PO/R M	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	APPLICABLE REGULATIONS
Publishing		C	C		P		P		C	C				
Warehousing			P		P/C 18.06.0 60(AA)		P							
Welding & Fabrication			C		P/C 18.06.0 60(N)		P							
Wholesale Sales		C 18.06.0 60(BB)(3)	P		P/C	18.06.0 60(BB)		P		P	18.06.0 60(BB) (2)			
Wholesale Products Incidental to Retail Business			P		P	P						P	P	
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
3. OFFICE USES (See also SERVICES, HEALTH)														
Banks		P	P		P/C 18.06.0 60(D)(2)	P 18.06.0 60(D)(2)	P/C 18.06.06 0(D)(2)	P	P	P	P	P	18.06.0 60(D)(1)	
Business Offices		P	P		P	P	P	P	P	P	P	P	P	
Government Offices		P	P		P	P	P	P	P	P	P	P	P	
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
4. RECREATION AND CULTURE														
Art Galleries	P	P	P		P	P	P		P	P	P	P	P	
Auditoriums and Places of Assembly			P		P	P	P					P	P	
Boat Clubs					P	P								
Boating Storage Facilities					P			P						
Commercial Recreation		C	P		P	P	P	P		C	C	P	P	
Health Fitness Centers and Dance Studios	P	P 18.06.0 60(L)	P	P	P	P	P	P	P	P 18.06.0 60(L)	P 18.06.0 60(L)	P	P	
Libraries	C	C	C	C	P	P	P		P	C	P	P	P	18.04.060(V)
Marinas/Boat Launching Facilities					P 18.06.0 60(CC)	P								
Museums		C	P		P	P	P		P	C	C	P	P	18.04.060(V)
Parks, Neighborhood	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060(T)
Parks & Playgrounds, Other	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060(T)
Theaters (Drive-in)			C											
Theaters (No drive-ins)			P		P	P	P				C	P	P	

**TABLE 6.01
PERMITTED AND CONDITIONAL USES**

COMMERCIAL DISTRICT	NR	PO/R M	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	APPLICABLE REGULATIONS
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
5. RESIDENTIAL														
Apartments		P	P	P 18.06.0 60(T)	P	P	P		P	P	P	P	P	
Apartments above ground floor in mixed use development	P	P	P	P 18.06.0 60(T)	P	P	P		P	P	P	P	P	
Boarding Houses		P	P	P 18.06.0 60(T)	P	P	P		P	P	P	P	P	
Co-Housing		P	P			P	P			P	P		P	
Duplexes	P	P	P	P 18.06.0 60(T)			P		P	P	P		P	
Fraternities, Dormitories		C	P	P 18.06.0 60(T)	P	P	P		P	C	P	P	P	
Group Homes (6 or less)	P	P	P 18.06 .060K)	P 18.06.0 60(T)	P	P	P 18.06.06 0(K)		P	P	P	P 18.06.0 60(K)	P 18.06.0 60(K)	18.04.060(K)
Group Homes (7 or more)	C	C	C 18.06 .060 (K)	C 18.06.0 60(T)	C	C	C 18.06.06 0(K)		C	C	C	C 18.06.0 60(K)	P 18.06.0 60(K)	18.04.060(K)
Mobile or Manufactured Homes Park - Existing		C	C	C 18.06.0 60(T)						C			C	18.04.060(P)
Quarters for Night Watch person/Caretaker					P	P								
Retirement Homes		P	P	P 18.06.0 60(T)	P	P	P		P	P	P	P	P	
Single-Family Residences	P	P	P	P 18.06.0 60(T)			P		P	P	P	P	P	
Single Room Occupancy Units			C		P	P	P		P				C	
Townhouses	P	P	P	P 18.06.0 60(T)		P	P		P	P	P	P	P	
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
6. RETAIL SALES														
Apparel and Accessory Stores			P		P	P	P					P	P	
Boat Sales and Rentals			P		P	P	P	P					P	
Building Materials, Garden and	P		P		P	P	P					P	P	

**TABLE 6.01
PERMITTED AND CONDITIONAL USES**

COMMERCIAL DISTRICT	NR	PO/R M	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	APPLICABLE REGULATIONS
Farm Supplies														
Commercial Greenhouses, Nurseries, Bulb Farms	C	C 18.04.0 60 (G)	C	C					C		P	P		18.04.060(G)
Electric Vehicle Infrastructure	P	P	P	P	P18.06, 060(W)	P.18.06 .060(W)	P.18.06.0 60(W)	P	P	P	P	P	P	
Food Stores	P	P 18.06.0 60(H)	P		P	P	P		P	P 18.08.0 60(H)	P	P	P	
Furniture, Home Furnishings, and Appliances			P		P	P	P				P	P	P	
Gasoline Dispensing Facilities accessory to a permitted use	P 18.06.06 0(W(4)		P		P 18.06,0 60(W)		P 18.06.06 0(W)(2)	P				P 18.06.0 60(W)	P 18.06.0 60(W)	
Gasoline Dispensing Facility accessory to a permitted use - Existing	P 18.06.06 0(W)		P		P 18.06.0 60(W)		P 18.06.06 0(W)				P	P 18.06.0 60(W)	P	
General Merchandise Stores	P	P 18.06.0 60(J)	P		P	P	P			P 18.06.0 60(J)	P	P	P	
Mobile, Manufactured, and Modular Housing Sales			P											
Motor Vehicle Sales			P				P	P					P	
Motor Vehicle Supply Stores			P		P	P	P	P			P	P	P	
Office Supplies and Equipment		P 18.06.0 60(DD)	P		P	P	P		P	P 18.06.0 60(DD)	P	P	P	18.06.060(CC)
Pharmacies and Medical Supply Stores	P	P 18.06.0 60 (EE)	P	P	P	P	P		P	P 18.06.0 60(EE)	P	P	P	18.06.060(DD)
Specialty Stores	P 18.06.06 0(Y)(3)	P 18.06.0 60(Y)(4)	P	C 18.06.0 60(Y)(2)	P	P	P			P 18.06.0 60(Y)(4)	P	P 18.06.0 60(Y)(1)	P	
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
7. SERVICES, HEALTH														
Hospitals				P			P		P					
Nursing, Congregate Care, and Convalescence Homes	C	C	C	P					C	C	C	P	P	18.04.060(S)
Offices, Medical		P	P	P	P	P	P	P	P	P	P	P	P	
Veterinary Offices/Clinics		P	P	P			P			P	P	P	P	
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
8. SERVICES, LODGING														
Bed & Breakfast Houses (1 guest room)	P	P 18.06.0 60(E)	P 18.06 .060(P 18.06.0 60(E)	P	P	P			P	P	P	P	18.04.060(L)(3)(c)

**TABLE 6.01
PERMITTED AND CONDITIONAL USES**

COMMERCIAL DISTRICT	NR	PO/R M	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	APPLICABLE REGULATIONS
			E)											
Bed & Breakfast Houses (2 to 5 guest rooms)	C	P 18.06.0 60(E)	P 18.06 .060(E)	P 18.06.0 60(E)	P	P	P		C	P	P	P	P	18.04.060(L)(3)(c)
Hotels/Motels			P	C	P		P		P				P	
Lodging Houses		P	P	P	P		P		P	P	P	P	P	
Recreational Vehicle Parks			P										P	
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
9. SERVICES, PERSONAL														
Adult Day Care Home	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060(L)(3)(b)
Child Day Care Centers	C	P	P	P	P	P	P		P	P	C	P	P	18.04.060(D)
Crisis Intervention	C	P	C	P			P		C	P	C	C	C	18.04.060(I)
Family Child Care Homes	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060(L)
Funeral Parlors and Mortuaries		C	P				P			C		P	P	
Laundries and Laundry Pick-up Agencies	p	p	P	P	P	P	P			P	P	P 18.06.0 60(O)	P	
Personal Services	P	P	P	P	P	P	P	P	P	P	P	P	P	
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
10. SERVICES, MISCELLANEOUS														
Auto Rental Agencies			P		P	P	P	P			C	P	P	
Equipment Rental Services, Commercial			P		P		P				P	P	P	
Equipment Rental Services, Commercial - Existing		P 18.06.0 60 (FF)												
Ministorage			P				P							
Printing, Commercial	P	P	P		P	P	P		P	P	P	P	P	
Public Facilities (see also Public Facilities, Essential on next page)	C	C	C	C	P	C	P	P	P	C	C	C	C	18.04.060(V)
Radio/T.V. Studios		P	P		P	P	P		P	P	P	P	P	
Recycling Facilities	p	P	P	P	P		P		P	P	P	P	P	18.06.060(V)
School - Colleges and Business, Vocational or Trade Schools		C	P		P	P	P		P	C	C	C	P	18.06.060(X)
Service and Repair Shops			P				P	P				P	P	
Service Stations/Car Washes			P				P 18.06.06	P				P 18.06.0	P 18.06.0	

**TABLE 6.01
PERMITTED AND CONDITIONAL USES**

COMMERCIAL DISTRICT	NR	PO/R M	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	APPLICABLE REGULATIONS
							0(W)					60(W)	60(W)	
Service Stations/Car Washes - Existing			P		P 18.06.0 60(W)		P 18.06.06 0(W)				P	P 18.06.0 60(W)	P 18.06.0 60(W)	
Servicing of Personal Apparel and Equipment	P	P	P		P	P	P			P	P	P	P	
Truck, Trailer, and Recreational Vehicle Rentals			P					P						
Workshops for Disabled People	C	C	C	C	P	C	P		C	C	C	C	C	18.04.060(R)
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
11. PUBLIC FACILITIES, ESSENTIAL														
Airports			C										C	18.06.060(G)
Inpatient Facilities		C	C	C 18.06.0 60(T)	C		C		C	C	C	P	P	18.06.060(G) 18.04.060(K)
Jails			C		C		C		C				C	18.06.060(G)
Mental Health Facilities			C	C 18.06.0 60(T)	C		C						C	18.06.060(G) 18.04.060(K)
Other Correctional Facilities		C	C	C 18.06.0 60(T)	C	C	C		C	C	C	C	C	18.06.060(G)
Other facilities as designated by the Washington State Office of Financial Management, except prisons and solid waste handling facilities		C	C		C		C			C	C	C	C	18.06.060(G)
Radio/TV and Other Communication Towers and Antennas	C	C	C	C	C	C	C	C	C	C	C	C	C	18.06.060(G) 18.44.100
Sewage Treatment Facilities	C	C	C	C	P		P		C	C	C	C	C	18.06.060(G) 18.04.060(X)
State Education Facilities		C	C		C		C		C	C	C	C	C	18.06.060(G) 18.06.060(X)
State or Regional Transportation Facilities	C	C	C	C	C	C	C		C	C	C	C	C	18.06.060(G)
District-Wide Regulations	18.06.06 0(R)				18.06.0 60(F)(2)	18.06.0 60 (HH)	18.06.06 0(F)(2)							
12. TEMPORARY USES														
Entertainment Events			P		P	P	P						P	
Off Site Contractor Offices	P	P	P	P	P	P	P	P	P	P	P	P	P	18.04.060(DD)
Emergency Housing	P	P	p	P	P			P	P	P	P	P	P	18.04.060(DD)
Fireworks, as determined by Fire Dept.			P		P	P	P				P	P	P	9.48.160

**TABLE 6.01
PERMITTED AND CONDITIONAL USES**

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	APPLICABLE REGULATIONS
Mobile Sidewalk Vendors		P	P	P	P	P	P			P	P	P	P	
Parking Lot Sales			P		P	P	P	P			P	P	P	
Residences Rented for Social Event (6 or less in 1 year)	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060(DD)
Residences Rented for Social Event (7 or more in 1 year)	C	C	C	C	C	C	C		C	C	C	C	C	
Temporary Surface Parking Lot		P	P		P	P	P		P					
District-Wide Regulations	18.06.060(R)				18.06.060(F)(2)	18.06.060(HH)	18.06.060(F)(2)							
13. OTHER USES														
Accessory Structures/Uses														
Adult Oriented Businesses			P										P	18.06.060(B)
Agriculture	P	P	P	P					P	P	P	P	P	
Animals	P	P	P	P	P	P	P		P	P	P	P	P	18.06.060(C)
Cemeteries	C	C	C	C					C	C	C		C	
Conference Center			P		P	P	P						P	
Fraternal Organizations		P	P		P	P	P		P/C 18.06.060(I)	P	P	P	P	
Gambling Establishments			C											
Garage/Yard/Rummage and Other Outdoor Sales	P	P	P	P	P	P	P		P	P	P	P	P	5.24
Home Occupations	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060(L)
Parking Facility, Commercial		P	P		P	P	P 18.06.060(S)			P	P	P 18.06.060(S)	P	18.04.060(V)
Places of Worship	C	C	P	C	P	P	P		C	C	C	P	P	18.04.060(U)
Racing Pigeons	C	C	C	C					C	C	C	C	C	18.04.060(Y)
Satellite Earth Stations	P	P	P	P	P	P	P	P	P	P	P	P	P	18.44.100
Schools	C	C	P	C	C	C	C		C	C	C	P	P	18.04.060(DD)
Utility Facility	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	18.04.060(X)
Wireless Communications Facilities	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	18.44

LEGEND			
P = Permitted Use	PO/RM = Professional Office/Residential Multifamily	GC = General Commercial	HDC-1=High Density Corridor-1
MS = Medical Services		UW = Urban Waterfront	HDC-2=High Density Corridor-2
DB = Downtown Business	AS=Auto Services	UW-H = Urban Waterfront-Housing	HDC-3=High Density Corridor-3
C = Conditional Use	NR = Neighborhood Retail	CSH = Commercial Services-High Density	HDC-4=High Density Corridor-4

Section 4. Amendment of OMC 18.06.060. The following NEW SUBSECTION II is hereby added to Olympia Municipal Code Section 18.06.060 as follows:

II. Veterinary Clinic and Office, Veterinary Clinic. Downtown Business (DB), Medical Services (MS), High Density Corridor-1 (HDC-1), and Professional Office/Residential Multifamily District (PO/RM) Requirements. Animals shall be kept indoors except for very brief periods of time as necessary for the animal's health.

Section 5. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or application of the provisions to other persons or circumstances shall remain unaffected.

Section 6. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 7. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



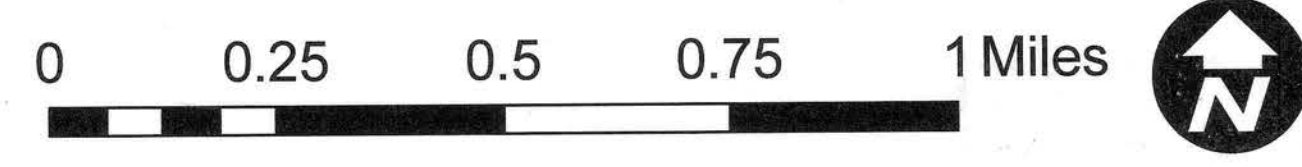
CITY ATTORNEY (ACA)

PASSED:

APPROVED:

PUBLISHED:

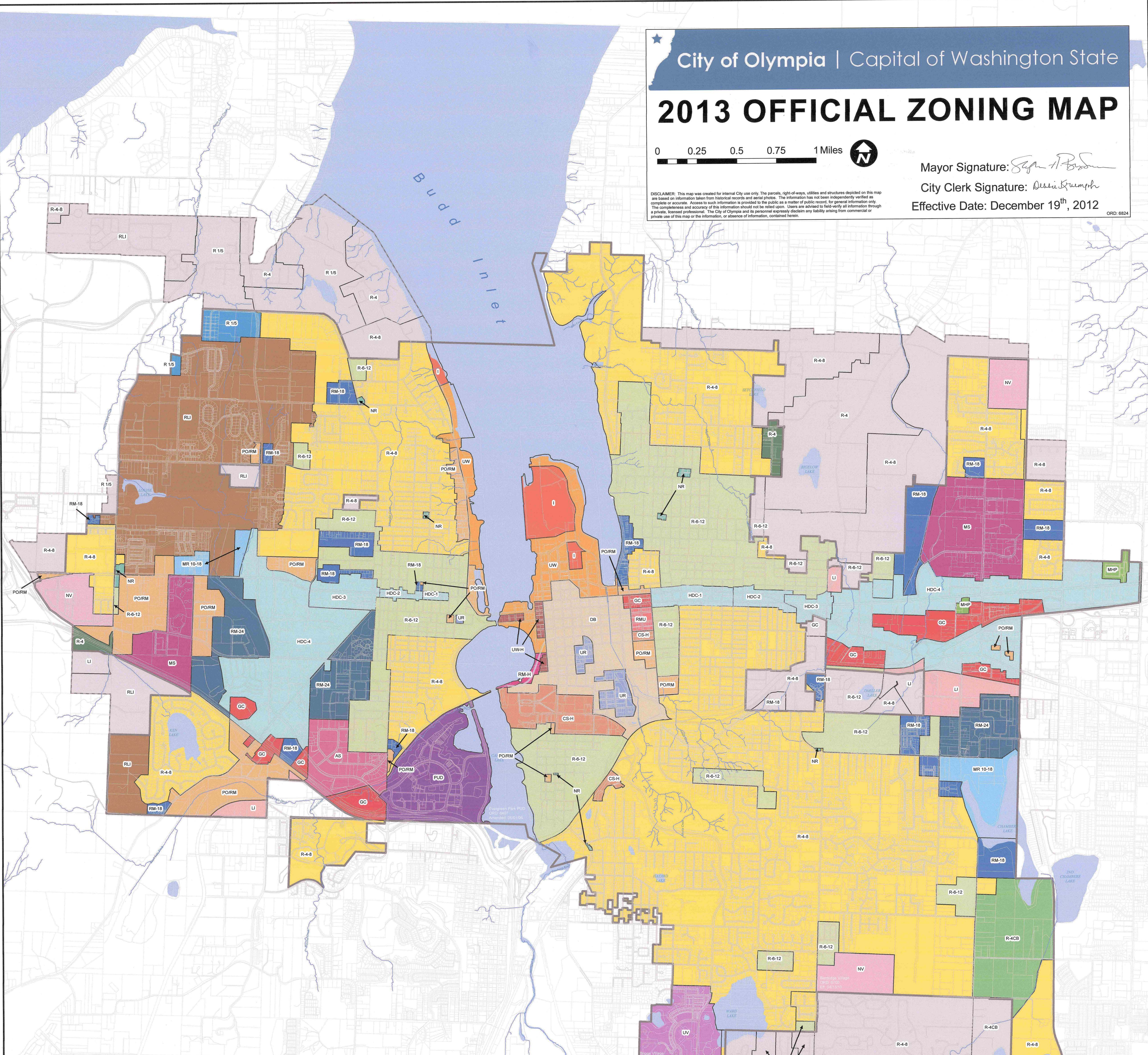
2013 OFFICIAL ZONING MAP



Mayor Signature: *Stephen A. Boyer*
 City Clerk Signature: *Debbie Krumpal*
 Effective Date: December 19th, 2012

DISCLAIMER: This map was created for internal City use only. The parcels, right-of-ways, utilities and structures depicted on this map are based on information taken from historical records and aerial photos. The information has not been independently verified as complete or accurate. Access to such information is provided to the public as a matter of public record for general information only. The completeness and accuracy of this information should not be relied upon. Users are advised to field-verify all information through a private, licensed professional. The City of Olympia and its personnel expressly disclaim any liability arising from commercial or private use of this map or the information, or absence of information, contained herein.

ORD. 6824



Zoning Map Legend

	Olympia City Limits		RESIDENTIAL 1 UNIT PER 5 ACRE
	Urban Growth Area		MIXED RESIDENTIAL 7-13 UNITS
Zone Name			MIXED RESIDENTIAL 10-18 UNITS
	HIGH DENSITY CORRIDOR 1		RESIDENTIAL MULTIFAMILY 18 UNITS
	HIGH DENSITY CORRIDOR 2		RESIDENTIAL MULTIFAMILY 24 UNITS
	HIGH DENSITY CORRIDOR 3		SINGLE-FAMILY RESIDENTIAL (CHAMBERS BASIN)
	HIGH DENSITY CORRIDOR 4		SINGLE-FAMILY RESIDENTIAL 4
	AUTO SERVICES		SINGLE-FAMILY RESIDENTIAL 4-8
	COMMERCIAL SERVICE HIGH DENSITY		TWO FAMILY RESIDENTIAL 6-12
	COMMUNITY ORIENTED SHOPPING CENTER		MANUFACTURED HOUSING PARK
	DOWNTOWN BUSINESS		RESIDENTIAL LOW IMPACT
	GENERAL COMMERCIAL		RESIDENTIAL MIXED USE
	INDUSTRIAL		PLANNED UNIT DEVELOPMENT
	LIGHT INDUSTRIAL		NEIGHBORHOOD VILLAGE
	HIGH RISE MULTIFAMILY		URBAN RESIDENTIAL
	MEDICAL SERVICE		URBAN VILLAGE
	PROFESSIONAL OFFICE/RESIDENTIAL MULTIFAMILY		URBAN WATERFRONT
	NEIGHBORHOOD RETAIL		URBAN WATERFRONT HOUSING



City Council

Approval of an Option to Purchase Real Estate Owned by Wonderland Holdings LLC, an Approximately 75-Acre Parcel Previously Known as Kaiser Heights

Agenda Date: 8/18/2015
Agenda Item Number: 6.A
File Number: 15-0791

Type: decision **Version:** 1 **Status:** Other Business

Title

Approval of an Option to Purchase Real Estate Owned by Wonderland Holdings LLC, an Approximately 75-Acre Parcel Previously Known as Kaiser Heights

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the Option to Purchase Real Estate from Wonderland Holdings LLC consisting of approximately 75-acres commonly known as Kaiser Heights, and authorize the City Manager to sign the Option to Purchase agreement.

Report

Issue:

Whether to approve the Option to Purchase Real Estate to secure an opportunity for the City to purchase the Wonderland Holdings property for a future park site.

Staff Contact:

Paul Simmons, Parks, Arts and Recreation Director, 360.753.8462
Mark Barber, City Attorney, 360.753.8223

Presenter(s):

Paul Simmons, Parks, Arts and Recreation Director

Background and Analysis:

Wonderland Holdings LLC owns a 75-acre parcel southwest of Ken Lake located between Kaiser Road SW and Lakemoor Drive, previously referred to as the proposed Kaiser Heights Development. The City desires to purchase this 75-acre parcel to expand its inventory of open space parks.

Wonderland Holdings LLC has listed the property for sale, and is interested in selling it to the City.

Staff has concluded negotiations with the Seller and has prepared the Option to Purchase Real Estate agreement that is attached to the staff report. A summary of the Option terms are below:

Option Terms:

The initial cost of the option is \$150,000, with the first Option term expiring on January 31, 2016. The option can be extended to October 1, 2016, with payment of an additional \$150,000 Option fee on or before January 31, 2016. If the Option is exercised and the balance of the acquisition price is paid in full, the total acquisition price will be \$1,100,000.

At closing, all Option to Purchase fees will be credited towards the purchase price of the property. Staff recommends that the Option payments be paid with open space impact fees and balance of the purchase price is anticipated to be paid with a combination of revenue from the proposed Olympia Metropolitan Park District, if approved by voters, and the 2004 Voted Utility Tax.

Neighborhood/Community Interests (if known):

The Parks, Arts and Recreation Department is in the process of completing an update to the 10-year Parks, Arts and Recreation Plan. This process has included a series of 8 neighborhood meetings with a total of 160 participants, an OlySpeaks online survey, and a Random Sample Survey of 759 respondents. In a summary of this public feedback, some of the dominate themes included:

- Acquire land in general while it is available, in order to achieve current and future park needs.
- Buy open space/natural areas - to provide nearby access to nature.

Additionally, the 2004 Voted Utility Tax ballot measure established a goal to acquire 500 additional acres of new parks. This property acquisition would be a significant step in achieving that goal.

Options:

1. Authorize the City Manager to sign the Option for Purchase Real Estate agreement for the Wonderland Holdings LLC property.
2. Do not authorize the Option agreement.
3. Direct staff to seek other options to satisfy the City's need for park acreage.

Financial Impact:

Staff recommends that the first and second \$150,000 option payments be paid with funds collected as Open Space Impact Fees. Staff also recommends that if the option is executed, that the City utilize a combination of funds generated from the 2004 Voted Utility Tax and the proposed Olympia Metropolitan Parks District, if approved by voters.

In addition to these funding sources, the City will pursue Recreation and Conservation Office grants in the 2016 grant application cycle for the Local Parks category.

OPTION TO PURCHASE REAL ESTATE

This OPTION TO PURCHASE REAL ESTATE ("Option" or "Agreement") is made by and between WONDERLAND HOLDINGS LLC ("Optionor"), and the CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington ("Optionee"), together known as the parties (the "Parties"), effective as of the Effective Date (as defined below in Section 3.9.15).

A. Optionor is the owner of certain real property located in the City of Olympia, Thurston County, Washington, legally described on Exhibit A-1 attached hereto ("Kaiser Heights Property").

B. Optionee has determined that Optionor's Kaiser Heights Property is suitable property for a public park for recreation and open space purposes.

C. The signatories to this Agreement are authorized to execute associated documents, to correct legal descriptions if need be, and to correct scrivener's errors and other errors or omissions that are otherwise in substantial conformance with this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Optionor and Optionee agree as follows:

1. Property. Optionor hereby agrees to and does grant to Optionee an Option to Purchase the fee title rights to certain real property legally described herein on Exhibit A-1, subject to the terms and conditions set forth herein, and Optionee hereby agrees to and does purchase an option from Optionor for purchase of the Property legally described on Exhibit A-1, subject to the terms and conditions set forth herein:

1.1 Land. Approximately 75 acres, more or less, constituting the entire site commonly known as Kaiser Heights Property located in the City of Olympia, Thurston County, Washington, shown in a sketch on Exhibit A-2 attached hereto (the "Land").

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Land owned by Optionor, including without limitation any and all easements, rights-of-way and other appurtenances used in connection with the beneficial use and enjoyment of the Land (all of which are collectively referred to as the "Appurtenances");

The Land and Appurtenances described in **Section 1** above are herein collectively referred to as the "Property."

2. Option Terms. The terms of the Option shall be as follows:

2.1 Term of Option. The initial term of this Option shall be for a period expiring on January 31, 2016 and this Option may be renewed for one additional period expiring on October 1, 2016, as set forth in this Section.

2.2 Purchase Price for the Property. If Optionee exercises its Option the purchase price for the Property (the "Purchase Price") shall be **One Million and One Hundred Thousand Dollars (\$1,100,000.00)**.

2.3 Payment for Option and Application to Purchase Price. Optionee shall pay to Optionor **One Hundred and Fifty Thousand Dollars (\$150,000.00)** for the first Option period ending on January 31, 2016. If Optionee wishes to extend its Option for an additional period ending on October 1, 2016, Optionee shall deliver written notice thereof along with an additional payment of **One Hundred Fifty Thousand Dollars (\$150,000.00)** to Optionor prior to expiration of the first Option period. If Optionee fails to so notify and make payment when due, its right to extend the Option shall expire. All Option payments made hereunder shall be non-refundable to Optionee, except as expressly provided herein or in the event of a default by Optionor hereunder. Said Option sums shall be held in escrow until the Option terms granted by Optionor have expired. Upon expiration of the purchase Option, and in absence of any default or condition herein requiring a refund of the Option amounts as set forth in this Agreement, the Option amounts shall be released to Optionor. Notwithstanding the foregoing, upon the delivery by Optionor to Escrow Agent of a duly executed short form deed of trust securing the return of the Option payments (the "Deed of Trust") in the form attached hereto as **Exhibit C**, the Option payments shall be released to Optionor. Optionee may direct Escrow Agent to record the Deed of Trust against the Property at Optionee's election and expense.

Should Optionee exercise its Option to Purchase the Property, the amount of all Option payments paid to Optionor shall be applied to and deducted from the Purchase Price for the Property.

2.4 Option to Purchase shall be a Covenant. The Option granted by Optionor to Optionee shall be a covenant running with the Land and shall be binding on all present and future owners and occupiers of the Property, their successors, heirs and assigns. This Option shall be recorded with the Auditor of Thurston County, Washington on the Option Closing Date (as defined below) at Optionee's sole cost and expense.

2.5 Option Closing Date and Deposit of Documents. Subject to the satisfaction of the contingencies set forth in Sections 2.7 and 2.8 below, the Closing for this Option to Purchase shall be at the offices of the "Escrow Agent" on a mutually acceptable date not later than thirty (30) days after the Effective Date of this Option (the "Option Closing Date"), unless otherwise agreed to by the Parties. The Escrow Agent shall be Thurston County Title Insurance Company, in its capacity as Escrow Agent, located at 105 8th Ave SE, Olympia, Washington 98501. On the Option Closing Date, Escrow Agent shall record the executed Option to Purchase Real Estate between Optionor and Optionee and the Option amount for the first Option period shall be delivered by Optionee to the Escrow Agent and immediately released to Optionor. Optionor and Optionee will use their reasonable best efforts, consistent with and subject to their respective rights and obligations as otherwise set forth in this Option, to cause Closing for the Option to Purchase to occur within thirty (30) days of the Effective Date.

2.6 Exercise of Option to Purchase. The Optionee may exercise this Option to Purchase by timely giving notice prior to the expiration of the Option term to Optionor or its successors, heirs or assigns, as provided in Section 3.8 below, of Optionee's decision to purchase the Property upon the terms set forth herein. If Optionee fails to timely exercise the Option to Purchase, this Agreement shall terminate and no longer be effective.

2.7 Title and Survey Matters for Option. Optionee has ordered a preliminary commitment for an ALTA owner's standard coverage title insurance policy issued by Thurston County Title Insurance Company ("Title Company"), describing the Property, showing all matters pertaining to the Property and Optionor as vested fee owner in the Property. Nothing herein shall be construed as imposing any cost obligation upon the Optionor. In the event that the initial title binder contains unacceptable title exceptions to Optionee, then Optionee shall notify Optionor within fifteen (15) days after the Effective Date. Optionor shall notify Optionee thereafter within ten (10) days if Optionor agrees, in its sole discretion, to remove or otherwise cure such objectionable matters (failure to timely respond

shall be deemed an election not to remove or cure). If Optionor elects to remove or cure any matters, Optionor shall not be obligated to remove or cure unless and until Optionee exercises the Option to Purchase under Section 2.6. If Optionor elects or is deemed to have elected not to remove or cure any matter objected to, then this Option shall terminate and neither Optionor nor Optionee shall thereafter have any further liability or obligation under this Option. All title matters referenced in the initial preliminary commitment and not objected to by Optionee within fifteen (15) days after the Effective Date shall be deemed "Pre-Approved Title Matters." Optionor agrees that it shall not, except as permitted herein, further encumber title to the Property at any time during the period of the Option in any manner that would materially and adversely affect title to the Property (as determined by Optionee in its reasonable discretion), otherwise Optionee may terminate this Agreement and shall receive a refund of its Option payments.

2.8. Initial Inspection; Environmental Reports. Optionor shall provide Optionee any environmental reports in Optionor's possession related to any hazardous materials or chemicals regulated by the Model Toxics Control Act concerning the Property, including phase 1 and 2 environmental assessments, until the Sale Closing Date. Optionee shall be entitled to perform any of its own tests or other studies concerning all aspects of the Property, including without limitation the environmental condition of the Property, within the period after the Effective Date and prior to the Option Closing Date in Section 2.5, and shall have the right and permission for its employees, representatives, consultants and agents to enter upon the Property or any part thereof at all reasonable times for the purpose, at Optionee's cost and expense, of making all tests and/or studies of the Property that Optionee may wish to undertake, including, without limitation, soils tests, toxic and hazardous waste studies, and surveys, provided, however, that Optionee shall schedule all access to the Property in advance with Optionor and shall be required to obtain Optionor's written consent prior to conducting any invasive testing (including approval of any proposed work plan), which consent shall not be unreasonably withheld. Optionee shall further indemnify and hold harmless Optionor from and against any mechanic's or other liens or claims, causes of action, costs, expenses, or liabilities that may be filed or asserted against the Property or Optionor arising out of or relating to any actions taken by Optionee or its employees, agents, consultants or representatives in connection with the Property. Optionee, to the extent necessary, shall reasonably restore the Property at Optionee's sole cost and expense to its conditions immediately prior to any access or testing by Optionee or its employees, agents, consultants and representatives. If Optionee performs a phase I environmental assessment on the Property as a part of its initial inspection and such phase I recommends or otherwise indicates that a phase II environmental assessment or other supplemental environmental testing should be conducted, the Parties agree that the Option Closing Date shall be extended to the date that is seven (7) business days after Optionee receives the results back on its phase II or supplemental testing (so long as Optionee promptly orders the phase II or additional testing), in order to provide adequate time for issuance of reports or laboratory analysis of testing results obtained by Optionee or its employees, representatives, consultants and agents. The environmental and all other studies and assessments of the Property shall be subject to Optionee's satisfaction in all aspects of the Property for Optionee's intended use, in Optionee's sole discretion. If Optionee is not satisfied with its environmental and other studies and assessments of the Property prior to the Option Closing Date, then Optionee may terminate this Agreement in its sole discretion and neither Optionee nor Optionor shall have any further liability or obligation under this Option.

2.9. Physical Condition to Remain Substantially the Same. The physical condition of the Property, including forest cover, shall remain substantially the same as it is at the time of Optionee's signature to this Agreement. If at any time during the Option period, the Land is cleared, logged, mined, or the forest cover is otherwise materially disturbed, Optionee is entitled to the return of its option payments made under Section 2.3. Optionor shall not enter into any lease, license or other occupancy agreement with any person for the Property, including the existing houses on the Property unless such agreement shall be cancellable by Optionor prior to the Option Closing Date.

2.10 Additional Terms. The additional terms in **Sections 3.8 and 3.9**, and all subsections respectively thereunder, shall also apply to this Option to Purchase.

3. After Exercise of Option to Purchase. If Optionee timely exercises the Option to Purchase, the Parties shall enter into a as-is, where-is "Purchase and Sale Agreement" for such sale, based upon the following terms and conditions, within thirty (30) days after Optionee's exercise of its Option to Purchase the Property. The Parties agree that such Purchase and Sale Agreement shall be entered into solely for the purpose of memorializing the following terms and conditions and shall not contain any new or modified terms or conditions that are contrary to those set forth below, unless agreed upon by the Parties in their sole and absolute discretion. The Parties acknowledge and agree that all material terms and conditions of a purchase and sale agreement are set forth below.

3.1 Payment of Purchase Price upon Exercise of Option to Purchase. On the "Sale Closing Date" (defined below), Optionee as "Buyer" (or the "City of Olympia" or the "City") shall deposit with Escrow Agent the amount of the Purchase Price less any amounts to be credited against the Purchase Price pursuant to the Option. The Purchase Price shall be paid to Optionor as "Seller" at the time of the Sale Closing Date by wire transfer, or by certified, cashier's, treasurer's or bank check(s) based on Seller's instruction to the Escrow Agent. Within three (3) business days following the execution and delivery of the Purchase and Sale Agreement, Buyer and Seller shall open escrow with Escrow Agent, by depositing with Escrow Agent a copy of the Purchase and Sale Agreement and Buyer's notice exercising the Option to Purchase.

3.2. Closing Date for Purchase and Sale Agreement. The Closing shall be held at the offices of the Escrow Agent on a date that is mutually acceptable to the Parties not later than thirty (30) days after the exercise of the Option to Purchase and complete execution of the Purchase and Sale Agreement (the "Sale Closing Date"), unless otherwise agreed by the Parties. Closing shall occur when the Deed (as hereinafter defined) to Buyer is recorded and the Purchase Price is delivered to the Escrow Agent for delivery to Seller. Seller and Buyer will use their reasonable best efforts, consistent with and subject to their respective rights and obligations as otherwise set forth in this Purchase and Sale Agreement, to cause the Sale Closing to occur on or not later than the Sale Closing Date, which shall be not later than thirty (30) days after the Option to Purchase has been exercised and complete execution of the Purchase and Sale Agreement.

3.3. Title and Survey Matters.

3.3.1 Title Binder. Promptly after exercising the Option to Purchase, Buyer shall order an updated preliminary commitment for an ALTA owner's standard coverage title insurance policy issued by Title Company describing the Property, showing all matters pertaining to the Property and listing Buyer as the prospective named insured, in a form acceptable to Buyer, updating the initial preliminary commitment to the exercise date of the Option to Purchase and Purchase and Sale Agreement. Such updated preliminary commitment, supplemental reports and true, correct and legible copies of all documents referred to in such preliminary commitment and supplemental reports as conditions or exceptions to title to the Property are collectively referred to herein as the "Title Binder." Nothing herein shall be construed as imposing any cost obligation upon Seller.

3.3.2 Title Review. Within seven (7) business days of Buyer's receipt of the updated commitment ("Title Review Period"), Buyer shall review the Title Binder, and, shall notify Seller what new exceptions to title since the initial commitment, if any, are unacceptable. Any new exceptions that are not disapproved by Buyer in writing during the Title Review Period, any exceptions consented to or required by Buyer and all Pre-Approved Title Matters shall constitute "Permitted Exceptions." Seller shall remove any or all exceptions that are not Permitted Exceptions prior to the Sale Closing Date or

shall notify Buyer that it will not remove such exceptions; if Seller shall fail to remove any such exceptions objected to by Buyer from title prior to the Sale Closing Date, and Buyer states in writing that it is unwilling to take title subject thereto, then the Purchase and Sale Agreement shall terminate and neither Seller nor Buyer shall thereafter have any further liability or obligation under the Purchase and Sale Agreement. However, if Seller causes any new exception to title on the Property after the Option Closing Date (other than Pre-Approved Title Matters) that materially and adversely affects title to the Property (as reasonably determined by Buyer), then Buyer may terminate the Purchase and Sale Agreement and, in such event, Buyer is entitled to receive return of the Option payments paid to Seller. Seller shall not be required to incur any expense in order to render its title marketable or remove any matter disapproved by Buyer; provided that, Seller shall not refuse to remove any disapproved item that involves only payment of a monetary obligation secured by a lien or other encumbrance on the Land.

3.3.3 Title Policy. At Sale Closing, Seller and Buyer shall cause Title Company to issue an Owner's standard coverage title insurance policy (ALTA 2006 Owners Policy) ("Title Policy") to Buyer, at Buyer's cost. The Title Policy shall (a) be issued in the amount of the total Purchase Price and (b) insure fee simple, indefeasible title to the Property in Buyer, subject only to the Permitted Exceptions and the standard printed exceptions. The Title Policy may contain endorsements as Buyer may require; provided that Buyer shall be solely responsible for all additional costs and requirements to obtain such endorsements.

3.4. Conditions to Buyer's Obligations.

3.4.1 Continued Inspection of the Property. For the sole purpose of confirming that no aspect of the Property has materially and adversely changed from the date of Buyer's initial inspection and assessment of the Property under Section 2.8 above, Buyer and its employees, representatives, consultants and agents shall have the right and permission from the Option Closing Date through the Sale Closing Date (or earlier termination of the Option or Purchase and Sale Agreement) to enter upon the Property or any part thereof at all reasonable times and from time to time for the purpose, at Buyer's cost and expense, of making all tests and/or studies of the Property that Buyer may wish to undertake, including, without limitation, soils tests, toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, that Buyer shall schedule all access to the Property in advance with Seller and shall be required to obtain Seller's written consent prior to conducting any invasive testing. Buyer shall further indemnify and hold harmless Seller from and against any mechanic's or other liens or claims, causes of action, costs, expenses, or liabilities that may be filed or asserted against the Property or Seller arising out of or relating to any actions taken by Buyer or its employees, agents, consultants or representatives in connection with the Property. To the extent necessary, Buyer shall reasonably restore the Property at its sole cost and expense to its condition immediately prior to any access or testing by Buyer or its employees, agents, consultants and representatives. Buyer's exercise of its Option to Purchase and any subsequent purchase of the Property shall be subject to its satisfaction that no aspect of the Property has materially and adversely changed for Buyer's intended use from the date of Buyer's initial inspection and assessment of the Property under Section 2.8 above, in Buyer's reasonable discretion. Buyer shall be required to satisfy itself of this condition prior to exercising the Option to Purchase under Section 2.6. Upon exercising the Option to Purchase, Buyer shall be deemed to have accepted the condition and all aspects of the Property. Buyer acknowledges that the sale of the Property shall be strictly on an "As-Is" basis, with all faults and defects, whether known or unknown, and Buyer agrees that, as of the Sale Closing Date, Buyer shall be deemed to have waived and released Seller from any and all claims, suits, demands, liabilities, damages and other obligations arising in connection with or related to the Property, other than those arising as a result of any intentional wrongful act of Seller. Notwithstanding the foregoing, in the event of a material and adverse change occurring upon or relating to the condition of the Property after exercising the Option to Purchase and before the Sale Closing, then Buyer may terminate the Option to Purchase and Purchase

and Sale Agreement and Buyer shall be entitled to a refund of its Option payments. Buyer acknowledges that Seller has disclosed to Buyer that the existing houses have been vandalized and any existing or subsequent damage or destruction to the existing houses on the Property shall not be a material adverse change hereunder. It is understood that the presence of any trespassers or "squatters" on the Property shall not be a basis for the return of the Option payments pursuant to this Section 3.4.1 or otherwise.

Buyer hereby waives the right to any seller disclosure statement which would otherwise be required under RCW Chapter 64.06. Further, in the event a seller's disclosure statement or any portion thereof is required under RCW Chapter 64.06, pursuant to RCW 64.06.040(3), Buyer hereby waives any right of rescission of the Purchase and Sale Agreement that Buyer might otherwise have under RCW Chapter 64.06.

BUYER ACKNOWLEDGES THE PROPERTY IS "AS IS WHERE IS" IN ITS PRESENT CONDITION. BUYER HAS THE OPPORTUNITY TO INSPECT THE PROPERTY AND DOCUMENTATION IN SELLER'S POSSESSION AS PROVIDED HEREIN. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, THE PURCHASE AGREEMENT OR THE CLOSING DOCUMENTS, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO, HEREBY DISCLAIMS AND SHALL HAVE NO LIABILITY FOR: (A) THE CONDITION OF THE PROPERTY OR ANY BUILDINGS, STRUCTURE OR IMPROVEMENTS THEREON OR THE ROOFS, STRUCTURAL COMPONENTS, OR HEATING, VENTILATING, AIR CONDITIONING, MECHANICAL, PLUMBING, ELECTRICAL, OR FIRE AND LIFE SAFETY SYSTEMS THEREON OR THEREIN OR THE SUITABILITY OF THE PROPERTY FOR HABITATION OR FOR BUYER'S INTENDED USE; (B) ANY APPLICABLE BUILDING, ZONING OR FIRE LAWS OR REGULATIONS OR WITH RESPECT TO COMPLIANCE THEREWITH OR WITH RESPECT TO THE EXISTENCE OF OR COMPLIANCE WITH ANY REQUIRED PERMITS, IF ANY, OF ANY GOVERNMENTAL AGENCY; (C) THE AVAILABILITY OR EXISTENCE OF ANY WATER, SEWER OR UTILITIES, ANY RIGHTS THERETO, OR ANY WATER, SEWER OR UTILITY DISTRICTS; (D) ACCESS TO ANY PUBLIC OR PRIVATE SANITARY SEWER OR DRAINAGE SYSTEM; OR (E) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES AT THE PROPERTY OR IN ANY IMPROVEMENTS ON THE PROPERTY, INCLUDING WITHOUT LIMITATION ASBESTOS OR UREA-FORMALDEHYDE, OR THE PRESENCE OF ANY ENVIRONMENTALLY HAZARDOUS WASTES OR MATERIALS ON OR UNDER THE PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, THE PURCHASE AGREEMENT OR THE CLOSING DOCUMENTS, SELLER SHALL HAVE NO LIABILITY WITH RESPECT TO THE CONDITION OF THE PROPERTY UNDER COMMON LAW, OR ANY FEDERAL, STATE, OR LOCAL LAW OR REGULATION, INCLUDING BUT NOT LIMITED TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980 AS AMENDED, 42 U.S.C.A. SECTIONS 9601 ET SEQ., OR APPLICABLE WASHINGTON LAW, AND BUYER HEREBY RELEASES AND WAIVES ANY AND ALL CLAIMS WHICH THE BUYER HAS OR MAY HAVE AGAINST THE SELLER WITH RESPECT TO THE CONDITION OF THE PROPERTY. BUYER ACKNOWLEDGES THAT BUYER IS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PROPERTY AND BUYER ASSUMES THE RESPONSIBILITY AND RISKS OF ALL DEFECTS AND CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUCH DEFECTS AND CONDITIONS, IF ANY, THAT CANNOT BE OBSERVED BY CASUAL INSPECTION.

3.4.2 Additional Closing Conditions. Buyer's obligation to purchase the Property shall also be subject to the following conditions that must be satisfied as of Closing:

(i) All representations and warranties of Seller contained in the Purchase and Sale Agreement shall be true, accurate and complete in all material respects at the time of the Sale Closing as if made again at such time;

(ii) Seller shall have performed all obligations to be performed by it hereunder on or before the Sale Closing (or, if earlier, on or before the date set forth in the Purchase and Sale Agreement for such performance);

(iii) At Sale Closing, title to the Property shall be in the condition required by **Section 3.3** herein and in the Purchase and Sale Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

(iv) At Closing, the physical condition and forest cover of the Property shall be substantially the same as on the date the Option is signed by Optionee, ordinary wear and tear and acts described in Section 2.9 above excepted.

(v) The Purchase and Sale Agreement must be approved by the City of Olympia's City Council.

If the conditions set forth in this **Section 3.4** are not satisfied as of Sale Closing and Buyer does not waive the same, Buyer or Seller may terminate the Purchase and Sale Agreement, and thereafter neither Buyer nor Seller shall have any further liability one to the other under the Purchase and Sale Agreement, and, except as provided in the following sentence, Buyer shall be entitled to receive return of the Option payments paid to Seller. If the City Council does not approve a Purchase and Sale Agreement containing the terms and conditions agreed to herein, failure of such condition shall not entitle Buyer to receive a return of its Option payments. In such event, Optionor shall be entitled to retain the Option payments.

3.5 Seller's Representations. Seller is a limited liability company duly formed and validly existing under the laws of the State of Washington, and is authorized to conduct business in the State of Washington. Seller has all necessary power and authority to enter into the Purchase and Sale Agreement. The Purchase and Sale Agreement shall constitute the legal, valid, binding and enforceable obligation of Seller and Buyer.

3.6 Seller Provision of Further Information. From the Option Closing Date to the Sale Closing Date, Seller will notify Buyer of each event of which Seller becomes aware materially affecting the Property or any part thereof immediately upon learning of the occurrence of such event.

3.7 Closing Pursuant to the Purchase and Sale Agreement.

3.7.1 Time and Place. Provided that all the contingencies set forth in the Purchase and Sale Agreement have been previously fulfilled, the Sale Closing shall take place at the place and time determined as set forth in **Section 3.2** above.

3.7.2 Documents to be Delivered by Seller. For and in consideration of, and as a condition precedent to, the payment to Seller of any of the Purchase Price, Seller shall obtain and deliver to Buyer at Closing the following documents (all of which shall be duly executed and acknowledged where required):

(i) **Deed.** A statutory warranty deed (“Deed”), conveying to Buyer title to the Property, free and clear of all liens, encumbrances, conditions, easements, assignments, and restrictions, except for the Permitted Exceptions, in the form attached hereto as **Exhibit B**.

(ii) **Title Documents.** Such other documents, including, without limitation, certificates of good standing as shall be reasonably required by the Title Company (at no cost or additional liability to Seller) as a condition to its insuring Buyer’s fee simple title to the Property free of any exceptions, other than the Permitted Exceptions, and any other documents reasonably requested by Title Company to close the sale.

(iii) **Authority.** Such evidence as the Title Company shall require as to authority of Seller to convey the Property to Buyer.

3.7.3 Delivery by Buyer. Buyer shall deliver the Purchase Price to Seller at Sale Closing and any other documents reasonably requested by Title Company to close the sale.

3.7.4 Payment of Costs. Notwithstanding the foregoing, Seller and Buyer shall pay their own respective costs incurred with respect to the consummation of the purchase and sale of the Property including, without limitation, attorneys’ fees. Notwithstanding the foregoing, Buyer shall pay the premium for the Owner’s Title Policy to be issued by Title Company to Buyer, the fee to record the Deed, and one-half of the escrow fee. Seller shall pay one-half of the escrow fee and shall also pay any excise tax due upon the sale of the Property.

3.7.5 Property Taxes. In the event Seller has prepaid any taxes on the Property as of the date of Sale Closing, Seller shall be entitled to a pro rata refund on the amount paid pursuant to RCW 84.60.050.

3.7.6 Monetary Liens. Seller shall pay or cause to be satisfied at or prior to Sale Closing all recorded monetary liens on or with respect to all or any portion of the Property, including, but not limited to, mortgages, deeds of trust, security agreements, assignments of leases, rents and/or easements, judgment liens, tax liens (other than those for taxes not yet due and payable) and financing statements.

3.7.7 Possession. Possession and use of the Property shall be delivered to Buyer at Sale Closing subject to all Permitted Exceptions.

3.8 Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, “Notices”) shall be in writing and shall be validly given or made to another party if delivered either personally or by Federal Express (FedEx) or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by Federal Express or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given forty-eight (48) hours after the deposit thereof in the United States mail. Each such Notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Seller: Wonderland Holdings LLC
Attention: Nathan Korpela
600 University Street, Suite 2820
Seattle, Washington 98101
E-mail: nkorpela@waholdings.com
Phone: (206) 613-5300

With copies to: Attention: Laura E. Karassik
Foster Pepper PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98103
E-mail: karal@foster.com
Phone: (206) 447-2727

To Buyer: City of Olympia
Attention: Steven R. Hall, City Manager
P.O. Box 1967
Olympia, WA 98507-1967
E-mail: shall@ci.olympia.wa.us
Phone: (360) 753-8447

With copies to: City of Olympia
Attention: Mark Barber, City Attorney
P.O. Box 1967
Olympia, WA 98507-1967
E-mail: mbarber@ci.olympia.wa.us
Phone: (360) 753-8338; Fax: (360) 570-3791

Any party hereto may change its address for the purpose of receiving notices as herein provided by a written notice given in the manner aforesaid to the other party hereto.

3.9 Miscellaneous.

3.9.1 Applicable Law and Venue. The Option and Real Estate Purchase and Sale Agreement shall in all respects, be governed by the laws of the State of Washington. Venue for any lawsuits concerning this agreement shall be in Thurston County Superior Court.

3.9.2 Further Assurances. Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations under the Option and Purchase and Sale Agreement, to carry out the intent of the parties hereto.

3.9.3 Modification or Amendment, Waivers. No amendment, change or modification of the Option or Purchase and Sale Agreement shall be valid, unless in writing and signed by all of the Parties hereto.

3.9.4 Successors and Assigns. All of the terms and provisions contained in the Purchase and Sale Agreement shall inure to the benefit of and shall be binding upon the Parties hereto

and their respective heirs, legal representatives, successors and permitted assigns. Buyer shall not be permitted to assign the Option or the Purchase and Sale Agreement, or any part thereof, to any other party.

3.9.5 Entire Agreement. The Option and Purchase and Sale Agreement shall constitute the entire understanding and agreement of the Parties with respect to their subject matters and any and all prior agreements, understandings or representations with respect to such subject matters are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under the Option and Purchase and Sale Agreement to any person, firm or corporation other than the Parties.

3.9.6 Attorneys' Fees. Should either party bring suit to enforce the Option or Purchase and Sale Agreement, the substantially prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

3.9.7 Construction. Captions are solely for the convenience of the Parties and are not a part of the Option or Purchase and Sale Agreement. The Option and Purchase and Sale Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it. If the date on which Buyer or Seller is required to take any action under the terms of the Option or Purchase and Sale Agreement is not a business day, the action shall be taken on the next succeeding business day.

3.9.8 Partial Invalidity. If any term or provision of the Option or Purchase and Sale Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of Option or the Purchase and Sale Agreement shall not be affected thereby; and each such term and provision of the Option or Purchase and Sale Agreement shall be valid and be enforced to the fullest extent permitted by law.

3.9.9 Survival. The covenants, agreements, representations and warranties made in the Option or Purchase and Sale Agreement shall survive the Option or Sale Closing Dates unimpaired and shall not merge into the Deed and the recordation thereof.

3.9.10 Finders' or Brokers' Fees. Seller and Buyer each hereby represent and warrant to the other that no broker, agent or finders' fees or commissions, or other similar fees, are due or arising in connection with any of the transactions contemplated by the Option or Purchase and Sale Agreement other than to Kidder Mathews ("Seller's Broker"). Optionor/Seller shall pay a commission to Optionor's/Seller's Broker pursuant to a separate agreement. Optionor/Seller and Optionee/Buyer each hereby agree to indemnify, defend and hold the other harmless from and against any loss, liability, damage, cost, damage, claim or expense, including interest, penalties and reasonable attorneys' fees, that the other party shall incur or suffer because of any claim by a broker, agent, or finder claiming by, through, or under such indemnifying party, whether or not such claim is meritorious, for any compensation with respect to the entering into of the Option or Purchase and Sale Agreement, the sale and purchase of the Property, or the consummation of the transactions contemplated herein, except as provided herein.

3.9.11 Time. Time is of the essence of every provision of the Option and Purchase and Sale Agreement.

3.9.12 Force Majeure. Performance by Seller or Buyer of their obligations under the Option or Purchase and Sale Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial

disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the party who is obligated to render performance (but excluding financial inability to perform, however caused).

3.9.13 No Individual Liability. In no event shall any shareholder, officer, director, member, partner, affiliate, agent or employee of Optionor/Seller be or be held liable or responsible in any way for the obligations or liabilities of Optionor/Seller under the Option or Purchase and Sale Agreement.

3.9.14 Counterparts. The Option and Purchase and Sale Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one agreement; but in making proof of the Option or Purchase and Sale Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of the Option or the Purchase and Sale Agreement may be combined to form multiple fully-executed counterparts; and (ii) a facsimile signature or an electronically scanned signature shall be deemed to be an original signature for all purposes. All executed counterparts of the Option or Purchase and Sale Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement either as Option or Purchase and Sale Agreement.

3.9.15 Effective Date. The term, “**date of this Agreement**”, or “**date hereof**”, or “**Effective Date**”, as used herein, shall mean the later of the following dates: (1) the date of Buyer’s signature; or (2) the date of Seller’s signature.

3.9.16 Release of Option. If Optionee fails to timely exercise its Option to Purchase or should the Purchase and Sale Agreement terminate for any other reason hereafter, Optionee/Buyer shall promptly execute and deliver to Optionor/Seller (i) a termination and release of the Option to Purchase or Purchase and Sale Agreement in recordable format in order for Optionor/Seller to clear title of the obligations hereunder and (ii) a request for reconveyance in form required to release the Deed of Trust, and if Optionee/Buyer fails to provide such termination and release and request for reconveyance within ten (10) business days following Optionor/Seller’s request, such failure shall be a default hereunder and result in a penalty of \$1,000 per calendar day payable from the Optionee/Buyer to the Optionor/Seller. If the Purchase and Sale Agreement terminates for any reason requiring the return of the Option payments, Optionor/Seller may retain the Option payments until such time as Optionee/Buyer provides such termination and release and request for reconveyance, if applicable. In the event of a dispute related to whether Optionee/Buyer is entitled to the return of the Option payments, Optionor/Seller may deposit the Option payments with Escrow Agent to hold in escrow or interplead the Option payments with a court of appropriate jurisdiction, pending resolution of such dispute. In such event, Optionee/Buyer shall promptly deliver the termination and release and/or request for reconveyance to Optionor/Seller, subject to the penalty provided above. However, the Optionee/Buyer is only subject to said penalty if the court finds that Optionor/Seller is the prevailing party.

3.9.17 Default. If Optionee/Buyer defaults under any material provision of the Option to Purchase or Purchase and Sale Agreement and does not cure such material default after a ten (10) day notice and opportunity to cure is given by Optionor/Seller, Optionor/Seller may terminate the Option or Purchase and Sale Agreement by notice to Optionee/Buyer and Optionor/Seller shall be entitled to retain the Option payments made hereunder, as its sole and exclusive remedy, except for the provisions set forth in Section 3.9.6 above. If Optionor/Seller defaults under any material provision of the Option or Purchase and Sale Agreement and does not cure such material default after a ten (10) day notice and opportunity to cure is given by Optionee/Buyer, Optionee/Buyer may terminate the Option or Purchase and Sale Agreement by notice to Optionor/Seller and Optionee/Buyer shall be entitled to receive a refund

of the Option payments made hereunder, as its sole and exclusive remedy, except for the provisions set forth in Section 3.9.6 above.

[Signatures follow on next page.]

SELLER:

WONDERLAND HOLDINGS LLC

By _____

Its: _____

Date: _____

By _____

Its: _____

Date: _____

BUYER:

**CITY OF OLYMPIA, a Washington municipal
corporation**

By _____

Its: _____

Date: _____

APPROVED AS TO FORM:

City Attorney

EXHIBIT A-1
Kaiser Heights Property Legal Description

Exhibit A

Parcel A:

The North half of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel B:

The North half of the Southwest quarter of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel C:

The North half of the Southeast quarter of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel D:

The South half of the Southwest quarter of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel E:

The South half of the Southeast quarter of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel F:

The North half of the Northwest quarter of the Southwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

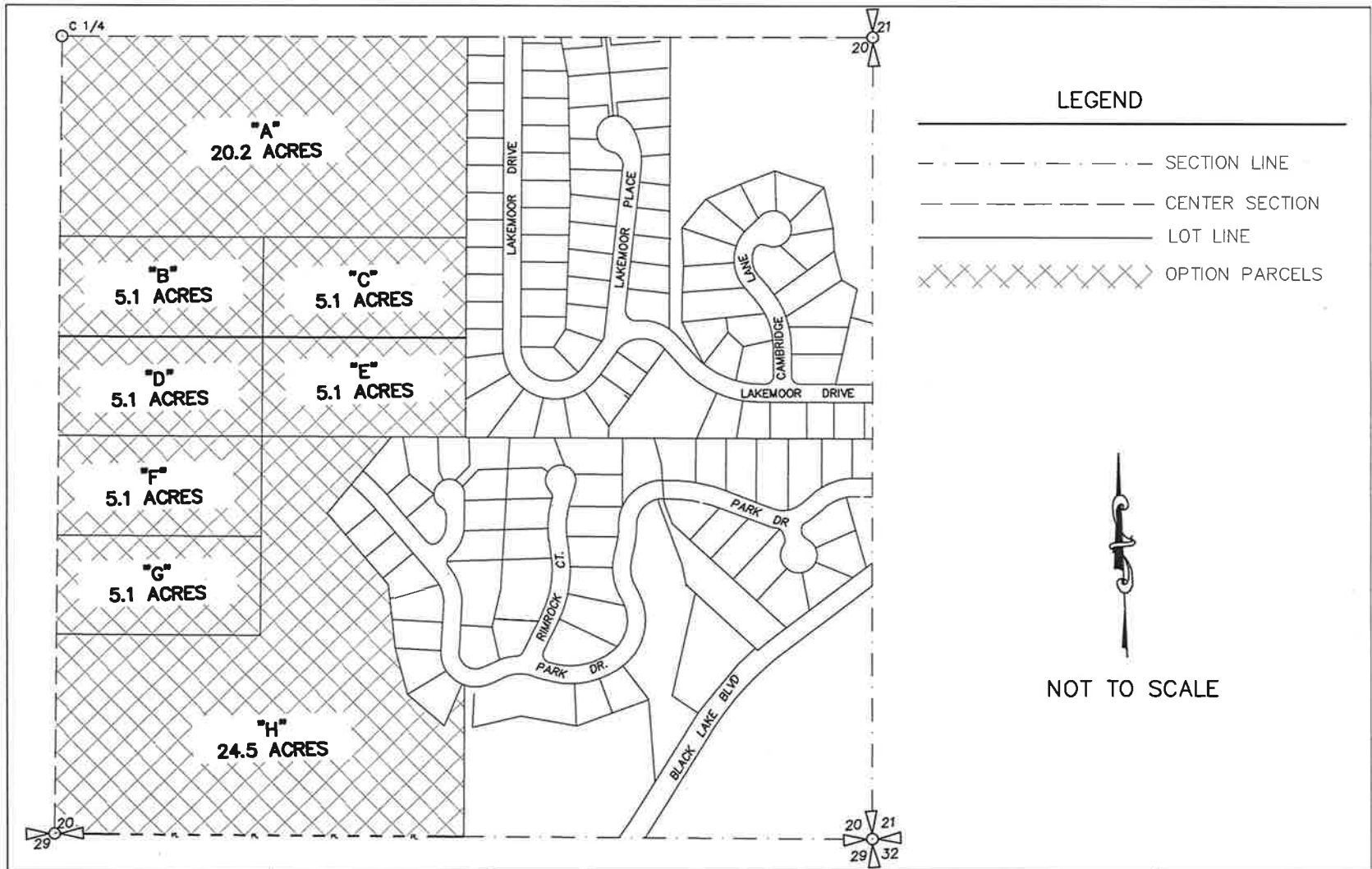
Parcel G:

The South half of the Northwest quarter of the Southwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel H:

The Southwest quarter of the Southwest quarter of the Southeast quarter and that portion of the East half of the Southwest quarter of the Southeast quarter lying Westerly of the Plat of Westbrook Park, Division 2, as recorded in Volume 17 of Plats, page 40, in Section 20, Township 18 North, Range 2 West, W.M.

All in Thurston County, Washington.



		PROJECT NO.	CITY OF OLYMPIA EXHIBIT "A-2" WEST HALF OF THE SOUTHEAST QUARTER SECTION 20, T. 18 N., R. 2 W., W.M.	DRAWING NAME
DRAWN	TCM	DATE		KAISER HEIGHTS
QC REVIEW	LFC	AUGUST 2015		SHEET 1 OF 1
SCALE	N.T.S.			

**EXHIBIT B
STATUTORY WARRANTY DEED**

Form of Deed

AFTER RECORDING MAIL TO:

STATUTORY WARRANTY DEED

The Grantor, **WONDERLAND HOLDINGS, LLC**, for and in consideration of the sum of TEN and NO/100--(\$10.00) Dollars, and other valuable considerations, in hand paid, hereby conveys and warrants to the **CITY OF OLYMPIA**, a municipal corporation, the following described real estate and all rights thereto, situated in the City of Olympia, County of Thurston, in the State of Washington:

For legal description see attached Exhibit A.

Also known as (insert street address or tract/plat info.) as recorded in Auditor's File No. _____ (insert AFN), Records of the Thurston County Auditor.

Subject to the matters set forth on Exhibit B attached hereto. [Permitted Exceptions to be attached]

DATED this ____ day of _____, 2015.

By: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that _____ is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument, on oath stated that he/she/they were authorized to execute the instrument and acknowledged it as his/her/their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this ____ day of _____, 2015.

Signature
Print Name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____

My commission expires _____

**EXHIBIT C
DEED OF TRUST**

Form of Deed

When recorded return to:

City of Olympia
PO Box 1967
Olympia, WA 98507-1967
Attention: _____

**Short Form
DEED OF TRUST**

THIS DEED OF TRUST, made this ___ day of _____, 2015 between as
GRANTOR(S) Wonderland Holdings LLC, a Washington limited liability company
whose address is 600 University Street, Suite 2820, Seattle, Washington 98101

and

as TRUSTEE, _____
whose address is _____

and

as BENEFICIARY, The City of Olympia, whose address is PO Box 1967, Olympia,
Washington

Grantor(s) hereby irrevocably grants, bargains, sells, and conveys to Trustee in trust, with
power of sale, the following described property in Thurston County, Washington:

See Exhibit A attached hereto

Tax Parcel Number(s): _____

TOGETHER WITH all the tenements hereditaments and appurtenances, now or hereafter thereunto belonging or in anywise appertaining, and the rents, issues, and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Form Deed of Trust hereinafter referred to, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

THIS DEED IS FOR THE PURPOSE OF SECURING the obligation of Grantor to return to Beneficiary certain Option payments in the aggregate of up to THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000) to the extent required pursuant to that certain Option to Purchase Real Estate (the "Option Agreement").

By executing and delivering this Deed of Trust, the parties agree that all provisions of Paragraphs 1 through 3, 11 through 14, 17 through 19, 21, 23 through 26, 28 and 31 through 35 inclusive of the Master Form Deed of Trust hereinafter referred to, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Grantor(s) hereby makes said covenants and agrees to fully perform all of said provisions. The Master Form Deed of Trust above referred to was recorded on the twenty-fifth (25th) day of July, 1968, in the Official Records of the offices of the County Auditors of the following counties in Washington in the book, and at the page designated after the name of each county, to-wit:

COUNTY	BOOK OR VOL.	PAGE NO.	AUDITOR'S	COUNTY	BOOK OR VOL.	PAGE NO.	AUDITOR'S
Adams	2 of Record. Instr.	513-16	122987	Lewis	7 of Official Rec.	839-	725562
Asotin	Microfilmed under Auditor's No.		101896	Lincoln	107 of Mortgages	776-779	316596
Benton	241 of Official Rec.	695A-C	592931	Mason	Reel 48	Frame 835-838	236038
Chelan	688 of Official Rec.	1682-1685	681844	Okanogan	121 of Mortgages	517-519A	560658
Clallam	315 of Official Rec.	195-198	383176	Pacific	213 of Official Rec.	649-652	55707
Clark	Aud. Microfilm No.	702859-702862	G-519253	Pend Oreille	27 of Mtgs.	8-11	126854
Columbia	49 of Deeds	198-201	F 3115	Pierce	1254 of Mtgs.	707-710	2250799
Cowlitz	747 of Official Rec.	234-237	675475	San Juan	28 of Mtgs.	459-462	69282

COUNTY	BOOK OR VOL.	PAGE NO.	AUDITOR'S	COUNTY	BOOK OR VOL.	PAGE NO.	AUDITOR'S
Douglas	125 of Mortgages	120-123	151893	Skagit	19 of Official Rec.	80-83	716277
Ferry	28 of Deeds	413-416	153150	Skamania	47 of Mtgs.	41-44	70197
Franklin	11 of Official Rec.	138-141	309636	Snohomish	233 of Official Rec.	540-543	2043549
Garfield	Microfilmed under Auditor's No.		13044	Spokane	14 of Official Rec.	1048-1051	376267C
Grant	44 of Rec. Doc.	373-376	538241	Stevens	109 of Mtgs.	394-397	390635
Grays Harbor	21 of General	31-34	207544	Thurston	454 of Official Rec.	731-734	785350
Island	181 of Official Rec.	710-713	211628	Waukiakum	17 of Mortgages	89-92	24732
Jefferson	4 of Official Rec.	316-319	196853	Walla Walla	308 of Mtgs.	711-714	495721
King	5690 of Mtgs.	436-439	6382309	Whatcom	82 of Official Rec.	855-858	1047522
Kitsap	929 of Official Rec.	480-483	934770	Whitman	1 of Misc.	291-294	382282
Kittitas	111 of Mortgages	361-364	348693	Yakima	712 of Official Rec.	147-150	2170555
Klickitat	101 of Mortgages	107-110	131095				

A copy of such Master Form Deed of Trust is hereby furnished to the person executing this Deed of Trust and by executing this Deed of Trust the Grantor(s) acknowledges receipt of such Master Form Deed of Trust.

The property which is the subject of this Deed of Trust is not used principally or primarily for agriculture or farming purposes.

The undersigned Grantor(s) requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address hereinbefore set forth.

[SIGNATURE PAGE FOLLOWS.]

PLEASE BE ADVISED THAT ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

WITNESS the hand(s) and seal(s) of the Grantor(s) on the day and year first above written.

WONDERLAND HOLDINGS LLC,
a Washington limited liability company

By: _____
Authorized Signatory

STATE OF WASHINGTON

COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Authorized Signatory of Wonderland Holdings LLC, a Washington limited liability company, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2015.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____

My appointment expires _____

Exhibit A

Parcel A:

The North half of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel B:

The North half of the Southwest quarter of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel C:

The North half of the Southeast quarter of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel D:

The South half of the Southwest quarter of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel E:

The South half of the Southeast quarter of the Northwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel F:

The North half of the Northwest quarter of the Southwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel G:

The South half of the Northwest quarter of the Southwest quarter of the Southeast quarter of Section 20, Township 18 North, Range 2 West, W.M.

Parcel H:

The Southwest quarter of the Southwest quarter of the Southeast quarter and that portion of the East half of the Southwest quarter of the Southeast quarter lying Westerly of the Plat of Westbrook Park, Division 2, as recorded in Volume 17 of Plats, page 40, in Section 20, Township 18 North, Range 2 West, W.M.

All in Thurston County, Washington.

MASTER FORM DEED OF TRUST

Recorded by Washington Mortgage Correspondence Association, a Washington corporation, pursuant to C. 148 L. 1967

The Grantor(s) covenants and agrees as follows:

1. The following described estate, property and rights of Grantor(s) are also included as a security for the performance of each covenant and agreement of Grantor(s) contained herein or in the Short Form Deed of Trust and the payment of all sums of money secured hereby:

(a) All the estate and rights of Grantor(s) in and to said property and in and to land lying in streets and roads adjoining said premises, and all access, rights, and easements appertaining thereto.

(b) All buildings, structures, improvements, fixtures, and articles of property now or hereafter attached to, or used or adapted for use in the operation of, the said premises, including but without being limited to, all heating and incinerating apparatus and equipment whatsoever, all boilers, engines, motors, dynamos, generating equipment, piping and plumbing fixtures, ranges, cooking apparatus and mechanical kitchen-equipment, refrigerators, cooling, ventilating, sprinkling and vacuum cleaning systems, fire extinguishing apparatus, gas and electric fixtures, carpeting, underpadding, elevators, escalators, partitions, mantels, built-in mirrors, window shades, blinds, screens, storm sash, awnings, furnishings of public spaces, halls and lobbies, and shrubbery and plants; and including also all interest of any owner of the said premises in any of such items hereafter at any time acquired under conditional sale contract, chattel mortgage or other title retaining or security instrument, all of which property mentioned in this paragraph shall be deemed part of the realty and not severable wholly or in part without material injury to the freehold.

(c) All and singular the lands, tenements, privileges, water rights, hereditaments, and appurtenances thereto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, rights, title, claim, interest and demand whatsoever of the Grantor(s), either in law or equity, of, in and to the bargained premises. TO HAVE AND TO HOLD said premises bargained and described, together with all and singular the lands, tenements, privileges, water rights, hereditaments, and appurtenances thereto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all of the estate, right, title, claim, and demands whatsoever of the Grantor(s), either in law or in equity, of, in and to the above bargained premises, forever as security for the faithful performance of the promissory note secured hereby and as security for the faithful performance of each and all of the covenants, agreements, terms, and conditions of this Deed of Trust, SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

(d) All of Grantor(s)'s rights further to encumber said property for debt except by such encumbrance which by its actual terms and specifically expressed intent shall be and at all times remain subject and subordinate to (i) any and all tenancies in existence when such encumbrance becomes effective and (ii) any tenancies thereafter created; Grantor(s) hereby (i) representing as a special inducement to Beneficiary to make this loan that as of the date hereof there are no encumbrances to secure debt junior to this Deed of Trust and (ii) covenanting that there are to be none as of the date when this Deed of Trust becomes of record, except in either case encumbrances having the prior written approval of Beneficiary, and all of Grantor(s)'s rights to enter into any lease or lease agreement which would create a tenancy that is or may become subordinate in any respect to any mortgage or deed of trust other than this Deed of Trust.

2. When and if Grantor(s) and Beneficiary shall respectively become the Debtor and Secured Party in any Uniform Commercial Code Financing Statement affecting property either referred to or described herein, or in any way

connected with the use and enjoyment of these premises, this Deed of Trust shall be deemed a Security Agreement as defined in said Uniform Commercial Code and the remedies for any violation of the covenants, terms, and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in said Financing Statement by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at Beneficiary's sole election. Grantor(s) and Beneficiary agree that the filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and hereby stated intention of the parties hereto, that everything used in connection with the production of income from the property that is the subject of this Deed of Trust and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained in the short form Deed of Trust or in any list filed with the Beneficiary, (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time.

3. To pay all debts and monies secured hereby, when from any cause the same shall become due. To keep the property free from statutory and governmental liens of any kind. That the Grantor(s) is/are seized in fee simple of the property and owns outright every part thereof, that there are no liens or encumbrances against or upon the same and none superior to this Deed of Trust, will be created or suffered to be created by the Grantor(s) during the life of this Deed of Trust, that he has good right to make this Deed of Trust and that he will forever warrant and defend said property unto the Beneficiary, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof. The Grantor(s) upon request by mail will furnish a written statement duly acknowledged of the amount due on this Deed of Trust and whether any offsets or defenses exist against the debt secured hereby.
4. To pay to Beneficiary, if Beneficiary so requires, together with and in addition to the monthly payments of principal and interest payable under the terms of the said note, on the date set forth therein for the making of monthly payments each month, until said note is fully paid, a sum, as estimated by the Beneficiary, equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this Deed of Trust, plus the premiums that will next become due and payable on insurance policies as may be required under paragraph 10 hereof, Grantor(s) agreeing to deliver promptly to beneficiary all bills and notices thereof, less all sums already paid therefor, divided by the number of months to elapse before two months prior to the date when such ground rents, premiums, taxes, and special assessments will become delinquent, such sums to be held by the Beneficiary in trust to pay said ground rents, premiums, taxes, and special assessments. All payments mentioned in this paragraph and all payments to be made under said note shall be added together and the aggregate amount thereof shall be paid by the Grantor(s) each month in a single payment to be applied by Beneficiary to the following items in the order set forth: (1) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums; (2) interest on the note secured hereby; and, (3) amortization of the principal of said note. Any deficiency in the amount of any such aggregate monthly payment shall constitute an event of default under this Deed of Trust. The arrangement provided for in the paragraph 4 is solely for the added protection of the Beneficiary and entails no responsibility on the Beneficiary's part beyond the allowing of due credit, without interest, for the sums actually received by it. Upon assignment of this Deed of Trust by the Beneficiary, any funds on hand shall be turned over to the assignee and any responsibility of the assignor with respect thereto shall terminate. Each transfer of the property that is the subject of this Deed of Trust shall automatically transfer to the grantee all rights of the Grantor(s) with respect to any funds accumulated hereunder.
5. In the event that any payment or portion thereof is not paid within fifteen (15) days commencing with the date it is due, Beneficiary may collect, and the Grantor(s) agree(s) to pay with such payment, a "late charge" of two cents (\$.02) for each dollar so overdue as liquidated damages for the additional expense of handling such delinquent payments.
6. If the total of the payments (herein called reserves) made under paragraph 4 hereof relating to reserves for ground rents, taxes, special assessments, and premiums on insurance policies, shall exceed the amount of payments actually made by Beneficiary for the purposes set forth in paragraph 4, plus such amounts as have been reasonably accumulated in such reserves toward payments therefrom next to become due, such excess may,

provided no default then exists under the terms of this instrument nor under the terms of the promissory note hereby secured, but not otherwise, be credited by beneficiary in payment of subsequent aggregate, but not partial, payments to be made by Grantor(s) or, at the option of the Beneficiary, refunded to the Grantor(s) or his/her/their successors in interest as may appear upon the records of the Beneficiary. If, however, the monthly payments accumulating such reserves shall not be sufficient to pay the sums required when the same shall become due and payable, the Grantor(s) shall pay to Beneficiary any amount necessary to make up the deficiency within thirty (30) days after written notice to Grantor(s) stating the amount of the deficiency. If there shall be a default under any of the provisions of this Deed of Trust and thereafter a sale of the property in accordance with the provisions hereof, or if the Beneficiary acquires the property otherwise after default, the Beneficiary shall apply, at the time of commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under paragraph 4, less such sums as will become due and payable during the pendency of the proceedings, as a credit against the amounts secured hereby.

7. To maintain the buildings and other improvements on the property in a rentable and tenantable condition and state of repair, to neither commit nor suffer any waste, to promptly comply with all requirements of the federal, state, and municipal authorities and all other laws, ordinances, regulations, covenants, conditions, and restrictions respecting said property or the use thereof, and pay all fees or charges of any kind in connection therewith. The Beneficiary may recover as damages for any breach of this covenant the amount it would cost to put the property in the condition called for herein. In the event of breach of any requirement of this paragraph, the Beneficiary may, in addition to any other rights or remedies, at any time thereafter declare the whole of said principal sum immediately due and payable. Proof of impairment of security shall be unnecessary in any suit or proceeding under this paragraph. Grantor(s) shall permit Beneficiary or its agents the opportunity to inspect the property, including the interior of any structure at reasonable times and after reasonable notice.
8. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged, or destroyed thereon, and pay when due all costs incurred therefor, and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Grantor(s) further agree(s):
 - (a) To commence construction promptly and in any event within thirty (30) days from the date of this instrument, and complete the same in accordance with any agreements relating to construction and plans and specifications satisfactory to Beneficiary within eight months of the date of this instrument.
 - (b) To allow Beneficiary to inspect said property at all times during construction.
 - (c) To replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) calendar days after written notice to Grantor(s) of such fact.
 - (d) That work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) consecutive days.

The Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Grantor(s) under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

9. No building or other improvement on the property shall be structurally altered, removed, or demolished, without the Beneficiary's prior written consent, nor shall any fixture or chattel covered by this Deed of Trust and adapted to the proper use and enjoyment of the premises be removed at any time without like consent unless actually

replaced by an article of equal suitability, owned by the Grantor(s), free and clear of any lien or security interest except such as may be approved in writing by the Beneficiary.

10. To provide to the Beneficiary, at least thirty (30) days prior to expiration of existing insurance, and maintain unceasingly, insurance, with premiums prepaid, on all of the property that is the subject of this Deed of Trust, or hereafter becoming part of said property, against loss by fire and other hazards, casualties, and contingencies, including war damage, as may be required from time to time by the Beneficiary in such amounts and for such period of time, with loss payable clauses (without contribution) in favor of and in form satisfactory to the Beneficiary, and to deliver all policies to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return premiums. All insurance shall be carried in companies approved by Beneficiary. Beneficiary may at its option require Grantor(s) to maintain said required policies in Grantor(s)'s possession in lieu of delivering said policies to Beneficiary, in which event said policies shall be kept available by Grantor(s) at all times for return to the Beneficiary or for inspection by Beneficiary, its agents or insurers, and said requirement may be withdrawn by Beneficiary at any time. In event of foreclosure of this Deed of Trust or other transfer of title to the subject property in extinguishment of some or all of the indebtedness secured hereby, all interest of the Grantor(s) in any insurance policies in force shall pass to the purchaser or Grantee to pay to Beneficiary as Beneficiary may require a reasonable fee to cover costs of substituting policies in the event the Grantor(s) replace(s) any policy prior to its expiration. Grantor(s) will reimburse Beneficiary for any premiums paid for such insurance by the Beneficiary upon the Grantor(s)'s default in so insuring the buildings or other improvements or default in assigning and delivering of such policies to the beneficiary so endorsed.
11. To appear in and defend any suit, action, or proceeding that might affect the value of this security instrument or the security itself or the rights and powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect also to appear in or defend any such action or proceeding, be made a party to such by reason of this Deed of Trust or elect to prosecute such action as appears necessary to preserve said value, the Grantor(s) will, at all times, indemnify from, and, on demand reimburse Beneficiary or Trustee for any and all loss, damage, expense, or cost, including cost of evidence of title and attorney's fees, arising out of or incurred in connection with any such suit, action, or proceeding, and the sum of such expenditures shall be secured by this Deed of Trust with interest as provided in the note secured hereby and shall be due and payable on demand. To pay costs of suit, cost of evidence of title and a reasonable attorney's fee in any proceeding or suit brought by Beneficiary to foreclose this Deed of Trust.
12. To pay in full at least thirty (30) days before delinquent all rents, taxes, assessments, and encumbrances, charges or liens with interest, that may now or hereafter be levied, assessed, or claimed upon the property that is the subject of this Deed of Trust or any part thereof, which at any time appear to be prior or superior hereto for which provision has not been made heretofore, and upon request will exhibit to Beneficiary official receipts therefor, and to pay all taxes imposed upon, reasonable costs, fees, and expenses of this Trust. On default under this paragraph Beneficiary may, at its option, pay, or pay out of reserves accumulated under paragraph 4, any such sums, without waiver of any other right of Beneficiary by reason of such default of Grantor(s), and Beneficiary shall not be liable to Grantor(s) for a failure to exercise any such option.
13. To repay immediately on written notice to Grantor(s) all sums expended or advanced hereunder by or on behalf of Beneficiary or Trustee, with interest from the date of such advance or expenditure at the rate of ten percent (10%) per annum until paid, and the repayment thereof shall be secured hereby. Failure to repay such expenditure or advance and interest thereon within ten (10) days of the mailing of such notice will, at Beneficiary's option, constitute an event of default hereunder, or, Beneficiary may, at its option, commence an action against Grantor(s) for the recovery of such expenditure or advance and interest thereon, and in such event Grantor(s) agree(s) to pay, in addition to the amount of such expenditure or advance, all costs and expenses incurred in such action, together with a reasonable attorney's fee.
14. Should Grantor(s) fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor(s) and without releasing Grantor(s) from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance,

charge, or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such power, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor including cost of evidence of title, employ counsel, and pay his/her/their reasonable fees.

15. (a) To fully comply with all of the terms, conditions, and provisions of all leases on said property so that the same shall not become in default and to do all that is needful to preserve all said leases in force.

(b) To permit no assignment of any lease, or any subletting thereunder unless the right to assign or sublet is expressly reserved by the lessee under such lease.

(c) That save and except for taxes and assessments provided to be paid by Grantor(s) as specified in paragraph 12 hereof, Grantor(s) will not create or suffer or permit to be created, subsequent to the date of the execution and delivery of this Deed of Trust any lien or encumbrance which may be or become superior to any lease affecting said property.

(d) That if any part of the automobile parking areas included within said property is taken by condemnation, or before said areas are otherwise reduced, Grantor(s) will provide parking facilities in kind, size, and location to comply with all leases, and before making any contract for such substitute parking facilities, Grantor(s) will furnish to Beneficiary satisfactory assurance of completion thereof free of liens and in conformity with all governmental zoning and regulations.
16. Should the property or any part or appurtenance thereof or right or interest therein be taken or damaged by reason of any public or private improvement, condemnation proceeding (including change of grade), fire, earthquake, or other casualty, or in any other manner, Beneficiary may, at its option, commence, appear in and prosecute, in its own name, any action or proceeding, or make any compromise or settlement, in connection with such taking or damage, and obtain all compensation, awards, or other relief therefor. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies or insurance affecting the property, are hereby assigned to beneficiary, which may, after deducting therefrom all its expenses, including attorney's fees, release any monies so received by it, or apply the same on any indebtedness secured hereby or apply the same to the repair or restoration of the property, as it may elect. Grantor(s) further assigns to Beneficiary any return premiums or other repayments upon any insurance at any time provided for the benefit of the Beneficiary, refunds or rebates made of taxes or assessments on said property, and Beneficiary may at any time collect said return premiums, repayments, refunds, rebates, etc., notwithstanding that no sum secured hereby be overdue when such right to collection be asserted. Grantor(s) also agree(s) to execute such further assignments of any such compensation, award, damages, rebates, return of premiums, repayments, rights of action, and proceeds as Beneficiary or Trustee may require.
17. Time is of the essence hereof in connection with all obligations of the Grantor(s) herein or in said note. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
18. At any time upon written request of Beneficiary, payment of its fees and presentation of this Deed and said note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. The Grantee in any reconveyance may be described as the "Person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Grantor(s) agrees to pay a reasonable trustee's fee for full or partial reconveyance, together with a recording fee if Trustee, at its option, elects to record said reconveyance.
19. In case of a sale under this Deed of Trust, the said property, real, personal and mixed, may be sold in one parcel.

20. The Grantor(s) shall not, without first obtaining the Beneficiary's written consent, assign any of the rents or profits of the property or collect any rent for more than one month in advance or change the general nature of the occupancy or initiate or acquiesce in any zoning reclassification, or do or suffer any act or thing which would impair the security for said debt or the Beneficiary's lien upon said property or the rents thereof. In the event of breach of any requirement of this paragraph, the Beneficiary may, in addition to any other rights or remedies, at any time thereafter declare the whole of said principal sum immediately due and payable.
21. The holder of this Deed of Trust, in any action to foreclose it, shall be entitled (without notice and without regard to the adequacy of any security for said debt) to the appointment of a receiver of the rents and profits of the property and such receiver shall have, in addition to all the rights and powers customarily given to and exercised by such receiver, all the rights and powers granted to the Beneficiary by the covenants contained in paragraph 23 hereof.
22. As further security for the payment of all indebtedness herein mentioned, all Grantor(s)'s rents and profits of said property and the right, title, and interest of the Grantor(s) in and under all leases now or hereafter affecting said property, are hereby assigned and transferred to the Beneficiary. So long as no default shall exist in compliance with any requirement hereof or of any further instrument at any time executed with respect to this Deed of Trust the Grantor(s) may collect assigned rents and profits as the same fall due, but upon the occurrence of any such default, or at such later time as the Beneficiary in its sole discretion may fix by written notice, all right of the Grantor(s) to collect or receive rents or profits shall wholly terminate. All rents or profits of Grantor(s) receivable from or in respect to said property which it shall be permitted to collect hereunder shall be received by it in trust to pay the usual and reasonable operating expenses of, and the taxes upon, said property and the sums owing the Beneficiary as they become due and payable as provided in this Deed of Trust or in the said note or in any modification of either. The balance of such rents and profits after payment of such operating expenses, taxes, and sums due the Beneficiary, and after the setting aside of accruals to date of such expenses, taxes, and sums, including amortization, shall be Grantor(s)'s absolute property. No lease of the whole or any part of the property involving an initial term of more than three (3) years shall be modified or terminated without the written consent of the Beneficiary, nor shall the surrender of any such lease be accepted nor any rental thereunder be collected for more than two (2) months in advance without like written consent. In the event of any default hereunder and the exercise by the Beneficiary of its rights hereby granted, Grantor(s) agree(s) that payments made by tenants or occupants to the Beneficiary shall, as to such tenants, be considered as though made to Grantor(s) and in discharge of tenants' obligations as such to Grantor(s). Nothing herein contained shall be construed as obliging the Beneficiary to perform any of Grantor(s)'s covenants under any lease or rental arrangement. Grantor(s) shall execute and deliver to the Beneficiary upon demand any further or supplemental assignments necessary to effectuate the intentions of this paragraph and upon failure of the Grantor(s) so to comply, Beneficiary may, in addition to any other right or remedy it has, declare the maturity of the indebtedness hereby secured.
23. In the event of default in compliance with any requirement of this Deed of Trust or of any further instrument at any time executed with respect to this Deed of Trust, and the continuance thereof for such period as would entitle the Beneficiary to declare said debt due and payable, or for ten (10) days if no such period be applicable, the Beneficiary may, at its option, enter upon and take possession of the said property and let the same or any part thereof, making therefor such alterations as it finds necessary, and may terminate in any lawful manner any tenancy or occupancy of said property, exercising with respect thereto any right or option available to the Grantor(s). From and after the occurrence of any such default, if any owner of said property shall occupy said property or part thereof, such owner shall pay to the Beneficiary in advance on the first day of each month a reasonable rental for the space so occupied, and upon failure so to do the Beneficiary shall be entitled to remove such owner from the property by any appropriate action or proceeding.
24. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies or compensation, or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
25. All sums secured hereby shall become immediately due and payable, at the option of the Beneficiary without demand or notice, after any of the following occur, each of which shall be an event of default: (a) default by Grantor(s) in the payment of any indebtedness secured hereby or in the performance or observance of any

agreement contained herein, or (b) any assignment made by Grantor(s) or the then owner of said property for the benefit of creditors, or (c) any transfer of title made by the Grantor(s) or the then owner of said property to a Grantee or successors in interest without the assumption of all of the terms and conditions herein contained, or (d) any of the following shall occur, with respect to the property, the Grantor(s) or the then owner of said property: (i) the appointment of a receiver, liquidator, or Trustee; (ii) the adjudication as a bankrupt or insolvent, (iii) the filing of any Petition for Bankruptcy or reorganization; (iv) the institution of any proceeding for dissolution or liquidation, (v) if Grantor(s) be unable, or admit in writing an inability to pay his/her/their debts when due; or (vi) a default in any provision of any other instrument which may be held by Beneficiary as security for said note, including the loan agreement and related documents, the terms and covenants of which are incorporated herein by reference as though fully set forth herein. No waiver by Beneficiary of any default on the part of Grantor(s) shall be construed as a waiver of any subsequent default hereunder. In event of such default and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington (RCW Chapter 61.24 as existing now, or hereafter amended) and the Uniform Commercial Code of the State of Washington where applicable, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (a) to the expense of sale, including a reasonable Trustee's fee and attorney's fee; (b) to the obligation secured by this Deed of Trust; and (c) the surplus, if any, shall be distributed in accordance with said Deed of Trust Act. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor(s) had or had the power to convey at the time of his/her/their execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value. The Power of Sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy and when not exercised, Beneficiary may foreclose this Deed of Trust as a mortgage. At any time Beneficiary may appoint in writing a successor trustee, or discharge and appoint a new Trustee in the place of any Trustee named herein, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the Original Trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party, unless such action or proceeding is brought by the Trustee.

26. The property which is the subject of this Deed of Trust is not used principally or primarily for agricultural or farming purposes.
27. In the event of the passage after the date of this Deed of Trust of any federal, state, or local law, deducting from the value of real property for the purpose of taxation any lien thereon, or changing in any way the laws now in force for the taxation of mortgages, deeds of trust, or debts secured thereby, for federal, state or local purposes, or the manner of the collection of any such taxes so as to affect the interest of Beneficiary, then and in such event, Grantor(s) shall bear and pay the full amount of such taxes, provided that if for any reason payment by Grantor(s) of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the loan or indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the note, or the within Deed of Trust or otherwise. Beneficiary may, at its option, without demand or notice, declare the whole sum secured by this Deed of Trust with interest thereon to be immediately due and payable, or Beneficiary may, at its option, pay that amount or portion of such taxes as renders the loan or indebtedness secured hereby unlawful or usurious, in which event Grantor(s) shall concurrently therewith pay the remaining lawful and non-usurious portion or balance of said taxes.
28. If from any circumstances whatever fulfillment of any provision of this Deed of Trust or said note at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by the usury statute or any other law, the ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, so that in no event shall any exaction be possible under this Deed of Trust or under said note that is in excess of the limit of such validity; but such obligation shall be fulfilled to the limit of such validity. The provisions of this paragraph shall control every other provision of this Deed of Trust and said note.
29. In the event that this Deed of Trust is foreclosed as a mortgage and the property sold at a foreclosure sale, the purchaser may, during any redemption period allowed, make such repairs or alterations on said property as may

be reasonably necessary for the proper operation, care, preservation, protection, and insuring thereof. Any sums so paid together with interest thereon from the time of such expenditure at the highest lawful rate shall be added to and become a part of the amount required to be paid for redemption from such sale.

30. Grantor(s) shall deliver to the Beneficiary within 20 days after written demand therefor a detailed operating statement in form satisfactory to the beneficiary covering the subject property and certified as correct by the Grantor(s). Grantor(s) shall permit the Beneficiary or its representative to examine all books and records pertaining to the said property, upon prior written demand of not less than ten (10) days. In default thereof Beneficiary shall, in addition to all other remedies, have the option of maturing the indebtedness hereby secured. The Beneficiary shall demand not more than one statement in any calendar year.
31. Beneficiary shall have the right at its option to foreclose this Deed of Trust subject to the rights of any tenant or tenants of the said property and the failure to make any such tenant or tenants a party defendant to any such suit or action or to foreclose his/her/their rights will not be asserted by the Grantor(s) as a defense in any action or suit instituted to collect the indebtedness secured hereby or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the said property, any statute or rule of law at any time existing to the contrary notwithstanding.
32. Upon any default by Grantor(s) and following the acceleration of maturity as herein provided, a tender of payment of the amount necessary to satisfy the entire indebtedness secured hereby made at any time prior to foreclosure sale (including sale under power of sale) by the Grantor(s), its successors or assigns, or by anyone in behalf of the Grantor(s), its successors or assigns, shall constitute an evasion of the prepayment terms of said note and be deemed to be a voluntary prepayment thereunder and any such payment to the extent permitted by law, will, therefore, include the additional payment required under the prepayment privilege, if any, contained in said note or if at that time there be no prepayment privilege then such payment, will to the extent permitted by law include an additional payment of five percent (5%) of the then principal balance.
33. The Beneficiary shall be subrogated for further security to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan secured by this Deed of Trust.
34. Grantor(s), from time to time, within fifteen (15) days after request by Beneficiary, shall execute, acknowledge and deliver to Beneficiary, such chattel mortgages, security agreements, or other similar security instruments, in form and substance satisfactory to Beneficiary, covering all property of any kind whatsoever owned by Grantor(s) or in which Grantor(s) has any interest which, in the sole opinion of Beneficiary, is essential to the operation of the said property covered by this Deed of Trust. Grantor(s) shall further from time to time, within fifteen (15) days after request by Beneficiary, execute, acknowledge, and deliver any financing statement, renewal, affidavit, certificate, continuation statement, or other document as Beneficiary may request in order to perfect, preserve, continue, extend or maintain the security interest under, and the priority of, this Deed of Trust and the priority of such chattel mortgage or other security instrument as a first lien. Grantor(s) further agree(s) to pay to beneficiary on demand all costs and expenses incurred by Beneficiary in connection with the preparation, execution, recording, filing, and refiling of any such instrument or document including the charges for examining title and the attorney's fee for rendering an opinion as to the priority of this Deed of Trust and of such chattel mortgage or other security instrument as a valid first and subsisting lien. However, neither a request so made by Beneficiary nor the failure of Beneficiary to make such request shall be construed as a release of such property, or any part thereof, from the conveyance of title by this Deed of Trust, it being understood and agreed that this covenant and any such chattel mortgage, security agreement, or other similar security instrument, delivered to beneficiary, are cumulative and given as additional security.
35. All Beneficiary's rights and remedies herein specified are intended to be cumulative and not in substitution for any right or remedy otherwise available and no requirement whatsoever may be waived at any time except by a writing signed by the Beneficiary, nor shall any waiver be operative upon other than a single occasion. This Deed of Trust cannot be changed or terminated orally. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, successors, and assigns. All obligations of Grantor(s) hereunder are joint and several. The term "Beneficiary" shall mean the holder and owner, including pledgees, of the note secured hereby, whether or not

named as Beneficiary herein. Without affecting the liability of any other person for the payment of any obligation herein mentioned (including Grantor(s) should he convey said property) and without affecting the lien hereof upon any property not released, Beneficiary may, without notice, release any person so liable, extend the maturity or modify the terms of any such obligation, or grant other indulgences, release, or reconvey, or cause to be released or reconveyed at any time all or part of the said property described herein, take or release any other security or make compositions or other arrangements with debtors. Beneficiary may also accept additional security, either concurrently herewith or thereafter, and sell same or otherwise realize thereon, either before, concurrently with, or after sale hereunder. This Deed of Trust shall be so construed that wherever applicable, the use of the singular number shall include the plural number, the use of the plural number shall include the singular number, the use of any gender shall be applicable to all genders and shall likewise be so construed as applicable to and including a corporation. The word "note" shall include all notes evidencing the indebtedness secured hereby. If any of the provisions hereof shall be determined to contravene or be invalid under the laws of the State of Washington, such contravention or invalidity shall not invalidate any other provisions of this agreement, but it shall be construed as if not containing the particular provision or provisions held to be invalid, and all rights and obligations of the parties shall be construed and enforced accordingly. Any notices to be given to Grantor(s) by Beneficiary hereunder shall be sufficient if mailed postage prepaid, to the address of the Grantor(s) stated in the Short Form Deed of Trust, or to such other address as Grantor(s) has/have requested in writing to the Beneficiary, that such notices be sent. Any time period provided in the giving of any notice hereunder shall commence upon the date such notice is deposited in the mail.