

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT ("Agreement") is made by and between SSHI LLC dba D.R. HORTON SEATTLE DIVISION, ("Seller") and the CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington ("Buyer"), effective as of the Effective Date (as defined below) and is dated for reference purposes only as of October 15, 2013, with reference to the following facts:

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

B. Buyer has determined that a portion of Seller's Trillium Property is the most suitable property to construct a water reservoir and tower to convey water into the City of Olympia water system in accordance with applicable City standards. Buyer has the power of eminent domain and the City Council has approved the acquisition of a portion of the Trillium Property in lieu of condemnation pursuant to Resolution No. M-1795 dated July 23, 2013. In lieu of condemnation, but under threat and imminence thereof, Seller is willing to convey and Buyer is willing to acquire the Property. By this Agreement, Seller conveys nothing more than would otherwise be conveyed as a result of condemnation proceedings and nothing herein shall be interpreted to the contrary.

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, Seller and Buyer agree as follows:

1. Property. In lieu of condemnation and solely in lieu of condemnation proceedings, Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

1.1 Land and Easement. An approximately 5.3 acre portion of the Trillium Property located in the City of Olympia, Thurston County, Washington, comprising of tax parcel number 11830420000 and more particularly described on Exhibit A-2 attached hereto (the "Land"); together with an a 55-foot wide (2.76 acres) Permanent Easement across a portion of the Trillium Property for purposes of an access road and waterline easement described on Exhibit B (the "Easement").

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Land owned by Seller, 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, but not including any rights or privileges identified as exceptions pursuant to Paragraph 5.2 (all of which are collectively referred to as the "Appurtenances");

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

2. Purchase Price. The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") is **Eight Hundred Thousand Dollars (\$800,000.00)**.

3. Payment of Purchase Price. On the Closing Date, Buyer shall deposit with Escrow Agent the amount of the Purchase Price less any amounts to be credited against the Purchase Price pursuant to this Agreement. The Purchase Price shall be paid to Seller at the time of Closing 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 this Agreement, Buyer

shall open escrow with First American Title Insurance Company (the "Escrow Agent"), by depositing with Escrow Agent a copy of this Agreement.

4. Closing Date. The closing (the "Closing") shall be held at the offices of the Escrow Agent not later than four weeks after complete execution of this Agreement (the "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. Sellers and Buyers will use their reasonable best efforts, consistent with and subject to their respective rights and obligations as otherwise set forth in this Agreement, to cause Closing to occur on not later than four weeks after complete execution of this Agreement.

5. Title and Survey Matters.

5.1 Title Binder. Buyer has ordered a preliminary commitment for an ALTA owner's standard coverage title insurance policy issued by First American Title Insurance Company ("Title Company") under Order No.: 644386 describing the Property, showing all matters pertaining to the Property and listing Buyer as the prospective named insured. Following the mutual execution of this Agreement, if necessary, Buyer shall obtain from Title Company a written supplemental report to such preliminary commitment, in a form acceptable to Buyer, updating the preliminary commitment to the execution date of the Agreement. Such 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.

5.2 Title Review. Within five (5) business days of mutual execution hereof ("Title Review Period"), Buyer shall review the Title Binder, and, shall notify Seller what exceptions to title, if any, are unacceptable. Any exceptions that are not disapproved by Buyer in writing during the Title Review Period shall constitute "Permitted Exceptions." Seller shall remove any or all exceptions that are not Permitted Exceptions prior to the 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 Closing Date, and Buyer is unwilling to take title subject thereto, then this Agreement shall terminate and neither Seller nor Buyer shall thereafter have any further liability or obligation under this Agreement. Sellers shall not be required to incur any expense in order to render its title marketable or remove any matter disapproved by Buyer; provided that, Sellers 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.

5.3 Title Policy. At Closing, Seller and Buyer shall cause Title Company to issue an Owner's standard coverage title insurance policy (ALTA Form 1970-B rev. 10-17-84) ("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.

6. Conditions to Buyer's Obligations.

6.1 Inspection of the Property. Buyer and its employees, representatives, consultants and agents shall have the right and permission from the date of this Agreement through the Closing Date (or earlier termination of this 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 be required to obtain Seller's written consent prior to conducting any invasive testing. Buyer shall 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 in connection with the Property. To the extent necessary, Buyer shall reasonably restore the Property to its condition immediately prior to any invasive testing.

6.2 Fence and Gate Construction. Prior to or as of the Buyer's use of the Easement, Buyer will erect a fence and gate at the location where it constructs access to the Property from Morse-Merriman Road. This fence and gate shall be installed to prevent unauthorized vehicle, pedestrian, bicycle and equestrian access onto the Property or onto Seller's remainder parcel of the Trillium Property by means of the Buyer's access road over the Easement. The means and method of construction of the fence and gate shall be at the discretion of the Buyer. This fence and gate shall be maintained in good operational condition by Buyer until development of the remainder parcel by Seller or its heirs, successors or assigns. Buyer shall provide Seller with keys to the gate, so that Seller can access the Easement area at all times. Buyer and Seller shall record any temporary easement or license authorizing said construction and maintenance at any time in the event requested by Seller. Enforceability of this Paragraph shall survive Closing run with the land (both the Trillium Property and the Property) and shall survive to inure to the benefit of Seller's heirs, successors and assigns to the remainder parcel.

6.3 No Latecomers Fees. Buyer agrees that the remainder parcel of the Trillium Property shall not be subject whatsoever to any latecomers fees or charges associated with a local improvement district that may otherwise be assessed by Buyer upon the Trillium Property as a result of construction, operation or services generated by Buyer's improvements to the Property, whether those be a water tower or any other municipal facility. Buyer hereby waives all rights to seek any such reimbursement or latecomers fees from the Trillium Property. Enforceability of this Paragraph shall survive Closing, run with the land and shall survive to inure to the benefit of Seller's heirs, successors and assigns to the remainder parcel.

6.4 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 herein shall be true, accurate and complete at the time of the Closing as if made again at such time;

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

(iii) At Closing, title to the Property shall be in the condition required by **Paragraph 5** of this Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

(iv) At Closing, the physical condition of the Property shall be substantially the same as on the date hereof, ordinary wear and tear excepted.

(v) Prior to Closing, this Agreement must be approved by the City of Olympia City Council.

If the conditions set forth in this **Paragraph 6** are not satisfied as of Closing and Buyer does not waive the same, Buyer or Seller may terminate this Agreement, and thereafter neither Buyer nor Seller shall have any further liability one to the other under this Agreement.

7. Seller's Representations. Seller is a limited liability company duly formed and validly existing under the laws of the State of Delaware, and is authorized to conduct business in the State of Washington. Seller has all necessary power and authority to enter into this Agreement, subject to Seller's Corporate Approval requirements set forth in Section 12.16 below. This Agreement constitutes the legal, valid, binding and enforceable obligation of Seller.

8. Seller Provision of Further Information. From the date of this Agreement to the 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.

9. Closing.

9.1 Time and Place. Provided that all the contingencies set forth in this Agreement have been previously fulfilled, the Closing shall take place at the place and time determined as set forth in **Paragraph 4** of this Agreement.

9.2 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 and Easement.** A bargain and sale deed ("Deed") in lieu of condemnation, in the form attached as Exhibit C conveying to Buyer title to the Property, free and clear of all liens, encumbrances, conditions, easements, assignments, and restrictions, except for the Permitted Exceptions. Additionally, an easement for ingress and egress to access the Land in a form to be agreed upon by Buyer and Seller.

(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 good and marketable fee simple title to the Land free of any exceptions, other than the Permitted Exceptions.

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

9.3 Delivery by Buyer. Buyer shall deliver the Purchase Price to Seller at Closing and a copy of the resolution authorizing the acquisition of the Property in lieu of condemnation.

9.4 Payment of Costs. At Closing, Buyer shall pay to Seller statutory fees and costs of \$750.00. 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 the escrow fee. The Property is being acquired in lieu of condemnation and the parties believe that this transaction is therefore exempt from real estate excise tax pursuant to WAC 458-61-420.

9.5 Property Taxes. Seller as the vested owner, elects pursuant to RCW 84.60.070, to have any and all taxes owing on the Property set over to that portion of Thurston County tax parcel number 11830420000 that are not being purchased in this Purchase and Sale in lieu of Condemnation. In the event Seller has prepaid any taxes on the Property as of the date of Closing, Seller shall be entitled to a pro rata refund on the amount paid pursuant to RCW 84.60.050.

9.6 Monetary Liens. Seller shall pay or cause to be satisfied at or prior to Closing all recorded monetary liens on or with respect to all or any portion of the Land, 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.

9.7 Possession. Possession and use of the Property shall be delivered to Buyer at Closing.

10. 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 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: D. R. Horton, America's Builder
12910 Totem Lake Blvd, N.E.
Suite 220
Kirkland, WA 98034
Attn: Mike T. Jones, VP/Division President and Tia
Brotherton Heim, Esq.
E-mail: mtjones@drhorton.com; tbheim@drhorton.com
Phone: 425-821-3400; Fax: 425-814-2638

With copies to: D. R. Horton, West Region
501 W. Broadway, Suite 1200
San Diego, CA 92101
Attn.: William E. Mayer, Esq.
E-mail: wemayer@drhorton.com
Phone: 619-849-4947

D. R. Horton, Inc.
301 Commerce Street, Suite 500
Fort Worth, TX 76102
Attn: Ted I. Harbour, Esq. and Mark Karnes, Esq.
E-mail: tedharbour@drhorton.com;
mkarnes@drhorton.com
Phone: 817-390-8200; Fax: 817-390-1709

Buyer: Olympia City Hall
601 4th Ave E.
Olympia, WA 98501
Attn: Tom Morrill, City Attorney

With Copy to: Graham & Dunn PC
2801 Alaskan Way, suite 300
Seattle, WA 98121-1128
Attn: Jeffrey A. Beaver, Attorney

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.

11. AS IS, Buyer Inspection. Seller has granted Buyer the right to inspect and make reasonable investigations in connection with the Property. The Property is being sold by Seller and acquired by Buyer, strictly AS IS WHERE IS with all faults, latent and patent, known and unknown, without representation or warranty of Seller (or any agent or representative of Seller) of any kind, express or implied, as to the condition, use, usefulness, value, suitability, area or other character or characteristic, except as those described in Paragraph 7 of this Agreement.

Except as expressly stated in Paragraph 7 of this Agreement, no warranties, guarantees or representations have been or are being made by Seller concerning the boundaries and acreage of the Property, the condition of any improvements, any tests, inspections or examinations of the Property, any governmental permits or approvals obtained or to be obtained in connection with Buyer's use of the Property, the suitability of the Property for Buyer's intended use, the applicable ordinances, restrictions, laws and regulations affecting the Property, or other matters. Buyer releases Seller from any liability associated with this Agreement made in lieu of condemnation except as provided for under the terms herein and waives any claims against Seller with respect to the Property. Except as expressly stated in Paragraph 7 of this Agreement, Buyer is relying solely on its own investigation of the Property, and Buyer accepts the Property and all other aspects of the Property in their present condition, "AS IS," without any representations or warranties by Seller, express or implied. .

12. Miscellaneous.

12.1 Applicable Law. This Agreement shall in all respects, be governed by the laws of the State of Washington.

12.2 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 hereunder, to carry out the intent of the parties hereto.

12.3 Modification or Amendment, Waivers. No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the parties hereto. Except as otherwise expressly set forth in this Section, this Agreement may only be amended, modified, or changed by a traditional written document properly executed by Seller and Buyer (including Seller's Corporate Approval). Such amendment may be transmitted by e-mail, facsimile, or other method permitted by the provisions for giving notice in this Agreement. Except as otherwise expressly set forth in this Section with respect to execution by an Authorized Officer, (1) Seller does not assent or agree to and will not be bound by any electronic signature or other electronic record, and (2) Buyer and Seller agree that the Electronic Signatures in Global and National Commerce Act, any version of the Uniform

Electronic Transactions Act, and any other laws applicable to contracting electronically do not and shall not apply to the execution of this Agreement or any amendment hereto. Buyer and Seller acknowledge and agree that execution of this Agreement or any amendment to this Agreement by an Authorized Officer for the purpose of Corporate Approval may be accomplished by electronic signature utilizing DocuSign or any similar technology. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

12.4 Successors and Assigns. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

12.5 Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties with respect to its subject matter and any and all prior agreements, understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the parties.

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

12.7 Construction. Captions are solely for the convenience of the parties and are not a part of this Agreement. This 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 this Agreement is not a business day, the action shall be taken on the next succeeding business day.

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

12.9 Survival. The covenants, agreements, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof.

12.10 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 this Agreement. Seller and 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 this Contract, the sale and purchase of the Property, or the consummation of the transactions contemplated herein.

12.11 Time. Time is of the essence of every provision of this Agreement.

12.12 Force Majeure. Performance by Seller or Buyer of their obligations under this

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).

12.13 In no event shall any shareholder, officer, director, member, partner, affiliate, agent or employee of Seller or any of Seller's affiliates be or be held liable or responsible in any way for the obligations or liabilities of Seller under this Agreement.

12.14 This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one agreement; but in making proof of this 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 this 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 this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement.

12.15 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; (2) the date of Seller's signature; or (3) the date of the Corporate Approval of Seller.

12.16 CORPORATE APPROVAL OF SELLER. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, NEITHER THIS AGREEMENT NOR ANY AMENDMENT HERETO SHALL BE A VALID AND ENFORCEABLE OBLIGATION OF SELLER UNLESS THE AGREEMENT OR AMENDMENT IS EXECUTED BY EITHER ONE OF DONALD R. HORTON, DONALD J. TOMNITZ, STACEY DWYER, OR BILL WHEAT, WITHIN 10 BUSINESS DAYS OF THE EXECUTION OF THIS AGREEMENT OR SUCH AMENDMENT BY BUYER AND SELLER'S REPRESENTATIVES.

[Signatures follow on next page.]

DATED as of the date first set forth above.

SELLER:

SSHI LLC, a Delaware limited liability company,
dba D.R. Horton

By: SHLR of Washington, Inc., a Washington
corporation, its manager

By _____

Its: _____

Date:

By _____

Its: _____

Date:

SELLER's CORPORATE APPROVAL:

By: _____

Name: _____

Title: _____

An Officer of Purchaser Not an Individual

Date of Execution: _____,

BUYER:

The City of Olympia, a Washington municipal
corporation

By _____

Its: _____

Date:

APPROVED AS TO FORM:



City Attorney

EXHIBIT A-1
Trillium Property Legal Description

THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 18 NORTH,
RANGE 1 WEST OF THE W.M.;

EXCEPTING THEREFROM THE NORTH 30 FEET FOR MORSE-MERRYMAN ROAD;

IN THURSTON COUNTY, WASHINGTON

EXHIBIT A-2
Legal Description of Land

Reservoir Tract

That portion of the West half of the Southeast quarter of Section 30, Township 18 North, Range 1 West, Willamette Meridian, more particularly described as follows:

COMMENCING at the Northwest corner of said Southeast quarter;
THENCE South 87° 35' 39'' East, 732.26 feet along the North line of said Southeast quarter;
THENCE South 02° 24' 21'' West, 30.00 feet to the Southerly margin of Morse-Merryman Road Southeast as conveyed to Thurston County by instrument recorded January 29, 1960 under Auditor's file No. 622518;
THENCE CONTINUING South 02° 24' 21'' West, 1,001.33 feet to a point of tangency;
THENCE Southerly along the arc of a curve to the left, having a radius of 500.00 feet, through a central angle of 05° 44' 19'', and an arc length of 50.08 feet;
THENCE South 03° 19' 58'' East, 120.17 feet;
THENCE South 03° 44' 10'' East, 98.43 feet to a point of tangency;
THENCE Southerly along the arc of a curve to the right, having a radius of 501.00 feet, through a central angle of 23° 33' 19'', and an arc length of 205.97 feet to a point of reverse curvature;
THENCE Southerly along the arc of a curve to the left, having a radius of 565.21 feet, through a central angle of 17° 35' 46'', and an arc length of 173.58 feet;
THENCE South 02° 13' 23'' West, 503.64 feet;
THENCE North 87° 36' 26'' West, 27.50 feet to the TRUE POINT OF BEGINNING;
THENCE CONTINUING North 87° 36' 26'' West, 676.22 feet to the West line of said Southeast quarter;
THENCE North 02° 09' 48'' East, 391.97 feet along said West line;
THENCE South 87° 36' 38'' East, 576.50 feet;
THENCE South 02° 13' 22'' West, 332.00 feet;
THENCE South 87° 36' 26'' East, 100.13 feet to a point bearing North 02° 13' 23'' East from the TRUE POINT OF BEGINNING;
THENCE South 02° 13' 23'' West, 60.00 feet to the TRUE POINT OF BEGINNING.

EXHIBIT B

Legal Description

Waterline Easement

A strip of land 55 feet in width over, under and across that portion of the West half of the Southeast quarter of Section 30, Township 18 North, Range 1 West, Willamette Meridian, having 27.5 feet of such width lying on each side of the following described centerline:

COMMENCING at the Northwest corner of said Southeast quarter;
THENCE South $87^{\circ} 35' 39''$ East, 732.26 feet along the North line of said Southeast quarter;
THENCE South $02^{\circ} 24' 21''$ West, 30.00 feet to the Southerly margin of Morse-Merryman Road Southeast as conveyed to Thurston County by instrument recorded January 29, 1960 under Auditor's file No. 622518 and the TRUE POINT OF BEGINNING;
THENCE CONTINUING South $02^{\circ} 24' 21''$ West, 1,001.33 feet to a point of tangency;
THENCE Southerly along the arc of a curve to the left, having a radius of 500.00 feet, through a central angle of $05^{\circ} 44' 19''$, and an arc length of 50.08 feet;
THENCE South $03^{\circ} 19' 58''$ East, 120.17 feet;
THENCE South $03^{\circ} 44' 10''$ East, 98.43 feet to a point of tangency;
THENCE Southerly along the arc of a curve to the right, having a radius of 501.00 feet, through a central angle of $23^{\circ} 33' 19''$, and an arc length of 205.97 feet to a point of reverse curvature;
THENCE Southerly along the arc of a curve to the left, having a radius of 565.21 feet, through a central angle of $17^{\circ} 35' 46''$, and an arc length of 173.58 feet;
THENCE South $02^{\circ} 13' 23''$ West, 533.56 feet to the terminus.

The sidelines of said strip shall be shortened or lengthened as necessary to intersect at angle points and said Southerly margin.

EXHIBIT C

Form of Deed

AFTER RECORDING MAIL TO:

Graham & Dunn PC
Pier 70
2801 Alaskan Way ~ Suite 300
Seattle, WA 98121-1128
Attn: Jeffrey A. Beaver

DEED AND EASEMENT IN LIEU OF CONDEMNATION

Grantors: SSHI LLC dba D. R. Horton Seattle Division

Grantee: The City of Olympia, a municipal corporation organized under the laws of the State of Washington

Legal Description: A 5.3 acre portion of the West half of the Southeast quarter of Section 30, Township 18 North, Range 1 West, Willamette Meridian, fully described in Attachment A attached hereto.

Tax Parcel No.: 11830420000

THE GRANTOR, SSHI LLC dba D.R. HORTON SEATTLE DIVISION, for and in consideration of the threat of imminent condemnation, grants and conveys to THE CITY OF OLYMPIA, a municipal corporation, the 5.3 acre parcel of real property, with the exception of any previously transferred rights recorded on title, and waterline easement situated in the County of Thurston, State of Washington, legally described and shown on Attachment A and Attachment B attached hereto.

DATED this ____ day of _____, 2013.

GRANTOR:

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this __ day of _____.

Name (typed or printed): _____
NOTARY PUBLIC in and for the State of _____
Residing at _____
My appointment expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this __ day of _____.

Name (typed or printed): _____
NOTARY PUBLIC in and for the State of _____
Residing at _____
My appointment expires: _____

Attachment A

Legal Description of Land

Reservoir Tract

That portion of the West half of the Southeast quarter of Section 30, Township 18 North, Range 1 West, Willamette Meridian, more particularly described as follows:

COMMENCING at the Northwest corner of said Southeast quarter;
THENCE South 87° 35' 39'' East, 732.26 feet along the North line of said Southeast quarter;
THENCE South 02° 24' 21'' West, 30.00 feet to the Southerly margin of Morse-Merryman Road Southeast as conveyed to Thurston County by instrument recorded January 29, 1960 under Auditor's file No. 622518;
THENCE CONTINUING South 02° 24' 21'' West, 1,001.33 feet to a point of tangency;
THENCE Southerly along the arc of a curve to the left, having a radius of 500.00 feet, through a central angle of 05° 44' 19'', and an arc length of 50.08 feet;
THENCE South 03° 19' 58'' East, 120.17 feet;
THENCE South 03° 44' 10'' East, 98.43 feet to a point of tangency;
THENCE Southerly along the arc of a curve to the right, having a radius of 501.00 feet, through a central angle of 23° 33' 19'', and an arc length of 205.97 feet to a point of reverse curvature;
THENCE Southerly along the arc of a curve to the left, having a radius of 565.21 feet, through a central angle of 17° 35' 46'', and an arc length of 173.58 feet;
THENCE South 02° 13' 23'' West, 503.64 feet;
THENCE North 87° 36' 26'' West, 27.50 feet to the TRUE POINT OF BEGINNING;
THENCE CONTINUING North 87° 36' 26'' West, 676.22 feet to the West line of said Southeast quarter;
THENCE North 02° 09' 48'' East, 391.97 feet along said West line;
THENCE South 87° 36' 38'' East, 576.50 feet;
THENCE South 02° 13' 22'' West, 332.00 feet;
THENCE South 87° 36' 26'' East, 100.13 feet to a point bearing North 02° 13' 23'' East from the TRUE POINT OF BEGINNING;
THENCE South 02° 13' 23'' West, 60.00 feet to the TRUE POINT OF BEGINNING.

Attachment B

Legal Description

Waterline Easement

A strip of land 55 feet in width over, under and across that portion of the West half of the Southeast quarter of Section 30, Township 18 North, Range 1 West, Willamette Meridian, having 27.5 feet of such width lying on each side of the following described centerline:

COMMENCING at the Northwest corner of said Southeast quarter;
THENCE South $87^{\circ} 35' 39''$ East, 732.26 feet along the North line of said Southeast quarter;
THENCE South $02^{\circ} 24' 21''$ West, 30.00 feet to the Southerly margin of Morse-Merryman Road Southeast as conveyed to Thurston County by instrument recorded January 29, 1960 under Auditor's file No. 622518 and the TRUE POINT OF BEGINNING;
THENCE CONTINUING South $02^{\circ} 24' 21''$ West, 1,001.33 feet to a point of tangency;
THENCE Southerly along the arc of a curve to the left, having a radius of 500.00 feet, through a central angle of $05^{\circ} 44' 19''$, and an arc length of 50.08 feet;
THENCE South $03^{\circ} 19' 58''$ East, 120.17 feet;
THENCE South $03^{\circ} 44' 10''$ East, 98.43 feet to a point of tangency;
THENCE Southerly along the arc of a curve to the right, having a radius of 501.00 feet, through a central angle of $23^{\circ} 33' 19''$, and an arc length of 205.97 feet to a point of reverse curvature;
THENCE Southerly along the arc of a curve to the left, having a radius of 565.21 feet, through a central angle of $17^{\circ} 35' 46''$, and an arc length of 173.58 feet;
THENCE South $02^{\circ} 13' 23''$ West, 533.56 feet to the terminus.

The sidelines of said strip shall be shortened or lengthened as necessary to intersect at angle points and said Southerly margin.