

After recording return to:  
Columbia Bank Loan Operations  
Operation Center Annex – MS 6100  
2228 South 78<sup>th</sup> Street  
Tacoma, WA 98409



**20141215001003**

FIDELITY (MAJOR) 81.00  
PAGE-001 OF 010  
12/15/2014 13:55  
KING COUNTY, WA

Reference: 20369807- -410- -MP2

**DOCUMENT TITLE(S):** Assignment of Facility Use Agreement

**REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:**

**GRANTOR(S):** Mercerwood Shoreclub, Mercer Island Redwoods

**GRANTEE(S):** Columbia State Bank

Recorded at the request of  
FIDELITY NATIONAL TITLE  
MAJOR ACCOUNTS

Order # 20369807 (10/81)

**ABBREVIATED LEGAL DESCRIPTION:**

lots 14-17 lakeholm add vol 12 pg 52 and lots 2-4 mercerwood div #4  
vol 56 pg 97 tgw ptn ne/nw 18-24-5

**TAX PARCEL NUMBER(S):** 413190 0075, 1824059001

After recording return to:

Columbia State Bank Loan Operations  
Operations Center Annex – MS 6100  
2228 South 78<sup>th</sup> Street  
Tacoma, Washington 98409

Loan number C-14-09-004600

#### ASSIGNMENT OF FACILITY USE AGREEMENT

**Borrower/Assignor**

Mercerwood Shore Club  
4150 E Mercer Way  
Mercer Island, Washington 98040

**Lender**

Columbia State Bank  
721 2<sup>nd</sup> Avenue  
Seattle, Washington 98104

**User**

Olympic Cascade Aquatics, LLC  
PO Box 1072  
Mercer Island, Washington 98040

**Date of Facility Use Agreement**

February 15, 2012

This Assignment of Facility Use Agreement ("Assignment") is dated December 10, 2014, among the borrower ("Borrower" or "Assignor"), user ("User"), and lender ("Lender") identified above.

**ASSIGNMENT.** For valuable consideration, Assignor assigns and conveys to Lender all of Assignor's right, title, and interest in and to the Facility Use Agreement providing a license to use the real property ("Real Property" or "Property") described on Exhibit A attached hereto and incorporated by this reference. The Assignment is intended to be specific, perfected, and choate upon signing regardless of the recording of this Assignment. Lender grants to Assignor a license to collect the Use Fees, which license shall be automatically revoked upon the occurrence of an Event of Default and shall be automatically revoked upon acceleration of all or part of the Indebtedness.

**DEFINITIONS.** The following words shall have the following meanings when used in this Assignment. Terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

**Event of Default.** The words "Event of Default" mean and include any of the Events of Default set forth below in the section titled "Events of Default."

**Facility Use Agreement.** The word "Facility Use Agreement" means the Facility Use Agreement identified by date above between Assignor and User and all licenses, occupancy agreements, concession agreements, or agreements to lease or occupy all or any portion of the Real Property, together with any extensions, renewals, amendments, modifications, or replacements thereof, and any options, rights of first refusal or guaranties, of any user's obligations under any lease now or hereafter in effect.

**Indebtedness.** The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Assignor or expenses incurred by Lender to enforce obligations of Assignor under this Assignment or any of the Related Documents, together with interest on such amounts as provided in the Note.

**Note.** The word "Note" means the Promissory Note from Borrower to Lender dated December 10, 2014, in the original principal amount of \$3,750,000, together with all renewals of, extensions, modifications, refinancings, consolidations, and substitutions of and for the foregoing.

**Related Documents.** The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**Use Fees.** The word "Use Fees" means all use fees, revenues, income, issues, and profits from each Facility Use Agreement or ownership of the Property, whether due now or later, including without limitation all awards and payments of any kind derived from or relating to the Facility Use Agreement, the proceeds of any rental or loss of use insurance, and all security deposits, excluding any income arising from services rendered or goods sold by the Assignor.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Assignment, Assignor shall pay to Lender all amounts secured by this Assignment as they become due, and Assignor shall strictly perform all of Assignor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Use Fees as provided below and so long as there is no default under this Assignment, Assignor may remain in possession and control of and operate and manage the Property and collect the Use Fees, provided that the granting of the right to collect the Use Fees shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

**ASSIGNOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE USE FEES.** With respect to the Use Fees, Assignor represents and warrants to Lender that:

**Ownership.** Assignor is entitled to receive the Use Fees free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

**Right to Assign.** Assignor has the full right, power, and authority to enter into this Assignment and to assign and convey the Facility Use Agreement and Use Fees to Lender.

**No Prior Assignment.** Assignor has not previously assigned or conveyed the Facility Use Agreement or Use Fees to any other person by any instrument now in force.

**No Further Transfer.** Assignor will not sell, assign, encumber, or otherwise dispose of any of Assignor's rights in the Facility Use Agreement and Use Fees except as provided in this Assignment.

**LENDER'S RIGHT TO COLLECT USE FEES.** Lender shall have the right to collect and receive the Use Fees at any time upon an Event of Default under this Assignment. For this purpose, Lender is hereby given and granted the following rights, powers, and authority:

**Notice to Users.** Lender may send notices to any and all users of the Property advising them of this Assignment and directing all Use Fees to be paid directly to Lender or Lender's agent.

**Enter Property.** Lender may enter upon and take possession of the Property, demand, collect, and receive from the users or from any other persons liable therefor all of the Use Fees, institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property, collect the Use Fees, and remove any user or users or other persons from the Property.

**Compliance with Laws.** Lender may do any and all things to execute and comply with applicable state laws and also all other laws, rules, orders, ordinances, and requirements of all other governmental agencies affecting the Property.

**Lease the Property.** Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

**Employ Agents.** Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Assignor's name, to rent and manage the Property, including the collection and application of Use Fees.

**Other Acts.** Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Assignor and to have all of the powers of Assignor for the purposes stated above.

**No Requirement to Act.** Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

**APPLICATION OF USE FEES.** All costs and expenses incurred by Lender in connection with the Property shall be for Assignor and Borrower's account and Lender may pay such costs and expenses from the Use Fees. Lender, in its sole discretion, shall determine the application of any and all Use Fees received by it; however, any such Use Fees received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Use Fees shall become a part of the Indebtedness secured by this Assignment and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

**USER SUBORDINATION.** The Facility Use Agreement and any extensions, renewals, replacements, or modifications thereof, and all of the right, title, and interest of User in and to the Property, including without limitation any option or right of first refusal to purchase the Property (if any) or any acquisition of title to the Property by User during the term of the Loan, are and shall be subject and subordinate to any and all interests of Lender in and to the Property as provided in the Related Documents or otherwise and to all of the terms and conditions contained herein.

**FULL PERFORMANCE.** If Borrower pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Borrower under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Assignor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Use Fees and the Property. Any termination fee required by law shall be paid by Assignor, if permitted by applicable law.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Assignor fails to comply with any provision of this Assignment or any Related Documents, including without limitation Assignor's failure to discharge or pay when due any amounts Assignor is required to discharge or pay under this Assignment or any Related Documents, Lender on Assignor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including without limitation discharging or paying all taxes, liens, security interests, encumbrances, and other claims at any time levied or placed on the Use Fees or the Property and paying all costs for insuring, maintaining, and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Assignor. All such expenses will become a

part of the Indebtedness and, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy or (2) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. The Property also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**DEFAULT.** Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this instrument:

**Default on Indebtedness.** Borrower fails to make any payment when due under the Note or Indebtedness.

**Other Default.** Failure of Borrower to comply with or to perform when due any other term, obligation, covenant, or condition contained in this instrument or in any of the Related Documents.

**Sale of Property.** Sale, transfer, hypothecation, assignment, or conveyance of the Property, the Improvements, or any portion thereof or interest therein by Borrower or Assignor to a third party without the prior written consent of Lender, which consent may be withheld in Lender's sole and absolute discretion.

**Other Liens or Encumbrances.** Other than an encumbrance provided to Lender by Assignor on or about the same date as this instrument, there shall exist any mortgage, security interest, charge or any mechanics, materialmen, laborers, tax, statutory, or other lien or charge on the Property prior to, on a parity with or junior to, the lien and security interest of the Security Agreement, except liens for taxes and assessments not yet payable or payable without penalty so long as payable, without the prior written consent of Lender, which consent may be withheld in Lender's sole and absolute discretion.

**Adverse Change.** A material adverse change occurs in Borrower's or Assignor's business, assets, or general financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of an Event of Default, the license granted to Assignor to collect the Use Fees shall be automatically and immediately revoked without further notice to or demand upon Assignor, and Lender shall have the right, without further notice to or demand upon Assignor, and in Lender's absolute discretion, to exercise any one or more of the following rights and remedies:

**Take Possession.** Without regard to the adequacy of any security, and with or without appointment of a receiver, Lender may enter upon and take possession of the Property, have, hold, manage, lease, and operate the same, and collect, in its own name or in the name of Assignor, and receive all Use Fees accrued but unpaid and in arrears as of the date of such Event of Default, as well as the Use Fees which thereafter become due and payable, and have full power to make from time to time all alterations, renovations, repairs or replacements to the Real Property as Lender may deem proper. Lender may notify the users under the Facility Use Agreement, or any property manager or rental agent under any contract with Assignor, to pay all Use Fees directly to Lender. Assignor shall pay to Lender on demand any Use Fees collected by Assignor after the revocation of the license granted to Assignor. Assignor hereby irrevocably authorizes and directs the users under the Facility Use Agreement, and any property manager or rental agent under any contract, upon receipt of written notice from Lender, to pay all Use Fees due to Lender without the necessity of any inquiry to Assignor and without any liability respecting the determination of the actual existence of any Event of Default claimed by Lender or any claim by Assignor to the contrary. Assignor further agrees that it shall facilitate in all reasonable ways Lender's collection of the Use Fees and will, upon Lender's request, execute and deliver a written notice to each user under the Facility Use Agreement, or any property manager or rental agent under any contract, directing such parties to pay the Use Fees to Lender. Assignor shall have no right or claim against any parties to any facility use agreement or contract who make payment to Lender after receipt of written notice from Lender requesting same.

**Application of Use Fees.** Lender may apply such Use Fees to the payment of (a) the Indebtedness, together with all costs and attorney fees and (b) all taxes, charges, claims, assessments, water Use Fees, sewer Use Fees, and any other liens that may be prior in lien or payment to the Indebtedness.

**Collect and Enforce Facility Use Agreement.** Lender may (a) endorse as Assignor's attorney-in-fact the name of Assignor or any subsequent owner of the Real Property on any checks, drafts or other instruments received in payment of the Use Fees, and deposit the same in bank accounts, which power of attorney is coupled with an interest and shall be irrevocable, (b) give proper receipts, release and acquittances in relation thereto in the name of Assignor, (c) institute, prosecute, settle or compromise any summary or legal proceedings in the name of Assignor for the recovery of the Use Fees, or for damage to the Property, or for the abatement of any nuisance thereon, and (d) defend any legal proceedings brought against Assignor arising out of the operation of the Real Property.

**Other Remedies.** Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

**Manage Property.** Lender may, at its election, but shall not be obligated to, (a) perform any of Assignor's obligations under the Facility Use Agreement (provided, however, that Assignor shall remain liable for such obligations notwithstanding such election by Lender), (b) exercise any of Assignor's rights, powers or privileges under the Facility Use Agreement, (c) modify, cancel, or renew existing Facility Use Agreement or make concessions to the users thereto, (d) execute new Facility Use Agreement for all or any portion of the Property, and (e) take such other action as Lender may have taken with respect to the Facility Use Agreement.

**Waiver; Election of Remedies.** A waiver by any party of a breach of a provision of this Assignment shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Assignor under this Assignment after failure of Assignor to perform shall not affect Lender's right to declare a default and exercise its remedies under this Assignment.

**Attorney Fees and Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover attorney fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorney fees and legal expenses whether or not there is a lawsuit, including attorney fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, and title insurance, to the extent permitted by applicable law. Borrower also will pay any court costs, in addition to all other sums provided by law.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Assignment:

**Amendments.** This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Applicable Law.** This instrument shall be governed by, construed, and enforced in accordance with the laws of Washington to the extent of procedural matters related to the perfection and enforcement by Lender of its rights and remedies against the Property. The loan transaction evidenced by the Note and this instrument (which secures the Note) has been applied for, considered, approved, and made in Washington.  
**EXCEPT AS NECESSARY FOR ENFORCEMENT OF LENDER'S RIGHTS IN WASHINGTON**

**UNDER THIS INSTRUMENT, IF THERE IS A LAWSUIT ASSIGNOR AND BORROWER AGREE UPON LENDER'S REQUEST TO SUBMIT TO THE JURISDICTION OF THE COURTS OF PIERCE COUNTY, WASHINGTON. LENDER, ASSIGNOR, AND BORROWER HEREBY WAIVE THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LENDER OR BORROWER AGAINST THE OTHER. EXCEPT AS SET FORTH ABOVE IN THIS SECTION, THIS INSTRUMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF WASHINGTON.**

**No Modification.** Assignor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement that has priority over this Assignment by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Assignor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Assignment to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Assignment in all other respects shall remain valid and enforceable.

**Successors and Assigns.** Subject to the limitations stated in this Assignment on transfer of Assignor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Assignor, Lender, without notice to Assignor, may deal with Assignor's successors with reference to this Assignment and the Indebtedness by way of forbearance or extension without releasing Assignor from the obligations of this Assignment or liability under the Indebtedness.

**Time of the Essence.** Time is of the essence in the performance of this Assignment.

**Waivers and Consents.** Lender shall not be deemed to have waived any rights under this Assignment (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Assignment shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Assignor, shall constitute a waiver of any of Lender's rights or any of Assignor's obligations as to any future transactions. Whenever consent by Lender is required in this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

**Signing Authority.** Each signer below on behalf of an entity represents and warrants that the signer is authorized by the entity to sign this Assignment and to authorize the transactions by the entity as provided herein.

**ASSIGNOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND ASSIGNOR AGREES TO ITS TERMS.**

**Borrower/Assignor**

Mercerwood Shore Club

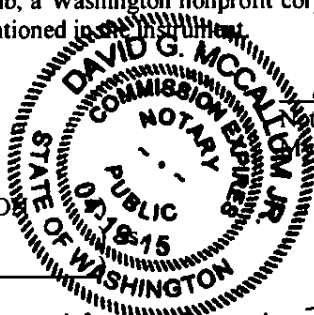
By Don MacLane  
Don MacLane/President  
By Catherine Heide  
Catherine Heide, Secretary

**User**

Olympic Cascade Aquatics, LLC  
By [Signature]  
Title owner

STATE OF WASHINGTON )  
 ) ss.  
County of King )

I certify that I know or have satisfactory evidence that Don MacLane and Catherine Heide are the persons who appeared before me and acknowledged that they signed this instrument on December ~~12~~<sup>14</sup> 2014, and on oath stated that they are authorized to execute the instrument and acknowledged it as president and secretary/general manager of Mercerwood Shore Club, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



[Signature]  
Notary Public for Washington  
commission expires 4-19-2015

STATE OF WASHINGTON )  
County of King )

I certify that I know or have satisfactory evidence that John Walker is the person who appeared before me and acknowledged that s/he signed this instrument on December 9<sup>th</sup>, 2014, and on oath stated that s/he is authorized to execute the instrument and acknowledged it as member of Olympic Cascade Aquatics, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

[Signature]  
Notary Public for Washington  
My commission expires 09-20-2016

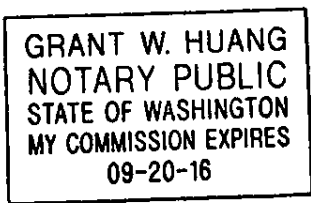




Exhibit A

Legal Description

PARCEL A:

THE SOUTH 60 FEET OF LOT 14 AND ALL OF LOTS 15, 16 AND 17 IN THE PLAT OF LAKEHOLM ADDITION, AS PER PLAT RECORDED IN VOLUME 12 OF PLATS, PAGE 52, RECORDS OF KING COUNTY, WASHINGTON;

TOGETHER WITH SECOND CLASS SHORELANDS ADJOINING;

ALSO TOGETHER WITH THAT PORTION OF VACATED STREET ADJOINING ON THE WEST.

PARCEL B:

LOTS 2 AND 3, AND THE NORTHEASTERLY 25 FEET OF LOT 4, MERCERWOOD DIVISION NO. 4, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 56 OF PLATS, PAGE 97, IN KING COUNTY, WASHINGTON.

PARCEL C:

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 24 NORTH, RANGE 5 EAST, W.M, IN KING COUNTY, WASHINGTON, LYING EAST OF THE EAST MARGIN OF EAST MERCER WAY;

EXCEPT THAT PORTION THEREOF LYING NORTH OF THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 2 OF THE PLAT OF LAKEHOLM ADDITION, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 12 OF PLATS, PAGE 52, IN KING COUNTY, WASHINGTON;

ALSO EXCEPT THAT PORTION THEREOF HERETOFORE CONVEYED TO KING COUNTY FOR ROAD BY DEED RECORDED UNDER RECORDING NO. 3018350;

ALSO EXCEPT THAT PORTION THEREOF PLATTED AS MERCERWOOD DIVISION NO. 4, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 56 OF PLATS, PAGE 97, IN KING COUNTY, WASHINGTON;

ALSO EXCEPT THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 18 DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 1, OF SAID PLAT OF MERCERWOOD DIVISION NO. 4; THENCE NORTH 50°22'05" EAST ALONG THE SOUTHEASTERLY MARGIN OF EAST MERCER WAY 21.01 FEET TO A POINT OF CURVE THEREIN;  
THENCE CONTINUING ALONG SAID SOUTHEASTERLY MARGIN FOLLOWING AN ARC CURVE TO THE LEFT HAVING A RADIUS OF 470.97 FEET, AN ARC DISTANCE OF 158.10 FEET TO A POINT OF REVERSE CURVE; THENCE ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 20 FEET AN ARC DISTANCE OF 52.35 FEET TO A POINT OF TANGENCY AND THE INTERSECTION OF SAID CURVE WITH THE WEST MARGIN OF 100TH AVENUE SOUTHEAST;  
THENCE SOUTH 01°05'68" WEST ALONG SAID WEST MARGIN 120.00 FEET;  
THENCE SOUTH 29°59'13" WEST, 52.89 FEET TO AN INTERSECTION WITH THE NORTHEASTERLY PRODUCTION OF THE SOUTHEASTERLY LINE OF SAID LOT 1;  
THENCE SOUTH 50°22'05" WEST, ALONG SAID PRODUCTION 70.00 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 1;  
THENCE NORTH 39°37'55" WEST, ALONG THE NORTHEASTERLY LINE OF SAID LOT 1, 115.00 FEET TO THE POINT OF BEGINNING;

ALSO EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF WHICH IS SOUTH 88°28'12" EAST, 174.47 FEET FROM THE MOST WESTERLY CORNER OF LOT 5 OF SAID PLAT OF MERCERWOOD DIVISION NO. 4;  
THENCE NORTH 50°22'05" EAST ALONG THE SOUTHEASTERLY LINE OF LOTS 5 AND 4 RESPECTIVELY 178.61 FEET;  
THENCE SOUTH 39°37'55" EAST, 32.00 FEET;  
THENCE SOUTH 73°39'10" EAST, 137.64 FEET;  
THENCE SOUTH 64°20'10" EAST, 142.45 FEET, MORE OR LESS, TO SAID SOUTH LINE OF SAID SUBDIVISION;  
THENCE NORTH 88°28'12" WEST ALONG SAID SOUTH LINE 418.56 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 5 AND THE POINT OF BEGINNING;

ALSO EXCEPT THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 18, TOWNSHIP 24 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 18;  
THENCE SOUTH 01°05'30" WEST ALONG THE EAST LINE OF SAID SECTION 18, 1,040 FEET, TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUING SOUTH 01°05'30" WEST 60 FEET;  
THENCE NORTH 88°54'30" WEST 80 FEET;  
THENCE NORTH 01°05'30" EAST 60 FEET;  
THENCE SOUTH 88°54'30" EAST 80 FEET TO THE TRUE POINT OF BEGINNING;

ALSO EXCEPT THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 18, TOWNSHIP 24 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF LOT 13, LAKEHOLM, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 12 OF PLATS, ON PAGE 52, RECORDS OF KING COUNTY, WASHINGTON;  
THENCE NORTH 88°32'01" WEST 20.00 FEET ALONG THE WESTERLY PROJECTION OF THE NORTH LINE OF SAID LOT 13 TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUING NORTH 88°32'01" WEST 17.00 FEET;  
THENCE SOUTH 01°05'30" WEST PARALLEL TO THE EAST LINE OF SAID SECTION 18 A DISTANCE OF 35.00 FEET;  
THENCE SOUTH 88°32'01" EAST 17.00 FEET TO SAID EAST LINE;  
THENCE NORTH 01°05'30" EAST, ALONG SAID EAST LINE 35.00 FEET TO SAID WESTERLY PROJECTION AND THE TRUE POINT OF BEGINNING

(ALSO KNOWN AS REVISED PARCEL B MERCER ISLAND LOT LINE REVISION NO. 92-1080 RECORDED UNDER RECORDING NO. 9305069003);

ALL SITUATE IN THE CITY OF MERCER ISLAND, COUNTY OF KING, STATE OF WASHINGTON.