



*First American*

## **First American Title Insurance Company**

**920 5th Avenue, Suite 1250  
Seattle, WA 98104**

December 19, 2022

Alaine Sommargren  
City of Mercer Island  
9611 SE 36th Street  
Mercer Island, WA 98040

Phone: (206)275-7608

Fax:

Title Officer:	Pat Fullerton
Phone:	(206)615-3055
Fax No.:	(866)904-2177
E-Mail:	TitleKingWa@firstam.com
Order Number:	4022100

Escrow Number: 4022100

Buyer:

Owner: THE STEVEN GILLIS RESIDENCE TRUST AND THE ANNE E GILLIS  
RESIDENCE TRUST

Property: 4311 Forest Ave SE  
Mercer Island, Washington 98040

Attached please find the following item(s):

Guarantee

Thank You for your confidence and support. We at First American Title Insurance Company maintain the fundamental principle:

*Customer First!*



*First American*

# Guarantee

## Subdivision Guarantee

ISSUED BY

**First American Title Insurance Company**

GUARANTEE NUMBER

**5003353-4022100**

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

### **FIRST AMERICAN TITLE INSURANCE COMPANY**

a Nebraska corporation, herein called the Company

### **GUARANTEES**

#### **City of Mercer Island**

the Assured named in Schedule A against actual monetary loss or damage not exceeding the liability stated in Schedule A, which the Assured shall sustain by reason of any incorrectness in the assurances set forth in Schedule A.

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**FIRST AMERICAN TITLE INSURANCE COMPANY**

By: \_\_\_\_\_

Kenneth D. DeGiorgio, President

By: \_\_\_\_\_

Lisa W. Cornehl, Secretary

**This jacket was created electronically and constitutes an original document**

## SCHEDULE OF EXCLUSIONS FROM COVERAGE OF THIS GUARANTEE

1. Except to the extent that specific assurances are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
  - (a) Defects, liens, encumbrances, adverse claims or other matters against the title, whether or not shown by the public records.
  - (b) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the public records.
  - (c) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the public records.
2. Notwithstanding any specific assurances which are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
  - (a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the land expressly described in the description set forth in Schedule (A), (C) or in Part 2 of this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways to which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any structure or improvements; or any rights or easements therein, unless such property, rights or easements are expressly and specifically set forth in said description.
  - (b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the public records; (1) which are created, suffered, assumed or agreed to by one or more of the Assureds; (2) which result in no loss to the Assured; or (3) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of the assurances provided.
  - (c) The identity of any party shown or referred to in Schedule A.
  - (d) The validity, legal effect or priority of any matter shown or referred to in this Guarantee.

## GUARANTEE CONDITIONS AND STIPULATIONS

### 1. Definition of Terms.

The following terms when used in the Guarantee mean:

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

### 2. Notice of Claim to be Given by Assured Claimant.

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

### 3. No Duty to Defend or Prosecute.

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

### 4. Company's Option to Defend or Prosecute Actions; Duty of Assured Claimant to Cooperate.

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

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

## GUARANTEE CONDITIONS AND STIPULATIONS (Continued)

reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

### 5. Proof of Loss or Damage.

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

### 6. Options to Pay or Otherwise Settle Claims: Termination of Liability.

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

- (a) To Pay or Tender Payment of the Amount of Liability or to Purchase the Indebtedness.  
The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage or a lienholder, the Company shall have the option to purchase the

indebtedness secured by said mortgage or said lien for the amount owing thereon, together with any costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

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

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

- (b) To Pay or Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant.

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

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

### 7. Determination and Extent of Liability.

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

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

- (a) the amount of liability stated in Schedule A or in Part 2;  
(b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 6 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or  
(c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to any defect, lien or encumbrance assured against by this Guarantee.

### 8. Limitation of Liability.

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by

## GUARANTEE CONDITIONS AND STIPULATIONS (Continued)

any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

- (b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.
- (c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

### 9. Reduction of Liability or Termination of Liability.

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

### 10. Payment of Loss.

- (a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

### 11. Subrogation Upon Payment or Settlement.

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies. If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

### 12. Arbitration.

Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the Amount of Liability is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

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

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

### 13. Liability Limited to This Guarantee; Guarantee Entire Contract.

- (a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.
- (c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

### 14. Notices, Where Sent.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707 [Claims.NIC@firstam.com](mailto:Claims.NIC@firstam.com) Phone: 888-632-1642 Fax: 877-804-7606**



*First American Title*



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# Schedule A

## Subdivision Guarantee

ISSUED BY

**First American Title Insurance Company**

GUARANTEE NUMBER

**4022100**

Order No.: 4022100

Liability: \$2,000.00

Fee: \$350.00

Tax: \$35.88

Name of Assured: City of Mercer Island

Date of Guarantee: December 07, 2022

The assurances referred to on the face page hereof are:

1. [Title is vested in:](#)

THOMAS C GORES, TRUSTEE OF THE STEVEN GILLIS RESIDENCE TRUST ESTABLISHED UNDER TRUST AGREEMENT DATED CONCURRENTLY AND THOMAS C GORES, TRUSTEE OF THE ANNE E GILLIS RESIDENCE TRUST ESTABLISHED UNDER TRUST AGREEMENT DATED CONCURRENTLY

2. That, according to the public records relative to the land described in Schedule C attached hereto (including those records maintained and indexed by name), there are no other documents affecting title to said land or any portion thereof, other than those shown under Record Matters in Schedule B.
3. The following matters are excluded from the coverage of this Guarantee
  - A. Unpatented Mining Claims, reservations or exceptions in patents or in acts authorizing the issuance thereof.
  - B. Water rights, claims or title to water.
  - C. Tax Deeds to the State of Washington.
  - D. Documents pertaining to mineral estates.
4. No guarantee is given nor liability assumed with respect to the validity, legal effect or priority of any matter shown herein.
5. This Guarantee is restricted to the use of the Assured for the purpose of providing title evidence as may be required when subdividing land pursuant to the provisions of Chapter 58.17, R.C.W., and the local regulations and ordinances adopted pursuant to said statute. It is not to be used as a basis for closing any transaction affecting title to said property.
6. Any sketch attached hereto is done so as a courtesy only and is not part of any title commitment, guarantee or policy. It is furnished solely for the purpose of assisting in locating the premises and First American expressly disclaims any liability which may result from reliance made upon it.



*First American*

# Schedule B

## Subdivision Guarantee

ISSUED BY

**First American Title Insurance Company**

GUARANTEE NUMBER

**4022100**

### RECORD MATTERS

1. We note that the Statutory Warranty Deed recorded under Recording No. [9605160134](#), [9605160135](#) and [9605160136](#), by which the vestee herein acquired title, contains an erroneous/incomplete legal description. Said instrument should be re-recorded to correct said description.
2. Easement, including terms and provisions contained therein:  
Recording Information: [4214476](#)  
For: Laying, Maintaining, Operating and Removing A Pipeline
3. Easement, including terms and provisions contained therein:  
Recording Information: [5824561](#)  
For: Mercer Island Sewer District
4. Covenants, conditions, restrictions and/or easements; but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, family status, or national origin to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes:  
Recording Information: [9003080278](#)
5. Covenants, conditions, restrictions and/or easements; but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, family status, or national origin to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes:  
Recording Information: [20050804000041](#)
6. Any question as to the true location of the lateral boundaries of the Lake Washington.
7. Any questions that may arise due to shifting or change of the line of high water of Lake Washington.
8. Any prohibition or limitation on the use, occupancy or improvements of the land resulting from the right of the public or riparian owners to use any waters which may cover the land or to use any portion of the land which is now or may formerly have been covered by water.
9. Paramount rights and easements in favor of the United States for commerce, navigation, fisheries and the production of power.

### **Informational Notes, if any**

1. General taxes for the year 2022, which have been paid.

Tax Account No.:	132404902604
Code Area:	1031
Amount:	\$ 63,118.14
Assessed Land Value:	\$ 5,545,000.00

Assessed Improvement Value: \$ 3,030,000.00





*First American*

# Schedule C

## Subdivision Guarantee

ISSUED BY  
**First American Title Insurance Company**

GUARANTEE NUMBER  
**4022100**

The land in the County of King, State of Washington, described as follows:

### PARCEL A:

THAT PORTION OF VACATED KIBBE'S ADDITION TO EAST SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN [VOLUME 5 OF PLATS, PAGE 52](#), RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE QUARTER SECTION CORNER ON THE EAST BOUNDARY OF SECTION 13, TOWNSHIP 24 NORTH, RANGE 4 EAST, IN KING COUNTY, WASHINGTON;  
THENCE RUNNING AT NORTH 89°54'07" WEST ALONG THE NORTH BOUNDARY LINE OF MERRIMOUNT ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN [VOLUME 24 OF PLATS, PAGE 37](#), RECORDS OF KING COUNTY, WASHINGTON, A DISTANCE OF 1040.05 FEET;  
THENCE 0°05'56" WEST PARALLEL TO THE EAST BOUNDARY LINE OF THE NORTH HALF OF SAID SECTION 13, A DISTANCE OF 324.41 FEET TO A POINT ON THE NORTHERLY LINE OF "K" STREET SOUTHEAST (FORMERLY KNOWN AS "K" STREET);  
THENCE ALONG SAID NORTHERLY LINE NORTH 85°17'28" WEST 452.64 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE NORTH 13°13'40" WEST 92.54 FEET;  
THENCE NORTH 35°54'40" WEST 60.59 FEET;  
THENCE NORTH 84°08'16" WEST 47.00 FEET;  
THENCE 56°13'40" WEST 133 FEET TO THE UNITED STATES GOVERNMENT MEANDER LINE OF LAKE WASHINGTON;  
THENCE SOUTH 18°24'00" EAST ALONG SAID MEANDER LINE TO A POINT ON THE NORTHERLY LINE OF SAID "K" STREET SOUTHEAST;  
THENCE EASTERLY ALONG SAID LINE TO THE TRUE POINT OF BEGINNING;  
TOGETHER WITH ALL SHORELANDS OF THE SECOND CLASS IN FRONT THEREOF OR ABUTTING THEREON.

### PARCEL B:

THAT PORTION OF SOUTHEAST 43RD PLACE IN SECTION 13, TOWNSHIP 24 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY WASHINGTON, DESCRIBED AS FOLLOWS:  
BEGINNING AT THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND DESIGNATED PARCEL "A", DESCRIBED IN INSTRUMENT RECORDED UNDER KING COUNTY RECORDING NO. [4233361](#), RECORDS OF KING COUNTY, WASHINGTON;  
THENCE SOUTH 13°12'40" EAST 18.15 FEET TO THE CENTER LINE OF ROAD DESIGNATED FOREST AVENUE EXTENSION COUNTY ROAD NO. 13-24-4-1 IN KING COUNTY SUPERIOR COURT CAUSE NO. 260678;  
THENCE NORTH 83°13'10" WEST ALONG SAID CENTER LINE 38.10 FEET TO AN ANGLE POINT THEREIN;  
THENCE SOUTH 77°14'50" WEST ALONG SAID CENTER LINE AND THE SAME PRODUCED TO THE UNITED STATES GOVERNMENT MEANDER LINE OF LAKE WASHINGTON;  
THENCE NORTH 18°24' WEST ALONG SAID MEANDER LINE TO THE SOUTH LINE OF SAID PARCEL "A";  
THENCE SOUTH 85°17' 28" EAST ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING;

TOGETHER WITH SECOND CLASS SHORELANDS IN FRONT OF SAID PARCEL.

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



*First American*

First American Title Insurance Company  
920 5th Avenue, Suite 1250  
Seattle, WA 98104

### **Illegal Restrictive Covenants**

Please be advised that any provision contained in this document, or in a document that is attached, linked, or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.