



# Chicago Title Insurance Company

## COMMITMENT FOR TITLE INSURANCE

BY

### Chicago Title Insurance Company

Chicago Title Insurance Company, a Nebraska corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedule A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, Chicago Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

### Chicago Title Insurance Company

Chicago Title of Washington  
701 5th Avenue, Suite 2300  
Seattle, WA 98104



By:

President

ATTEST:

Secretary

## CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amounts of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alta.org/>>.*

# CHICAGO TITLE COMPANY

701 FIFTH AVENUE, #2300, SEATTLE, WA 98104

## A.L.T.A. COMMITMENT SCHEDULE A

Order No.: 1350455

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Title Unit: U-06                      Customer Number: BETROZOFF TO SHERMAN BUILDING  
Phone: (206)628-5610      Buyer(s): SHERMAN BUILDING COMPANY, LLC  
Fax: (206)628-9717  
Officer: SAVIDIS/CAMPBELL/EISENBREY/HARRIS

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Commitment Effective Date: SEPTEMBER 27, 2012                      at 8:00 A.M.

1. Policy or Policies to be issued:                      PREMIUM APPLICABLE BETWEEN \$1,350,001.00 - \$1,360,000.00

ALTA Owner's Policy	Amount:	\$1,360,000.00
EXTENDED POLICY (6/17/2006)	Premium:	\$2,934.00
30% DISCOUNT/RESIDENTIAL RESALE	Tax:	\$ 278.73
RATE AND 10% DISCOUNT/COMBINATION		
RATE / OWNERS EXTENDED RATE		

Proposed Insured:  
SHERMAN BUILDING COMPANY, LLC, A WASHINGTON LIMITED LIABILITY COMPANY

Policy or Policies to be issued:

ALTA Loan Policy	Amount:	\$0.00
	Premium:	
	Tax:	

Proposed Insured:

Policy or Policies to be issued:

ALTA Loan Policy	Amount:	\$0.00
	Premium:	
	Tax:	

Proposed Insured:

2. The estate or interest in the land which is covered by this Commitment is:

FEE SIMPLE

3. Title to the estate or interest in the land is at the effective date hereof vested in:

JOHN W. BETROZOFF AND SARA JO BETROZOFF, TRUSTEES OF THE BETROZOFF  
FAMILY TRUST, DATED 5-2-94

4. The land referred to in this Commitment is described as follows:

SEE ATTACHED LEGAL DESCRIPTION EXHIBIT

CHICAGO TITLE COMPANY  
A.L.T.A. COMMITMENT  
**SCHEDULE A**  
(Continued)

Order No.: 1350455  
Your No.:

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**LEGAL DESCRIPTION EXHIBIT**  
(Paragraph 4 of Schedule A continuation)

LOTS 1, 2, 3 AND 4, KING COUNTY SHORT PLAT NUMBER 1181034, RECORDED UNDER  
RECORDING NUMBER 8301060563, IN KING COUNTY, WASHINGTON.

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CHICAGO TITLE COMPANY

A.L.T.A. COMMITMENT  
**SCHEDULE B**

Order No.: 1350455  
Your No.:

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Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

**GENERAL EXCEPTIONS**

- A. Rights or claims of parties in possession, or claiming possession, not shown by the Public Records.
- B. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
- C. Easements, prescriptive rights, rights-of-way, liens or encumbrances, or claims thereof, not shown by the Public Records.
- D. Any lien, or right to a lien, for contributions to employee benefit funds, or for state workers' compensation, or for services, labor, or material heretofore or hereafter furnished, all as imposed by law, and not shown by the Public Records.
- E. Taxes or special assessments which are not yet payable or which are not shown as existing liens by the Public Records.
- F. Any lien for service, installation, connection, maintenance, tap, capacity, or construction or similar charges for sewer, water, electricity, natural gas or other utilities, or for garbage collection and disposal not shown by the Public Records.
- G. Unpatented mining claims, and all rights relating thereto; reservations and exceptions in United States Patents or in Acts authorizing the issuance thereof; Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- H. Water rights, claims or title to water.
- I. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

**SPECIAL EXCEPTIONS FOLLOW**

CHICAGO TITLE COMPANY  
A.L.T.A. COMMITMENT  
**SCHEDULE B**  
(Continued)

Order No.: 001350455  
Your No.:

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**SPECIAL EXCEPTIONS**

*A* 1. COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, NOTES, DEDICATIONS AND SETBACKS, IF ANY, SET FORTH IN OR DELINEATED ON SAID SHORT PLAT.

*B* 2. COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, NOTES, DEDICATIONS AND SETBACKS, IF ANY, SET FORTH IN OR DELINEATED ON THE PLAT OF WILLOW GARDEN TRACTS IN VOLUME 21 OF PLATS, PAGE 99.

*C* 3. WATER LINE EASEMENT AND WATER USE AGREEMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF:

RECORDED: MAY 3, 1982  
RECORDING NUMBER: 8205030386

*D* 4. RESTRICTIONS LIMITING THE USE OF PORTIONS OF THE PROPERTY LYING WITHIN CERTAIN DISTANCES OF A WATER WELL AND/OR REGULATING THE LOCATION OF A WATER WELL, RECORDED UNDER RECORDING NUMBER 8205030387.

*E* 5. REIMBURSEMENT AGREEMENT FOR UTILITY IMPROVEMENTS, INCLUDING THE TERMS AND PROVISIONS THEREOF:

RECORDED: NOVEMBER 4, 1999  
RECORDING NUMBER: 19991104001369

*F* FIRST AMENDMENT TO SAID AGREEMENT:

RECORDED: FEBRUARY 13, 2001  
RECORDING NUMBER: 20010213001494

*G* 6. TERMS AND CONDITIONS OF NOTICES OF CHARGES BY WATER, SEWER, AND/OR STORM AND SURFACE WATER UTILITIES, RECORDED UNDER RECORDING NUMBERS 8106040664 AND 9408091502.

*H* 7. MATTERS DISCLOSED BY SURVEY RECORDED UNDER RECORDING NUMBER 20040701900003, AS FOLLOWS:

FENCE DOES NOT CONFORM TO SOUTHERLY BOUNDARY OF LOT 3.

*I* 8. PAYMENT OF THE REAL ESTATE EXCISE TAX, IF REQUIRED.

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CHICAGO TITLE COMPANY  
A.L.T.A. COMMITMENT  
**SCHEDULE B**  
(Continued)

Order No.: 1350455  
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**SPECIAL EXCEPTIONS**

THE PROPERTY DESCRIBED HEREIN IS SITUATED WITHIN THE BOUNDARIES OF LOCAL TAXING AUTHORITY OF CITY OF REDMOND. PRESENT RATE IS 1.78%.

ANY CONVEYANCE DOCUMENT MUST BE ACCOMPANIED BY THE OFFICIAL WASHINGTON STATE EXCISE TAX AFFIDAVIT. THE APPLICABLE EXCISE TAX MUST BE PAID AND THE AFFIDAVIT APPROVED AT THE TIME OF THE RECORDING OF THE CONVEYANCE DOCUMENTS.

(NOTE: A DEED EXEMPT FROM EXCISE TAX IS STILL SUBJECT TO THE \$5.00 TECHNOLOGY FEE AND AN ADDITIONAL \$5.00 AFFIDAVIT PROCESSING FEE).

- J* 9. GENERAL AND SPECIAL TAXES AND CHARGES, PAYABLE FEBRUARY 15, DELINQUENT IF FIRST HALF UNPAID ON MAY 1, SECOND HALF DELINQUENT IF UNPAID ON NOVEMBER 1 OF THE TAX YEAR (AMOUNTS DO NOT INCLUDE INTEREST AND PENALTIES):

YEAR:	2012
TAX ACCOUNT NUMBER:	942850-0070-09
LEVY CODE:	2025
ASSESSED VALUE-LAND:	\$ 461,000.00
ASSESSED VALUE-IMPROVEMENTS:	\$ 97,000.00
GENERAL & SPECIAL TAXES:	BILLED: \$ 6,108.94
	PAID: \$ 6,108.94
	UNPAID: \$ 0.00

- K* 10. PLEASE BE ADVISED THAT OUR SEARCH DID NOT DISCLOSE ANY OPEN DEEDS OF TRUST OF RECORD. IF YOU SHOULD HAVE KNOWLEDGE OF ANY OUTSTANDING OBLIGATION, PLEASE CONTACT THE TITLE DEPARTMENT IMMEDIATELY FOR FURTHER REVIEW PRIOR TO CLOSING.

- L* 11. TERMS, POWERS, CONDITIONS, AND LIMITATIONS OF THE TRUST UNDER WHICH TITLE IS HELD. A COPY OF THE TRUST AGREEMENT AND ANY AMENDMENTS THERETO MUST BE SUBMITTED TO THE COMPANY FOR REVIEW.

IF THE PROPERTY WHICH IS THE SUBJECT OF THIS TRANSACTION CONSTITUTES MORE THAN 25 PER CENT OF THE NET FAIR MARKET VALUE OF THE TRUST PRINCIPAL, PROOF MUST BE FURNISHED THAT THE TRUSTEE HAS COMPLIED WITH

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CHICAGO TITLE COMPANY  
A.L.T.A. COMMITMENT  
**SCHEDULE B**  
(Continued)

Order No.: 1350455  
Your No.:

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**SPECIAL EXCEPTIONS**

THE 20 DAY NOTICE TO THE BENEFICIARIES OF THE NATURE AND TERMS OF THE INTENDED TRANSACTION AS PROVIDED BY RCW 11.100.140.

*M* 12. **THE LEGAL DESCRIPTION IN THIS COMMITMENT IS BASED ON INFORMATION PROVIDED WITH THE APPLICATION AND THE PUBLIC RECORDS AS DEFINED IN THE POLICY TO ISSUE. THE PARTIES TO THE FORTHCOMING TRANSACTION MUST NOTIFY THE TITLE INSURANCE COMPANY PRIOR TO CLOSING IF THE DESCRIPTION DOES NOT CONFORM TO THEIR EXPECTATIONS.**

*N* 13. **IMPORTANT!! THIS TRANSACTION HAS NOT BEEN APPROVED FOR INSURANCE AGAINST UNRECORDED LABOR AND MATERIAL LIEN RIGHTS NOR FOR MATTERS THAT COULD BE DISCLOSED BY AN ACCURATE AND COMPLETE SURVEY OF THE LAND. YOU MAY NOT CLOSE UNTIL YOU HAVE RECEIVED A SUPPLEMENTAL FROM THE TITLE UNIT ADDRESSING THIS PARAGRAPH!**

TO PROVIDE AN EXTENDED COVERAGE OWNER'S POLICY GENERAL EXCEPTIONS A THROUGH D WILL BE CONSIDERED WHEN OUR INSPECTION AND/OR REVIEW OF SURVEY, IF REQUIRED, IS COMPLETED. GENERAL EXCEPTIONS E THROUGH H WILL REMAIN IN THE OWNER'S POLICY TO ISSUE. A SUPPLEMENTAL COMMITMENT WILL FOLLOW.

IF THE ANTICIPATED CLOSING DATE IS LESS THAN 4 WEEKS FROM THE DATE OF THIS COMMITMENT, PLEASE CONTACT YOUR TITLE OFFICER IMMEDIATELY.

*U* 14. **PRIOR TO ISSUING AN EXTENDED FORM OWNER'S POLICY THIS COMPANY REQUIRES THAT THE PARTIES TO THE TRANSACTION PROVIDE AN ALTA/ACSM CERTIFIED, AS-BUILT SURVEY.**

*O* NOTE 1:  
A SURVEY HAS BEEN RECORDED UNDER RECORDING NUMBER 8302239011.

*P* NOTE 2:  
ANY MAP FURNISHED WITH THIS COMMITMENT IS FOR CONVENIENCE IN LOCATING THE LAND INDICATED HEREIN WITH REFERENCE TO STREETS AND OTHER LAND. NO LIABILITY IS ASSUMED BY REASON OF RELIANCE THEREON.

*Q* NOTE 3:  
EFFECTIVE JANUARY 1, 1997, DOCUMENT FORMAT AND CONTENT REQUIREMENTS HAVE BEEN IMPOSED BY WASHINGTON LAW. FAILURE TO COMPLY WITH THE FOLLOWING REQUIREMENTS MAY RESULT IN REJECTION OF THE DOCUMENT BY THE COUNTY RECORDER OR IMPOSITION OF A \$50.00 SURCHARGE.

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CHICAGO TITLE COMPANY  
A.L.T.A. COMMITMENT  
**SCHEDULE B**  
(Continued)

Order No.: 1350455  
Your No.:

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**SPECIAL EXCEPTIONS**

FOR DETAILS OF THESE STATEWIDE REQUIREMENTS PLEASE VISIT THE KING COUNTY RECORDER'S OFFICE WEBSITE AT **WWW.KINGCOUNTY.GOV/BUSINESS/RECORDERS.ASPX** AND SELECT **ONLINE FORMS AND DOCUMENT STANDARDS**.

THE FOLLOWING MAY BE USED AS AN ABBREVIATED LEGAL DESCRIPTION ON THE DOCUMENTS TO BE RECORDED TO COMPLY WITH THE REQUIREMENTS OF RCW 65.04. SAID ABBREVIATED LEGAL DESCRIPTION IS NOT A SUBSTITUTE FOR A COMPLETE LEGAL DESCRIPTION WHICH MUST ALSO APPEAR IN THE BODY OF THE DOCUMENT:

LOTS 1-4, KCSP NO. 1181034, REC. NO. 8301060563.

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NOTE 4:  
THE PREMIUM FOR THE EXTENDED COVERAGE OWNER'S POLICY IS ITEMIZED AS FOLLOWS:

DESCRIPTION	AMOUNT
STANDARD COVERAGE:	\$ 1,956.00
SALES TAX:	\$ 185.82
EXTENDED COVERAGE SURCHARGE:	\$ 978.00
SALES TAX ON SURCHARGE:	\$ 92.91
TOTAL PREMIUM, INCLUDING TAX:	\$ 3,212.73

**YOUR INVOICE, TO FOLLOW, WILL CONTAIN THE FOLLOWING CHARGES:**

<b>INSPECTION CHARGE:</b>	<b>\$ 230.00</b>
<b>SALES TAX:</b>	<b>\$ 21.85</b>
<b>TOTAL CHARGES, INCLUDING TAX:</b>	<b>\$ 3,464.58</b>

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NOTE 5:  
IN THE EVENT THE OWNER'S POLICY COVERAGE IS CHANGED FROM EXTENDED TO STANDARD COVERAGE A CHARGE OF \$230.00, PLUS \$21.85 SALES TAX, WILL BE ADDED TO COVER THE COSTS RELATING TO THE EXTENDED COVERAGE INSPECTION.

**END OF SCHEDULE B**

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Fidelity National Financial, Inc.  
**Privacy Statement**

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

#### Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

#### Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

#### Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

#### Access to Personal Information/

##### Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer  
 Fidelity National Financial, Inc.  
 601 Riverside Avenue  
 Jacksonville, FL 32204

#### Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.