

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Action A 7

DATE: May 14, 2009

SUBJECT: George 6-Plex

Approval of proposed Reimbursement (Latecomers) Agreement
Public Water and Sewer Easement Agreement
Acceptance of Bill of Sale
Real Estate Excise Tax Affidavit

CONTACT PERSON: Margaret King, City Attorney

ISSUE:

1. Authorize the Mayor to sign the proposed Reimbursement Agreement forming an Assessment Reimbursement Area to the benefit of Ray and Kay George, developers of Garden Green Apartments, as provided by Sultan Municipal Code 11.10.100.
2. Accept the Bill of Sale and dedication of certain utility mains installed in the Garden Green Apartments development.
3. Accept a Public Water and Sewer Easement for access for ongoing operation and maintenance of said mains as public utilities by the City of Sultan.

STAFF RECOMMENDATION:

Staff recommends that the council approve a motion authorizing the Mayor to sign a Latecomer's Agreement as provided by SMC Chapter 11.10, creating an Assessment Reimbursement Area to the benefit of Ray and Kay George for water and sewer mains installed as part of the Garden Green Apartments development.

As part of the above approval, Staff also recommends that the council accept the Bill of Sale and dedication of the water and sewer mains that are covered by the Reimbursement Agreement as well as the water and sewer easement agreement to allow the City to access and service the utilities that will be owned by the City.

SUMMARY:

Ray and Kay George, developers of the 6-plex residential development on Garden Green Place, are proposing to contract with the City for a Latecomer's Agreement as provided by Sultan Municipal Code Chapter 11.10. The agreement would allow them to be reimbursed for a portion of the cost of installing water and sewer mains in their development if other developers access service from the mains installed as part of the George's development.

The Georges are also presenting a bill of sale that conveys the water and sewer mains to the City, and an easement so that the City may access the mains for ongoing operation and maintenance as public utility facilities.

ANALYSIS of LATECOMER'S AGREEMENT:

1. Development of the subject 6-plex involved provision of city water and sewer.
2. Typical to this type of development, the developer is responsible for installing the utilities that provide service to the development.
3. Upon inspection and approval by the City, the developer dedicates the facilities to the City for ongoing operation and maintenance.
4. As provided in Sultan Municipal Code (SMC) Chapter 11.10, the developer may request a "Latecomer Agreement" that provides repayment of a portion of the development costs if another development draws service from the mains installed by the holder of the latecomer agreement.
5. The George's have requested a latecomer agreement for this project and have provided the materials required by SMC 11.10.040
6. The City Engineer has determined the application to be complete as provided by SMC 11.10.030 and 11.10.060, and determined the costs of the project that are appropriate for inclusion in the latecomer agreement and .
7. The City Engineer has determined the "assessment reimbursement area based on a determination of which parcels ... may subsequently tap into or use the (developer installed utilities)" .
8. Property owners proposed to be included in the assessment reimbursement area have been notified as provided for by SMC 11.10.080.
9. The affected owners responded to the notice and indicated that they had no objection to being included in the assessment reimbursement area and did not request a hearing on the assessment process as provided by SMC 11.10.080 B.
10. The City Council must accept the proposed Latecomer's Agreement and authorize creation of the assessment reimbursement area as recommended by the City Engineer.

ANALYSIS OF DEDICATION AND EASEMENT:

Reimbursement agreements, which are also commonly referred to as latecomers agreements or recovery contracts, allow a property owner who has installed utility improvements to recover a portion of the cost of such improvements from other property owners who later develop property in the prescribed area and use the improvements.

The governing statutory provision for utility latecomer agreements is Chapter 35.91 RCW. Under this chapter, a city such as Sultan may contract with owners of real estate for the construction of several forms of sewer and water facilities. Under such agreements, the City can contract for a period not to exceed 15 years to allow for reimbursement of a fair pro rata share of the construction costs of the sewer (or water) utility to property owners by other property owners who subsequently tap into the improvements or use them but who did not contribute to the original cost of the facilities. Such agreements are subject to Chapter 35.91 RCW and reasonable rules and regulations adopted by the City related to the agreements. Sultan has adopted such rules and regulations in Chapter 11.10.

As set out above, the George's have requested such a reimbursement agreement and have already constructed the improvements. Additionally, because the improvements have been constructed on private property, the George's are also providing an easement agreement to allow the City to have access to the water and sewer mains.

FISCAL IMPACT:

RECOMMENDED ACTION:

Staff recommends that the Council approve the reimbursement agreement and all of the related documents to allow the City to take ownership and control of the utilities and allow the George's the opportunity to seek reimbursement for those that may connect to the improvements that were put into place by the Georges.

ATTACHMENTS:

Attachment A	Approval of proposed Reimbursement (Latecomers) Agreement
Attachment B	Public Water and Sewer Easement Agreement
Attachment C	Acceptance of Bill of Sale
Attachment D	Real Estate Excise Tax Affidavit

**REIMBURSEMENT AGREEMENT
BETWEEN THE CITY OF SULTAN AND RAY E. AND BELINDA KAY GEORGE
FOR WATER AND SEWER IMPROVEMENTS**

THIS AGREEMENT (“Agreement”) is entered into by and between the City of Sultan, Washington, a non-charter municipal code city (“City”), and Ray E. and Belinda Kay George (“Developer”) (individually a “Party” and collectively the “Parties”) for the purposes set forth in this Agreement.

RECITALS

Whereas, the Developer has constructed and installed water and sewer system improvements (the “System”) as required by the City for the High Street Townhouses project. The System is located on property north of and adjacent to High Avenue within the City on property owned by Ray E. George and Belinda Kay George ; and

Whereas, the Developer intends to convey ownership of the System by Bill of Sale to the City and execute an easement and a maintenance bond in order for the City to accept ownership and maintenance of the System; and

Whereas, pursuant to RCW 35.91 and Sultan Municipal Code (SMC) 11.10.040, the Sultan City Council is authorized to approve applications for a reimbursement agreement, where a property owner who has constructed water or sewer facilities may be partially reimbursed for the costs of such improvements by owners of other property benefited by the same improvements; and

Whereas, the Parties desire to enter into a contract pursuant to Chapter 35.91 RCW and applicable City ordinances to provide for reimbursement to the Developer for reimbursement of a portion of the construction and installation costs from owners of real estate who subsequently tap onto, connect to or use the System; and

Whereas, pursuant to SMC 11.10.060, the City Council has approved the construction of the System and approved the Developer’s application for a reimbursement agreement.

AGREEMENT

Now, therefore, in consideration of the terms and conditions set forth in this Agreement, the Parties agree as follows:

1. This Agreement pertains to the System, described in the construction plans approved by the City and the real property owned by the Developer, both as set forth or as legally described and incorporated herein by reference as **Exhibit A** (the “System”), and the properties that will benefit from or make use of the System, as described in the reimbursement boundary map and legal descriptions attached hereto and incorporated herein by reference as **Exhibit B** (the “Benefited Properties”).

2. The Developer has furnished the City with an as-built drawing of the installation of the System, together with receipted bills showing all charges and expenses incurred in connection with the installation of the System.
3. The original costs due to the Developer of that portion of the System covered by this Recovery Contract were \$203,143.64 and such costs were borne solely by the Developer.
4. The maximum amount recoverable under this contract is \$113,760.44. The maximum amount recoverable represents the total net costs of the System (\$203,143.64) less the portion of the fair pro rata share of the cost of the System allocated to the Developer (\$89,383.20).
5. For a period of fifteen (15) years, the City agrees to require the owners of the real estate referenced on **Exhibit B**, who hereafter connect to or use the System, to pay a fair pro rata share of the cost of the original construction of the System for such real estate (the "Reimbursement Recovery Charge" or "Reimbursement Recovery Charges") as set forth on **Exhibit B**. However, the Reimbursement Recovery Charge does not include any other capital improvement connection, meter or other fees and charges levied by the City, whether it be by square footage of the area served and/or a flat fee. Expansion of the High Street Townhouse Development or additional development on Developers property on which System has been installed, shall not be subject to any Reimbursement Recovery Charge. No property extending beyond the terminus of the System, as of the date the System has been accepted by the City, shall be served by the System unless there is an extension from said terminus which is constructed and financed in accordance with state and local laws and ordinances.
6. The fair pro rata share allocated to the Developer for the purposes of this Agreement is \$89,383.20.
7. This Agreement must be signed, notarized, and returned to the City by the Developer within thirty (30) days from the date the City Council approves the Agreement by Resolution. If not consummated within this thirty- (30) day period, the Agreement will become null and void.
8. The executed Agreement shall be recorded by the City in the official property records of Snohomish County and thereafter shall be binding on owners of record of the Benefited Properties. Following receipt from Snohomish County of the recorded Agreement, the City Clerk will mail a copy of the recorded Agreement to the Developer. All amounts so received by the City under the terms of this Contract, less collection costs of five percent (5%) for each payment received by the City under this Agreement and connection charges incurred by the City but not reimbursed by the user pursuant to the City's standard billing procedure, shall be paid to Developer within sixty (60) days after receipt thereof. Should the City fail to forward the reimbursement fee to the Developer through the City's sole negligence, then the City shall pay the Developer interest on those monies at the rate paid by the Washington State Local Government Pool. However, should the Developer not keep the City informed of its current correct mailing address, or should the Developer otherwise be negligent and thus contribute to the failure of the City to pay over the reimbursement fee, then no interest shall accrue on late payment of the reimbursement fee.

9. Before the City records this Agreement, the Developer shall: 1) provide proof to the City that all liens against the System have been released; 2) transfer to the City by Bill of Sale all right, title and interest in and to all of the improvements under the Agreement to the City; 3) grant an easement to the City to insure right-of-access for hook-ups, improvements, maintenance and replacement; and 4) provide a two-year maintenance bond in the amount of \$30,471.55 for the System. The Developer will also assign to the City the benefit and right to the reimbursement fee should the City be unable to locate the Developer to tender any reimbursement fee that the City has received. By instituting the reimbursement agreement, the City does not agree to assume any responsibility to enforce the agreement. The final reimbursement agreement recorded with Snohomish County will be a matter of public record and will serve as a notice to the owners or purchasers of the Benefited Properties. The Developer has responsibility to monitor those parties connecting to the System. Should the City become aware of such a connection, it will use its best efforts to collect the reimbursement fee, but shall not be obligated to make payment to the Developer or in any way incur any liability should it inadvertently fail to collect the reimbursement fee.

10. If the Developer shall hereafter assigns its rights herein, the City shall not recognize such assignment until a written notice of assignment is received from the Developer and executed by the Developer or its authorized representative. The assignment document shall contain the name, address, and phone number of the new assignee. Until such notice of assignment is received in the proper form, the City will pay any funds due under this agreement to the Developer at the following address:

Ray E. and Belinda Kay George
1304 Skywall Drive
Sultan, WA 98294

11. Except as provided in paragraph 5, no person, firm, or corporation shall be granted a permit or be authorized by the City to connect to or use the System during the fifteen (15) year period referenced herein without first paying the City the amount as required in this Agreement in addition to any and all of the City's costs and charges made or assessed for such connection or use. The fifteen (15) year period provided for herein shall commence on the date of the recording of this Agreement by the City with the Snohomish County Auditor's office, which act shall be also be considered the date of the final acceptance of the System improvements. The Developer agrees to reimburse the City for the recording fee and for all legal fees and other costs associated with the preparation, execution and recordation of the agreement. If the Developer fails to reimburse the City for such fees or costs within 30 days from the date the City invoices the Developer this Agreement shall become null and void.

12. At the end of the fifteen (15) year period, this Agreement shall terminate and the Developer shall no longer have any right to receive payment from owners of real estate connecting to or using the System, notwithstanding that the full amount provided for herein may not have been recovered by the Developer. Any front footage charges received after the fifteen (15) year period shall paid to and shall belong to the City.

13. The Developer further covenants and warrants that prior to recording as set forth in Paragraph 9, all expenses and claims in connection with the construction and installation of the System shall have been paid in full and any liens which attach to or affect the System shall be released and the Developer covenants and agrees to indemnify, defend and hold the City harmless from any and all liability in connection therewith including court costs and reasonable attorneys' fees in the defense thereof.

14. It shall be the responsibility of the Developer to adequately and correctly describe the real property subject to this Agreement as set forth in Section 1. The Developer agrees to indemnify, defend and hold the City harmless from any and all liability resulting from mistakes in such legal descriptions and the City is relieved of all responsibility under this Agreement for collecting on parcels or real estate not properly included in the legal descriptions in Section 1. Developer shall also defend, indemnify and hold harmless the City and its elected and appointed officers, officials, employees and agents (collectively the "City") from and against any and every claim, risk, action, lawsuit and all losses, damages, demands, judgments and attorneys' and expert witness fees and costs, and other expenses of any kind (collectively "Claims and Costs"), arising out of or relating in any way to this Agreement including, but not limited to, the calculation, assessment or approval of the Reimbursement Recovery Charges. If an action or lawsuit is filed against the City arising out of or relating to this Agreement, the Developer shall indemnify and hold harmless the City from and against all Claims and Costs which may be asserted against, paid or incurred by the City.

15. The amounts payable by owners of the real estate subject to this Agreement desiring to connect to the System shall be recorded as a charge upon such real estate until fully paid. When funds are received for a reimbursement fee, the City shall make an entry into the City's file for the Benefited Property within thirty (30) days of receipt of the funds. An individual certificate of payment will not be recorded with Snohomish County. The City will record a certificate of payment and release of assessment for the entire reimbursement area when all the property owners have paid their assessments. When fully paid, the charge shall be satisfied, released and discharged of record. The Developer hereby appoints the City Engineer or his/her designee as its attorney-in-fact to prepare, execute and file for record with Snohomish County a document appropriate to cancel and release the charge and obligation of the owner of the real estate connecting to or using the System; such release shall describe the real estate so connecting or using and the payment of the reimbursement amount owing, and thereupon this recovery contract shall no longer apply to such real estate. If, after reasonable effort, the City cannot locate the Developer within 180 days of collecting the fee the City shall refund the reimbursement fee, less a five percent (5%) administrative fee, to the party that paid the fee.

16. No person, firm, or corporation shall be granted a permit to be authorized to tap into, hookup, or use the System during the period of 15 years from the date of the recording of this Agreement without first paying to the City, in addition to any and all other costs, fees, and charges made or assessed for each tap, hookup, or use, or for the water main facilities constructed in connection therewith, the amount required by the provisions of this contract. Furthermore, in case any tap, hookup, or connection is made in the above-described system without the recovery payment having been first made to the City, the City Council may cause to have removed from such unauthorized tap, hookup, or connection, and all connecting pipe or

EXHIBIT A

DESCRIPTION OF SYSTEM AND DEVELOPER PROPERTY

EXHIBIT B
DESCRIPTION OF BENEFITTED PROPERTIES

Return to:
City Clerk
City of Sultan
PO Box 1199
319 Main Street
Sultan, WA 98294-1199

Above this line reserved for Recorder's use

PUBLIC WATER AND SEWER EASEMENT

Grantor: **RAY E. GEORGE AND BELINDA KAY GEORGE**, Husband and Wife
Grantee: **CITY OF SULTAN**, a municipal corporation of Snohomish County, Washington.
Document Reference Number(s):
Section/Township/Range: Ptn of E $\frac{1}{2}$ of NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of S32-T28N-R8E
Assessor's Tax Parcel Number(s): 280832-003-124-00 and 280832-003-005-00
Full legal descriptions of subject property and public water easement are legally described in Exhibits 'A-1' and 'A-2', which are attached and incorporated by reference.

1. Recitals.

A. The Grantor is the owner of that certain real property legally described on **Exhibit 'A-1'** attached hereto and incorporated herein by this reference.

B. This instrument sets forth the terms and conditions under which the Grantor will grant the Grantee an easement.

2. Grant of Easement.

For and in consideration of TEN DOLLARS (\$10.00) and other valuable consideration, the receipt of which is hereby acknowledged, RAY E. GEORGE AND BELINDA KAY GEORGE, ("Grantor") grants, conveys, and warrants to the CITY OF SULTAN and its agents, designees and/or assigns, ("Grantee") for the purposes hereinafter set forth, a perpetual easement under, across, and over a portion of the Parcels described on **Exhibit 'A-1'** ("Easement Area") attached hereto and incorporated herein by this reference. A legal description of said Easement Area being attached hereto as **Exhibit 'A-2'** is incorporated herein by this reference.

3. Purpose of Easement.

The Grantee, and its agents, designees and/or assigns to inspect, operate, maintain, repair, replace, improve, remove, and use the easement for sewer line and main, water line and main, water meter service lines, and fire hydrant and uses directly related thereto.

4. Obstructions; Landscaping.

Grantee may from time to time need to remove vegetation, trees, or other obstructions within the Easement in order to carry out the purposes of the Easement set forth in paragraph 3 hereof; provided, however, that following any such work, Grantee shall, to the extent reasonably practicable, restore the Easement and Grantor's property to a condition similar to its condition prior to such work.

5. Grantor's Use of Easement Area.

Grantor may continue to use the Easement for any purpose not inconsistent with Grantee's rights. Grantor shall not construct or maintain any buildings or other permanent structures on the Easement unless it receives written consent from the Grantee.

6. General Provisions.

A. Access. Grantee shall have the right of access to the easement, without prior notice to Grantor, at such times as deemed necessary by Grantee, to enable Grantee to exercise its rights hereunder.

B. Indemnification. Grantee shall hold the Grantor harmless from all costs, claims, or liabilities of any nature, including attorneys' fees, costs, and expenses for or on account of injuries or damages sustained by any persons or property resulting from the negligent activities or omissions of the Grantee resulting from this Easement.

C. Attorneys' Fees. In the event that any suit or other proceeding is instituted by either party to this instrument arising out of or pertaining to this instrument or the relationship of the parties, including but not limited to the filing of a lawsuit, a request for an arbitration, mediation, or other alternative dispute resolution process (collectively, "Proceeding"), and any appeals and collateral actions relative to such a Proceeding, the substantially prevailing party as determined by the court or as determined in the Proceeding shall be entitled to recover its reasonable attorneys' fees and all costs and expenses incurred relative to such Proceeding from the non-prevailing party, in addition to such other relief as may be awarded.

D. Binding Effect. This instrument shall be binding upon and inure to the benefit of the parties and their successors, heirs, assigns, and personal representatives and all persons claiming by, through or under the parties hereto. The easement created by this instrument shall be appurtenant, shall touch and concern the real property identified above, and shall run with the land.

E. Applicable Law. This instrument shall be governed by and construed in accordance with the laws of the State of Washington. Jurisdiction over and venue of any suit arising out of or related to this instrument shall be exclusively within the state or federal courts of Snohomish County, Washington.

F. Entire Agreement. This instrument contains the entire agreement between the parties with respect to this matter. It may not be modified except in a writing signed by both parties.

G. Waiver. Any waiver by a party of a breach of any provision of the agreement contained within this instrument by the other party shall not operate or be construed as a waiver of any subsequent breach by that party. No waiver shall be valid unless in writing and signed by the party against whom enforcement of the waiver is sought.

H. Severability. If for any reason any portion of this instrument or any agreement contained herein shall be held to be invalid or unenforceable, the holding of invalidity or unenforceability of that portion shall not affect any other portion of this instrument or agreement and the remaining portions of the instrument shall remain in full force and effect.

I. Notices. Any notice required or desired to be given under this instrument shall be deemed given if it is in writing and actually delivered to the party, or sent by certified mail to the address listed below for that party:

City Clerk
City of Sultan
PO Box 1199
319 Main Street
Sultan, WA 98294-1199

RAY E. GEORGE AND BELINDA KAY GEORGE
1304 Skywall Drive
Sultan, WA 98294

IN WITNESS WHEREOF, said individual has caused this instrument to be executed this _____ day of _____, 2009.

RAY E. GEORGE
Property Owner / Grantor

BELINDA KAY GEORGE
Property Owner / Grantor

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify I have know or have satisfactory evidence that RAY E. GEORGE is the person who appeared before me, and said person acknowledged that he signed this instrument on oath to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 2009.

Notary Public in and for the State of Washington
residing at _____
My appointment expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify I have know or have satisfactory evidence that BELINDA KAY GEORGE is the person who appeared before me, and said person acknowledged that she signed this instrument on oath to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 2009.

Notary Public in and for the State of Washington
residing at _____
My appointment expires _____

GRANTEE: CITY OF SULTAN

Carolyn Eslick, Mayor

Attest/Authenticated:

City Clerk

Approved As To Form by
City Attorney

STATE OF WASHINGTON)
) ss.
County of Snohomish)

On this _____ day of _____, 2009, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Carolyn Eslick, known to me to be the Mayor, of CITY OF SULTAN, the municipal corporation that executed the foregoing instrument, and acknowledged it to be the free and voluntary act of said municipal corporation, for the uses and purposes mentioned in this instrument, and on oath stated that he was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year above written.

Notary Public in and for the State of Washington
residing at _____
My appointment expires _____

EXHIBIT 'A-1'
Legal Description of Grantor's Property

Parcel A:

That portion of the East half of the Northwest quarter of the Northeast quarter of the Southwest quarter of Section 32, Township 28 North, Range 8 East, W.M., in Snohomish County, Washington, described as follows:

Beginning at a point on the North line of said Northwest quarter of the Northeast quarter of the Southwest quarter that lies S87°46'00" W a distance of 846.00 feet from the Northeast corner of said Southwest quarter; Thence continuing along said North line S87°46'00" W a distance of 154.06 feet to the Northwest corner of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter; Thence S00°15'01" E along the West line of said East half a distance of 281.89 feet to the North line of Lot 2 of Short Plat recorded under Auditor's File No. 9707175001, Records of Snohomish County, Washington; Thence N87°37'59" E along said North line a distance of 19.81 feet to the Northeast corner of said Lot 2; Thence S02°14'00" E along the East line of said Lot 2, a distance of 144.00 feet to the Southwest corner of said Lot 2; Thence N87°46'00" E Parallel with the North line of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter for a distance of 126.46 feet to the West line of parcel quieted by Summary Judgment entered November 17, 1995 in Snohomish County Superior Court case number 94-2-08306-4; Thence N00°10'00" W along said West line a distance of 29.94 feet to an angle point; Thence S87°46'00" W a distance of 3.32 feet; Thence N00°37'41" E along said West line a distance of 396.24 feet to the point of beginning;

Situate in the County of Snohomish, State of Washington.

Snohomish County Tax Parcel 280832-003-124-00

Parcel B:

That portion of the East half of the Northwest quarter of the Northeast quarter of the Southwest quarter of Section 32, Township 28 North, Range 8 East, W.M., in Snohomish County, Washington, described as follows:

Commencing at a point on the North line of said Northwest quarter of the Northeast quarter of the Southwest quarter that lies S87°46'00" W a distance of 846.00 feet from the Northeast corner of said Southwest quarter; Thence continuing along said North line S87°46'00" W a distance of 154.06 feet to the Northwest corner of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter; Thence S00°15'01" E along the West line of said East half a distance of 281.89 feet to the North line of Lot 2 of Short Plat recorded under Auditor's File No. 9707175001, records of Snohomish County, Washington; Thence N87°37'59" E along said North line a distance of 19.81 feet to the Northeast corner of said Lot 2; Thence S02°14'00" E along the East line of said Lot 2, a distance of 144.00 feet to the Southeast corner thereof, the TRUE POINT OF BEGINNING; Thence N87°46'00" E parallel with the North line of said East half of the

Northwest quarter of the Northeast quarter of the Southwest quarter for a distance of 126.46 feet to the West line of parcel quieted by Summary Judgment entered November 17, 1995 in Snohomish County Superior Court Case Number 94-2-08306-4; Thence S00°10'00" E a distance of 199.85 feet to the Northerly margin of High Street as described in the Statutory Warranty Deed recorded under Auditor's File No. 8108060172, records of Snohomish County, Washington; Thence S87°37'59" W along said Northerly margin a distance of 151.00 feet to the West line of the East half of the Northwest quarter of the Northeast quarter of the Southwest quarter; thence N00°15'01" W along said West line a distance of 200.14 feet to the South line of said Lot 2; thence N87°37'59" E a distance of 24.80 feet to the Southeast corner of said Lot 2, the True Point of Beginning.

Situate in the County of Snohomish, State of Washington.

Snohomish County Tax Parcel 280832-003-005-00

EXHIBIT 'A-2'

Legal Description of Public Water and Easement

Easement for water and sewer lines over the East 30 feet of Parcel B and the East 30 feet of the North 182 feet of Parcel A; said Parcels A and B being described in **Exhibit 'A-1'** herein.

BILL OF SALE

The Bill of Sale executed by RAY E. GEORGE and BELINDA KAY GEORGE, hereinafter referred to as the DEVELOPER, to the CITY OF SULTAN, hereinafter referred to as the CITY.

WHEREAS the DEVELOPER is the owner of property commonly known as the High Street Townhouse project, which is being developed according to CITY standards and municipal code, and;

WHEREAS the DEVELOPER has constructed utility improvements and has connected those to the existing CITY system; and

WHEREAS the CITY has approved and accepted those utility improvements; and

WHEREAS the DEVELOPER has executed and recorded easements for those portion of the utilities not located within CITY right-of-way;

THEREFORE, IN CONSIDERATION OF the mutual benefits and conditions set forth below, the parties hereto agree as follows:

The DEVELOPER does hereby convey and transfer unto the CITY the utilities now constructed as an extension of the CITY's system as set forth in **Exhibit A** of this bill of sale and incorporated herein by reference in exchange for the sum of one dollar (\$1.00).

The DEVELOPER shall warranty said utilities from defects and improper installation for a period of two (2) years from the date of this agreement.

The CITY hereby accepts the conveyance of said utilities and shall operate and maintain them in accordance with CITY standards.

Dated this _____ day of _____, 2009.

DEVELOPER

CITY

RAY E. GEORGE Date

CAROLYN ESLICK, Mayor Date

BELINDA KAY GEORGE Date

Exhibit A
Legal Description of Public Water and Sewer Easement

Easement for access to water and sewer lines over the East 30 feet of Parcel B and the East 30 feet of the North 182 feet of Parcel A; said Parcels A and B being described as follows:

Parcel A:

That portion of the East half of the Northwest quarter of the Northeast quarter of the Southwest quarter of Section 32, Township 28 North, Range 8 East, W.M., in Snohomish County, Washington, described as follows:

Beginning at a point on the North line of said Northwest quarter of the Northeast quarter of the Southwest quarter that lies S87°46'00" W a distance of 846.00 feet from the Northeast corner of said Southwest quarter; Thence continuing along said North line S87°46'00" W a distance of 154.06 feet to the Northwest corner of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter; Thence S00°15'01" E along the West line of said East half a distance of 281.89 feet to the North line of Lot 2 of Short Plat recorded under Auditor's File No. 9707175001, Records of Snohomish County, Washington; Thence N87°37'59" E along said North line a distance of 19.81 feet to the Northeast corner of said Lot 2; Thence S0214'00" E along the East line of said Lot 2, a distance of 144.00 feet to the Southwest corner of said Lot 2; Thence N87°46'00" E Parallel with the North line of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter for a distance of 126.46 feet to the West line of parcel quieted by Summary Judgment entered November 17, 1995 in Snohomish County Superior Court case number 94-2-08306-4; Thence N00°10'00" W along said West line a distance of 29.94 feet to an angle point; Thence S87°46'00" W a distance of 3.32 feet; Thence N00°37'41" E along said West line a distance of 396.24 feet to the point of beginning;

Situate in the County of Snohomish, State of Washington.

Snohomish County Tax Parcel 280832-003-124-00

Parcel B:

That portion of the East half of the Northwest quarter of the Northeast quarter of the Southwest quarter of Section 32, Township 28 North, Range 8 East, W.M., in Snohomish County, Washington, described as follows:

Commencing at a point on the North line of said Northwest quarter of the Northeast quarter of the Southwest quarter that lies S87°46'00" W a distance of 846.00 feet from the Northeast corner of said Southwest quarter; Thence continuing along said North line S87°46'00" W a distance of 154.06 feet to the Northwest corner of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter; Thence S00°15'01" E along the West line of said East half a distance of 281.89 feet to the North line of Lot 2 of Short Plat recorded under Auditor's File No. 9707175001, records of Snohomish County, Washington; Thence N87°37'59" E along said North line a distance of 19.81 feet to the Northeast corner of said Lot 2; Thence S02°14'00" E along the East line of said Lot 2, a distance of 144.00 feet to the Southeast corner thereof, the TRUE POINT OF BEGINNING; Thence N87°46'00" E parallel with the North line of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter for a distance of 126.46 feet to the West line of parcel quieted by Summary Judgment entered November 17, 1995 in Snohomish County Superior Court Case Number 94-2-08306-4; Thence S00°10'00" E a distance of 199.85 feet to the Northerly margin of High Street as described in the Statutory Warranty Deed recorded under Auditor's File No. 8108060172, records of Snohomish County, Washington; Thence S87°37'59" W along said Northerly margin a distance of 151.00 feet to the West line of the East half of the Northwest quarter of the Northeast quarter of the Southwest quarter; thence N00°15'01" W along said West line a distance of 200.14 feet to the South line of said Lot 2; thence N87°37'59" E a distance of 24.80 feet to the Southeast corner of said Lot 2, the True Point of Beginning.

Situate in the County of Snohomish, State of Washington.

Snohomish County Tax Parcel 280832-003-005-00

Exhibit A
Public Water and Sewer Lines

Those water and sewer lines located in the East 30 feet of Parcel B and the East 30 feet of the North 182 feet of Parcel A; said Parcels A and B being described as follows:

Parcel A:

That portion of the East half of the Northwest quarter of the Northeast quarter of the Southwest quarter of Section 32, Township 28 North, Range 8 East, W.M., in Snohomish County, Washington, described as follows:

Beginning at a point on the North line of said Northwest quarter of the Northeast quarter of the Southwest quarter that lies S87°46'00" W a distance of 846.00 feet from the Northeast corner of said Southwest quarter; Thence continuing along said North line S87°46'00" W a distance of 154.06 feet to the Northwest corner of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter; Thence S00°15'01" E along the West line of said East half a distance of 281.89 feet to the North line of Lot 2 of Short Plat recorded under Auditor's File No. 9707175001, Records of Snohomish County, Washington; Thence N87°37'59" E along said North line a distance of 19.81 feet to the Northeast corner of said Lot 2; Thence S02°14'00" E along the East line of said Lot 2, a distance of 144.00 feet to the Southwest corner of said Lot 2; Thence N87°46'00" E Parallel with the North line of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter for a distance of 126.46 feet to the West line of parcel quieted by Summary Judgment entered November 17, 1995 in Snohomish County Superior Court case number 94-2-08306-4; Thence N00°10'00" W along said West line a distance of 29.94 feet to an angle point; Thence S87°46'00" W a distance of 3.32 feet; Thence N00°37'41" E along said West line a distance of 396.24 feet to the point of beginning;

Situate in the County of Snohomish, State of Washington.

Snohomish County Tax Parcel 280832-003-124-00

Parcel B:

That portion of the East half of the Northwest quarter of the Northeast quarter of the Southwest quarter of Section 32, Township 28 North, Range 8 East, W.M., in Snohomish County, Washington, described as follows:

Commencing at a point on the North line of said Northwest quarter of the Northeast quarter of the Southwest quarter that lies S87°46'00" W a distance of 846.00 feet from the Northeast corner of said Southwest quarter; Thence continuing along said North line S87°46'00" W a distance of 154.06 feet to the Northwest corner of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter; Thence S00°15'01" E along the West line of said East half a distance of 281.89 feet to the North line of Lot 2 of Short Plat recorded under Auditor's File No. 9707175001, records of Snohomish County, Washington; Thence N87°37'59" E along said North line a distance of 19.81 feet to the Northeast corner of said Lot 2; Thence S02°14'00" E along the East line of said Lot 2, a distance of 144.00 feet to the Southeast corner thereof, the TRUE POINT OF BEGINNING; Thence N87°46'00" E parallel with the North line of said East half of the Northwest quarter of the Northeast quarter of the Southwest quarter for a distance of 126.46 feet to the West line of parcel quieted by Summary Judgment entered November 17, 1995 in

Snohomish County Superior Court Case Number 94-2-08306-4; Thence S00°10'00" E a distance of 199.85 feet to the Northerly margin of High Street as described in the Statutory Warranty Deed recorded under Auditor's File No. 8108060172, records of Snohomish County, Washington; Thence S87°37'59" W along said Northerly margin a distance of 151.00 feet to the West line of the East half of the Northwest quarter of the Northeast quarter of the Southwest quarter; thence N00°15'01" W along said West line a distance of 200.14 feet to the South line of said Lot 2; thence N87°37'59" E a distance of 24.80 feet to the Southeast corner of said Lot 2, the True Point of Beginning.

Situate in the County of Snohomish, State of Washington.

Snohomish County Tax Parcel 280832-003-005-00



PLEASE TYPE OR PRINT

REAL ESTATE EXCISE TAX AFFIDAVIT
CHAPTER 82.45 RCW - CHAPTER 458-61A WAC

This form is your receipt when stamped by cashier.

THIS AFFIDAVIT WILL NOT BE ACCEPTED UNLESS ALL AREAS ON ALL PAGES ARE FULLY COMPLETED

Check box if partial sale of property. (See back of last page for instructions)

Form sections 1 and 2: Seller/Grantor and Buyer/Grantee information including names, addresses, and phone numbers.

Form section 3: Correspondence information and assessed values table.

Form section 4: Street address of property and legal description.

Form section 5: Land Use Code(s) and exemption questions.

Form section 6: Designation and classification questions.

Form section 7 (left): Notice of Continuance and Compliance instructions.

Form section 7 (right): Financial summary table with columns for various fees and taxes.

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Form section 8: Signature lines for Grantor/Grantor's Agent and Grantee/Grantee's Agent.

Perjury: Perjury is a class C felony which is punishable by imprisonment in the state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars (\$5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1C)).