



Fidelity National Title Insurance Company

Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:

Issuing Agent: **LAND SERVICES USA, LLC**
Issuing Office: **1420 5th Ave, Suite 2200, Seattle, WA 98101**
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Commitment Number:
Issuing Office File Number: **WAFN25-1687 JRC**
Property Address: **21117 59th Avenue NE, Arlington, WA 98223**
Revision Number:

SCHEDULE A

1. Commitment Date: **July 31, 2025**
2. Policy to be issued:
 - a. ALTA® Owner's Policy
 Proposed Insured: **Quarterra Multifamily Communities, LLC, a Delaware limited liability company**
 Proposed Amount of Insurance: **\$5,800,000.00**
 The estate or interest to be insured: **Fee Simple**
 - b. ALTA® Loan Policy
 Proposed Insured: **Lender with contractual obligations under a loan agreement with the Proposed Insured Owner**
 Proposed Amount of Insurance: **\$100,000.00**
 The estate or interest to be insured: **Fee Simple**
3. The estate or interest in the Land at the Commitment Date is **Fee Simple**.
4. The Title is, at the Commitment Date, vested in:
Lane Properties LLC, a Washington limited liability company
5. The Land is described as follows:
See continuation of Schedule A

Countersigned:

LAND SERVICES USA, LLC
1420 5th Ave, Suite 2200
Seattle, WA 98101

By: _____
Authorized Signatory

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27C170B47

ALTA Commitment for Title Insurance (7-1-21) w-WA Mod

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File No. **WAFN25-1687 JRC**

SCHEDULE A

(Continued)

LEGAL DESCRIPTION

ALL THAT CERTAIN lot or parcel of land situate in the County of Snohomish, State of Washington, and being more particularly described as follows:

THE Northwest Quarter of the Northwest Quarter of the Southeast Quarter of Section 10 Township 31 North, Range 5 East, W.M., Snohomish County, Washington;

EXCEPT that portion thereof lying within county road known as 59th Avenue Northeast;

AND EXCEPT that portion thereof conveyed to the State of Washington by deed recorded under Recording Number 1082111;

AND EXCEPT that portion thereof appropriated by the State of Washington under Snohomish County Superior Court Cause No. 89826.

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SCHEDULE B, PART I - Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
 - a. **Deed from Lane Properties LLC, a Washington limited liability company to Quarterra Multifamily Communities, LLC, a Delaware limited liability company conveying the subject property set forth under Schedule A.**
5. Additional requirements and/or exceptions may be added as details of the transaction are disclosed to, or become known by the Company.
6. If the Seller or Borrower intends to sign documents required to insure the transaction utilizing a remote online notary, please notify the Company immediately as additional underwriting requirements will need to be satisfied.
7. Furnish recording instructions with the documents to be recorded in this transaction. Said instructions must address each requirement made herein, list any endorsements to be issued with the policy and specify the recording order of any documents furnished.

The Company reserves the right to add additional items or make further requirements after review of the requested instructions prior to recording the documents or issuing any requested endorsement.

The Company also reserves the right to charge any applicable additional fees for any endorsement requested.

8. Lien of Real Estate Excise Tax upon sale of said premises, or transfer of a controlling interest, if unpaid. As of the date herein, the excise tax rates are as follows:
Levy/Area Code: 0013

State Excise Tax for real property classified as Timberland (RCW 84.34 or RCW 84.33) or Agricultural land (RCW 84.34.020):

1.28% of the selling price

All other State Excise Tax:

1.10% of the selling price less than or equal to \$525,000.00

1.28% of the selling price from \$525,000.01 to \$1,525,000.00

2.75% of the selling price from \$1,525,000.01 to \$3,025,000.00

3.00% of the selling price over \$3,025,000.00

Local Excise Tax for City of Seattle:

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SCHEDULE B, PART I - Requirements

(Continued)

.50% of the selling price

In addition to the Excise Tax due, a fee of \$5.00 will be charged on all taxable transactions (\$10.00 on all exempt transactions)

9. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Lane Properties LLC

- a. A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b. If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendment thereto with the appropriate filing stamps.
- c. If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member
- d. A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created.
- e. If less than all members, or manager, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

10. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Quarterra Multifamily Communities, LLC

- a. A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b. If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendment thereto with the appropriate filing stamps.
- c. If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member
- d. A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created.
- e. If less than all members, or manager, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

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SCHEDULE B, PART I - Requirements

(Continued)

11. TO PROVIDE THE EXTENDED COVERAGE POLICY IDENTIFIED IN SCHEDULE A, GENERAL EXCEPTIONS A THROUGH D WILL BE CONSIDERED WHEN OUR INSPECTION AND REVIEW OF SURVEY IS COMPLETED AND UPON RECEIPT AND REVIEW OF THE COMPLETED OWNERS AFFIDAVIT.

If there have been recent improvements on the property within 90 days prior to closing we shall require a signed indemnity agreement and a recent financial statement from each indemnitor.

If construction financing is to be insured, please contact the title officer for requirements.

The Company Reserves the right to add additional exceptions or make further requirements after review of the property inspection and requested documentation.

12. A completed owner's affidavit (form to be supplied by the Company) will be required in connection with issuance of the policy(ies) shown in Schedule A.
13. The Company will require an ALTA/NSPS LAND TITLE SURVEY. If the owner of the Land the subject of this transaction is in possession of a current ALTA/NSPS LAND TITLE SURVEY, the Company will require that said survey be submitted for review and approval; otherwise, a new survey, satisfactory to the Company, must be prepared by a licensed land surveyor and supplied to the Company prior to the close of escrow.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

14. The application for title insurance was placed by reference to only a street address or tax identification number. The proposed insured must confirm the legal description in this report covers the parcel(s) of the Land requested to be insured. If the legal description is incorrect, the proposed insured must notify the Company and/or the settlement company in order to prevent errors and be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
15. Intentionally Deleted.
16. If title to the Land is currently held by an entity (partnership, corporation, limited liability company, etc.), the proceeds from this transaction will only be disbursed to said entity, and not to any other party.

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SCHEDULE B, PART II—Exceptions

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared 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 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. Reservations and exceptions in United States Patents or in Acts authorizing the issuance thereof.
- I. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- J. Water rights, claims or title to water.
- K. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.

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SCHEDULE B, PART II—Exceptions

(Continued)

SPECIAL EXCEPTIONS

1. Easement granted to the Public Utility District No. 1 of Snohomish County and the terms and conditions thereof recorded August 25, 1993 under [Instrument No. 9308250058](#).

Affects portion of said premises

2. Intentionally Deleted.
3. Intentionally Deleted.
4. General and special taxes and charges, payable February, delinquent if first half unpaid on May 1, second half delinquent if paid on November 1 of the tax year (amounts do not include interest and penalties)

Year: 2025

Amount Billed: \$9,101.24

Amount Paid: \$4,550.62

Amount Due: \$4,550.62

Tax Account Number: 310510-004-027-00

Levy Code: 00112

Assessed Value Land: \$1,235,400.00

Assessed Value Improvements: \$0.00

5. Liability, if any, for personal property taxes pursuant to RCW 84.56.070 wherein no sale can be made without prepayment of said tax, including advance tax. For further information, please call the Snohomish County Treasurer's office at (425) 388-3307.
6. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.
7. Any unrecorded leaseholds, right of vendors and holders of security interests on personal property installed upon the Land and rights of tenants to remove trade fixtures at the expiration of the terms.
8. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey:
Job No.: 240814
Dated: July 1, 2024
Prepared by: Terrane
Matters Shown:
 - a. Survey of Parcel #31051000402400 and the corners set in conjunction with that survey encroach into the East line of the Subject Property
 - b. Fence encroaches into the East side of the property.

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SCHEDULE B, PART II—Exceptions

(Continued)

9. Any discrepancies in boundary or area or any rights which may arise or exist which are disclosed by a Record of Survey on said property recorded March 19, 2025 under [Instrument No. 202503195007](#).
10. Boundary Line Agreement and the terms and conditions thereof recorded June 02, 2025 under [Instrument No. 202506020019](#).

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