



EXHIBIT 3  
PAGE 1 OF 12

**COMMITMENT FOR TITLE INSURANCE**

Issued by

***FIRST AMERICAN TITLE INSURANCE COMPANY***

First American Title Insurance Company, herein called the Company, for valuable consideration, hereby 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 mortgagor of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

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 hereof by the Company, either at the time of the issuance of the Commitment or by subsequent endorsement.

This Commitment if preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six (6) months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until countersigned by an authorized officer or agent.

IN WITNESS WHEREOF, the Company has caused this commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws. This Commitment is effective as of the date shown in Schedule A as "Effective Date."



***First American Title Insurance Company***

By: *Gary L. Keruett* President

Attest: *Mark R. Arnsperger* Secretary

By: *Joseph T. Pen* Countersigned

RECEIVED

AUG 27 2013

CITY OF WOODINVILLE  
DEVELOPMENT SERVICES



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**First American Title Insurance Company  
National Commercial Services**

818 Stewart Street, Suite 800, Seattle, WA 98101  
(206)728-0400 - (800)526-7544 FAX (206)448-6348

Chantale A. Stiller-Anderson  
(206)448-6286  
cstiller@firstam.com

Terri Nugent  
(206)615-3041  
tnugent@firstam.com

Chantale A. Stiller-Anderson  
(206)448-6286  
cstiller@firstam.com

Terri Nugent  
(206)615-3041  
tnugent@firstam.com

To: **DR Horton**  
**12910 Totem Lake Blvd NE, Suite 220**  
**Kirkland, WA 98034**

File No.: **NCS-617893-WA1**  
Your Ref No.: **Woodinville Heights**  
**III**

Attn: **Ashley M. Wilson**

**SCHEDULE A**

**2nd Report**

1. Commitment Date: August 21, 2013 at 7:30 A.M.

2. Policy or Policies to be issued:

	AMOUNT		PREMIUM		TAX
Extended Owner's Coverage	\$ 1,400,000.00	\$	To Follow	\$	To Follow

Proposed Insured:  
SSHI LLC, a Delaware limited liability company

3. The estate or interest in the land described on Page 2 herein is **Fee Simple**, and title thereto is at the effective date hereof vested in:

The heirs and devisees of Henry Epp and Audrey E. Epp, deceased

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

The land referred to in this report is described in Exhibit "A" attached hereto.

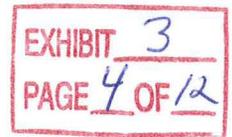
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**EXHIBIT 'A'**

**LEGAL DESCRIPTION:**

THE WEST 300 FEET OF THE SOUTH 300 FEET OF THE SOUTH HALF OF THE NE ¼ OF THE SE ¼ OF SECTION 16, TOWNSHIP 26 NORTH, RANGE 5 E. W.M., KING COUNTY, WASHINGTON.

(ALSO KNOWN AS TRACT 3 OF OLSON'S ACRE TRACTS, UNRECORDED)



**SCHEDULE B - SECTION 1  
REQUIREMENTS**

The following are the Requirements to be complied with:

- Item (A) Payment to or for the account of the Grantors or Mortgagors of the full consideration for the estate or interest to be insured.
- Item (B) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record.
- Item (C) Pay us the premiums, fees and charges for the policy.
- Item (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions

**SCHEDULE B - SECTION 2  
GENERAL EXCEPTIONS**

The Policy or Policies to be issued will contain Exceptions to the following unless the same are disposed of to the satisfaction of the Company.

- A. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- B. Any facts, rights, interest, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of person in possession thereof.
- C. Easements, claims of easement or encumbrances which are not shown by the public records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
- E. (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 excepted under (1), (2) or (3) are shown by the public records; (4) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
- F. Any lien, or right to a lien, for services, labor, materials or medical assistance theretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
- H. 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 mortgages thereon covered by this Commitment.

**SCHEDULE B - SECTION 2  
(continued)  
SPECIAL EXCEPTIONS**



1. Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for the **City of Woodinville** is at **1.78%**. Levy/Area Code: 2505

**For all transactions recorded on or after July 1, 2005:**

- **A fee of \$10.00 will be charged on all exempt transactions;**
- **A fee of \$5.00 will be charged on all taxable transactions in addition to the excise tax due.**

2. Delinquent General Taxes for the year 2013, plus interest and penalties.

Tax Account No.:	162605-9077-06
Amount Billed:	\$ 6,164.84
Amount Paid:	\$ 0.00
Amount Due:	\$ 6,164.84
Assessed Land Value:	\$ 270,000.00
Assessed Improvement Value:	\$ 165,000.00

3. Delinquent General Taxes for the year 2012, plus interest and penalties.

Tax Account No.:	162605-9077-06
Amount Billed:	\$ 6,231.44
Amount Paid:	\$ 3,115.72
Amount Due:	\$ 3,115.72
Assessed Land Value:	\$ 322,000.00
Assessed Improvement Value:	\$ 149,000.00

4. The terms, provisions and easement(s) contained in the document entitled "Easement" recorded August 31, 1965 as under Recording No. 5921734 in Volume 4693, Page 509 of Official Records.

5. The terms and provisions contained in the document entitled "Agreement" recorded Undisclosed as Recording No. 6428993 of Official Records.

6. The terms and provisions contained in the document entitled "Joint Use and Maintenance Agreement" recorded May 4, 1979 as Recording No. 7905040138 of Official Records.

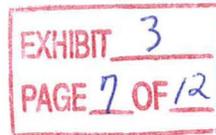
7. Henry Epp and Audrey E Epp died leaving a Non-Intervention Will.

Admitted to Probate:	March 26, 2013
Probate Case No.:	134073851, King County
Personal Representative:	Doug Tollerud
Attorney for Estate:	Richard Wills

Said personal representative is authorized to administer the estate without intervention of court and to mortgage, convey or contract to convey decedent's interest in said premises.

8. Lien of succession taxes upon the estate of Henry Epp and Audrey E Epp, deceased, King County, Probate Case No. 134073851
9. Evidence of the authority of the individual(s) to execute the forthcoming document for SSHI LLC, a Delaware limited liability company, copies of the current operating agreement should be submitted prior to closing.
10. Matters of extended owner/purchaser coverage which are dependent upon an inspection and an ALTA survey of the property for determination of insurability.  
  
Please submit a copy of the ALTA Survey at your earliest convenience for review. Our inspection will be held pending our review of the ALTA Survey and the result of said inspection will be furnished by supplemental report.
11. Unrecorded leaseholds, if any, rights of vendors and security agreement on personal property and rights of tenants, and secured parties to remove trade fixtures at the expiration of the term.
12. A document entitled "Bill of Sale", executed by and between SSHI, LLC d/b/a DR Horton and King County Water District No. 90 recorded July 9, 2013, as Instrument No. 20130709000726 of Official Records.





**INFORMATIONAL NOTES**

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

- A. Effective January 1, 1997, and pursuant to amendment of Washington State Statutes relating to standardization of recorded documents, the following format and content requirements must be met. Failure to comply may result in rejection of the document by the recorder.
- B. Any sketch attached hereto is done so as a courtesy only and is not part of any title commitment 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.
- C. The description can be abbreviated as suggested below if necessary to meet standardization requirements. The full text of the description must appear in the document(s) to be insured.  
  
Ptn Sec 16 Twp 26N Rng 5E, SE Qtr NE Qtr [aka Tract 3 Olson's Acre Tracts Unrec]  
  
APN: 162605-9077-06
- D. According to the application for title insurance, title is to vest in SSHI LLC, a Delaware limited liability company.  
  
Examination of the records discloses no matters pending against said party(ies).
- E. A fee will be charged upon the cancellation of this Commitment pursuant to the Washington State Insurance Code and the filed Rate Schedule of the Company.

**END OF SCHEDULE B**



***First American Title Insurance Company***  
***National Commercial Services***

**COMMITMENT**  
**Conditions and Stipulations**

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 acquires actual knowledge of a 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 or reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclosure 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 and Stipulations.
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, exclusion from coverage, and the Conditions and Stipulations of the form of Policy or Policies committed for in favor of the proposed Insured which are hereby incorporated by references, and are made a part of this Commitment except as expressly modified herein.
4. Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest or the lien of the Insured mortgage covered hereby or any action asserting such claim, shall be restricted to the provisions and Conditions and Stipulations of this Commitment.

The First American Corporation  
***First American Title Insurance Company***  
***National Commercial Services***  
**PRIVACY POLICY**



**We Are Committed to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

**Applicability**

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values, a copy of which can be found on our website at [www.firstam.com](http://www.firstam.com).

**Types of Information**

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

**Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

**Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

**Confidentiality and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

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20130709000726

LEININGER & CH 8S 34.00  
PAGE-001 OF 003  
07/09/2013 11:20  
KING COUNTY, WA

WHEN RECORDED RETURN TO:  
KING COUNTY WATER DISTRICT NO. 90  
15606 SE 128<sup>th</sup> Street  
Renton WA 98059

**BILL OF SALE**

Reference # (if applicable) \_\_\_\_\_  
Grantor(s) SSHI, LLC d/b/a DR Horton  
Grantee(s) KING COUNTY WATER DISTRICT NO. 90

Legal Description: N/A  
Assessor's Tax Parcel ID#: N/A

**KNOW ALL MEN BY THESE PRESENTS:** That, SSHI, LLC d/b/a DR Horton, a Delaware limited liability company, referred to as the party of the first part, for and in consideration of TEN DOLLARS AND OTHER VALUABLE CONSIDERATION (\$10.00), receipt of which is hereby acknowledged, does by these presents grant, bargain, sell, and deliver unto the said party of the second part, KING COUNTY WATER DISTRICT NO. 90, a Washington municipal corporation, the following described property located in King County, State of Washington, to wit:

SEE ATTACHED EXHIBIT "A"

**TO HAVE AND TO HOLD** the same to the said party of the second part, its heirs, executors, administrators and assigns forever. And the said party of the first part, for its heirs, executors, and administrators, covenants and agrees to and with the said party of the second part, its executors, administrators and assigns, that said party of

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the first part is the owner of the said property, goods and chattel, and has good right and full authority to sell the same, and that it will warrant and defend the sale hereby made unto the said party of the second part, its executors, administrators and assigns, against all and every person or persons, whomsoever, lawfully claiming or to claim the same.

IN WITNESS WHEREOF, the said party of the first part has hereunto set its hand and official seal this 17<sup>th</sup> day of June, 2013.

SSHI, LLC, d/b/a DR Horton

By:

Tia Heim  
Tia Heim, Vice President

STATE OF WASHINGTON)

)ss.

COUNTY OF KING )

On this day personally appeared before me, Tia Heim, to me known to be the individual described in and who acknowledged to me that she is the Vice President of SSHI, LLC d/b/a DR Horton, a Delaware limited liability company, the company described in, and acknowledges that she is authorized and has executed the within and foregoing instrument as the free and voluntary act and deed of the company, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2013.

RAEALYN HULQUIST  
STATE OF WASHINGTON  
NOTARY PUBLIC  
My Commission Expires 10-19-2013

Raelyn Hulquist  
NOTARY PUBLIC in and for the State of  
Washington, residing at Everett  
My Commission Expires: 10-19-2013



**Exhibit "A"**  
**WATER DISTRICT NO. 90**

**Cavalla DE**  
**(49 Lots / 3 Tracts)**

**Water Main Extension**  
Base Map F-4 / Drawings No. F4.015 & No. F4.016

SIZE	ON	FROM	TO	LENGTH
8 "	162 <sup>nd</sup> Ave SE	The connection to the existing system at the north plat line	The blow off assembly at the south plat line	655 L.F.
8 "	SE 138 <sup>th</sup> PI	The tee at the intersection of 162 <sup>nd</sup> Ave SE and SE 138 <sup>th</sup> PI	The east 45° bend at the intersection of SE 138 <sup>th</sup> PI and 163 <sup>rd</sup> PI SE	481 L.F.
8 "	163 <sup>rd</sup> PI SE	The east 45° bend at the intersection of SE 138 <sup>th</sup> PI and 163 <sup>rd</sup> PI SE	The 45° bend at the intersection of 163 <sup>rd</sup> PI SE and SE 139 <sup>th</sup> PI	318 L.F.
8 "	SE 139 <sup>th</sup> Ct	The tee at the intersection of 162 <sup>nd</sup> Ave SE and SE 139 <sup>th</sup> Ct	The tee at the intersection of SE 139 <sup>th</sup> Ct and 163 <sup>rd</sup> PI SE	472 L.F.
8 "	SE 139 <sup>th</sup> PI	The 45° bend at the intersection of 163 <sup>rd</sup> PI SE and SE 139 <sup>th</sup> PI	The 90° bend at the intersection of SE 139 <sup>th</sup> PI and 164 <sup>th</sup> Ave SE	183 L.F.
8 "	164 <sup>th</sup> Ave SE	The 90° bend at the intersection of SE 139 <sup>th</sup> PI and 164 <sup>th</sup> Ave SE	The connection to the existing system just north of the Parcel No. 150	438 L.F.
			Total 8"	2,547 L.F.

TOGETHER WITH valves, fire hydrants, services and appurtenances.

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