



City Council Regular Meeting Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, August 19, 2025

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Land Acknowledgement

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

5. Approval of Agenda and Consent Agenda Items

- A. Council worksession minutes of July 22, 2025
- B. Council dinner meeting minutes of August 5, 2025
- C. Council meeting minutes of August 5, 2025
- D. Approval of payment of claims, wages, and transfers for July 11 through August 8, 2025
- E. 2025-2026 Lacey Youth Council Appointments
- F. Final Plat & PRD Approval for Morel Meadows Division 1 - Project number 25-0162 (23-0180)

6. Proclamations

A. Overdose Awareness Day

Katie Strozyk, Thurston County Opioid and Overdose Response Program Manager

7. Public Comment

Refer to the bottom of the agenda for instructions on how to provide public comment.

8. Resolutions

- A. **Resolution 1171: 5025 Mullen Rd SE Property Surplus**
Vanessa Dolbee, Community and Economic Development Director

9. Ordinances

- A. **Ordinance 1681: Business License Code Amendment**
Troy Woo, Finance Director
Chelsea Yarwood, Accounting Manager

10. Mayor's Report

- A. **Advisory Board Appointment: Shinhyoung (Annie) Reinhardt, Lodging Tax Advisory Committee**

11. City Manager's Report

- A. **National Opioid Settlement: Purdue**
Rick Walk, City Manager

12. Council Reports

- A. Mayor Andy Ryder:
 - 1. Mayors' Forum
 - 2. Thurston Chamber Shared Legislative Committee
 - 3. Transportation Policy Board (TPB)
- B. Deputy Mayor Malcolm Miller:
 - 1. Economic Development Council (EDC)
 - 2. Lodging Tax Advisory Committee (LTAC)
 - 3. Thurston County Coalition Against Trafficking (TCCAT)
 - 4. Joint Animal Services Commission (JASCOM)
- C. Councilmember Lenny Greenstein:
 - 1. Emergency Medical Services (EMS)
 - 2. TCOMM911
 - 3. Opioid Abatement Council Independent Subcommittee
- D. Councilmember Michael Steadman:
 - 1. Nisqually River Council
 - 2. Thurston County Law & Justice Council
- E. Councilmember Carolyn Cox:
 - 1. LOTT Clean Water Alliance
 - 2. Regional Housing Council
 - 3. Intercity Transit Authority
- F. Councilmember Robin Vazquez:
 - 1. Thurston Climate Mitigation Collaborative
 - 2. Thurston Regional Planning Council (TRPC)

G. Councilmember Nicolas Dunning:

1. Thurston Thrives
2. Solid Waste Advisory Committee (SWAC)
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
4. Olympic Region Clean Air Agency (ORCAA)

13. Worksession

A. **Revenue Sources Overview Discussion**

Shannon Kelley-Fong, Assistant City Manager

14. Adjourn

Attendance and Public Comment

Attend Remote or In-Person

The public may attend the meeting in-person, or you may view or listen to the meeting using one of the following platforms:

In-Person	Council Chambers at Lacey City Hall 420 College Street SE, Lacey, WA 98503
Zoom:	https://us02web.zoom.us/webinar/register/WN_INy_s0jdTBit7uot7qCjxg
Website:	https://cityoflacey.org/government/public-meetings/
Facebook:	https://www.facebook.com/cityoflacey
YouTube:	https://www.youtube.com/watch?v=ILeN64Sh2EU
Cable:	Channel 77 with your local cable provider
Phone:	(888) 788-0099 or (877) 853-5247 (Webinar ID 824 7592 0022)

Verbal Public Comment

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

Prior to starting your comments, please provide your:

- a. Name
- b. City of residence or connection to the City
- c. Topic or subject matter of your comments

Those wishing to provide verbal public comment may do so in-person or by Zoom:

In-Person:	Use the sign-up sheet located in the Council Chambers.
Zoom:	Preregister using the following Zoom link no later than two hours prior to the meeting: https://us02web.zoom.us/webinar/register/WN_INy_s0jdTBit7uot7qCjxg

Instructions and access details will be provided once registration is complete.

Written Public Comment

Public comments may also be submitted by email to PublicComment@cityoflacey.org. The commenting period

will close two hours before the meeting time. Written comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the Council meeting; however, comments received will be added to the official record.



Lacey City Council Worksession Minutes

Tuesday, July 22, 2025

Council Chambers and Online

1. Call to Order

Mayor Ryder called the meeting to order at 6:00 p.m.

2. Roll Call

Council Present

Mayor Andy Ryder

Deputy Mayor Malcolm Miller

Councilmember Lenny Greenstein

Councilmember Michael Steadman

Councilmember Carolyn Cox

Councilmember Robin Vazquez

Councilmember Nicolas Dunning

Staff Present

Rick Walk, City Manager

Shannon Kelley-Fong, Assistant City Manager

Dave Schneider, City Attorney

Vanessa Dolbee, Community and Economic Development Director

Troy Woo, Finance Director

Kristy Wolf, Financial Services Manager

Michelle Chavez, Human Services Coordinator

Paul J. White, Deputy City Clerk

3. Land Acknowledgement

Mayor Ryder presented the abbreviated Land Acknowledgement.

4. Approval of the Agenda

Councilmember Greenstein moved to approve the agenda. Councilmember Steadman seconded. The motion carried.

5. Public Comment

No one signed up to speak at the meeting remotely or in person, and there were no written comments submitted.

6. Agenda Items

A. 2025 Human Services Grant Program Awards

Michelle Chavez, Human Services Coordinator

Chavez presented the recommendation of the Human Services Commission regarding 2025 program funding. The application review and interview process was described, as was the process of balancing funding requests, available funding, and community impact. Eleven funding options considered were summarized, to include the Commission's recommended option. Chavez described future program considerations related to community outreach and engagement, narrowing the scope of program priorities, and possible program policy adjustments. Discussion ensued. Authorization of the 2025 program funding will be requested at a future Council meeting.

B. Community Development Block Grant (CDBG) Consolidated Plan and Annual Action Plan Review

Michelle Chavez, Human Services Coordinator

Chavez presented an update on the Community Development Block Grant program. The Human Services Commission has recommended approval of a draft 2025-2027 Consolidated Plan and 2025 Annual Action Plan to be submitted for review by the U.S. Department of Housing and Urban Development (HUD). Chavez described how the plans align with City goals and national objectives and outlined the major sections of the documents. The final 2025 allocation to the City is \$348,393, which will become available on a reimbursement basis. Chavez summarized the process for certifying projects and summarized next steps, which include Council action in early August followed by submission to HUD for approval with the program year beginning September 1, 2025. Projects could be selected in the first quarter of 2026. Discussion ensued.

C. Interlocal Agreement: Thurston County District Court - Violations Bureau

Troy Woo, Finance Director

Kristy Wolf, Financial Services Manager

Wolf presented a draft amendment to the City's interlocal agreement with the Thurston County District Court. Currently, the City manages the Violations Bureau through its Utility Billing Division. Staff propose to transfer processing, adjudicating, and administering of violations occurring in the city to Thurston County. The administrative, fiscal impacts and operational benefits of the transfer were summarized. Violation revenue to the City will remain unaffected.

D. Disposition of Surplus City Owned Property

Vanessa Dolbee, Community and Economic Development Director

Craig Chance, Executive Director, Housing Authority of Thurston County

Dolbee provided an update on the property at 5025 Mullen Road Southeast. The City of Lacey took ownership of the parcel on June 30, 2025, from LOTT Clean Water Alliance for a total cost of \$451,322.15. The property is approximately 5.32 acres and is intended to be used for affordable housing. Staff's recommendation is to surplus the property by resolution to the Housing Authority of Thurston County, a non-profit 501(c)(3) similar-entity agency, which will require a memorandum of understanding, public engagement process, and restrictive covenants designed to ensure the property is developed as affordable housing in accordance with RCW 39.33.015. The threshold for determining affordability is a household income at or below 80 percent of Thurston County's Area Median Income (AMI).

7. Executive Session

A. City Manager Review RCW 42.30.110(1)(g)

At 6:55 p.m., Council recessed to executive session pursuant to RCW 42.30.110(1)(g) to discuss matters pertaining to the performance of a public employee. Mayor Ryder announced that the executive session would start at 7:05 p.m. and last approximately 30 minutes, after which the Council would reconvene at or shortly after 7:35 p.m. The executive session lasted 30 minutes, and no final action was taken.

8. Adjourn

Mayor Ryder reconvened the Council meeting and immediately adjourned the meeting at 7:35 p.m.



City Council Informational Dinner Meeting Minutes

Tuesday, August 5, 2025

Lacey City Hall, Community Room

1. Call to Order

Mayor Ryder called the meeting to order at 4:30 p.m.

2. Roll Call

Council Present

Mayor Andy Ryder

Deputy Mayor Malcolm Miller

Councilmember Lenny Greenstein

Councilmember Carolyn Cox

Councilmember Nicolas Dunning

Council Excused

Councilmember Michael Steadman

Councilmember Robin Vazquez

Staff Present

Rick Walk, City Manager

Elissa Fontaine, City Clerk

3. Land Acknowledgement

Mayor Ryder presented the abbreviated Land Acknowledgement.

4. Approval of Agenda

Councilmember Cox moved to approve the agenda. Councilmember Dunning seconded. The motion carried.

5. Discussion on Local and Regional Matters

Discussion ensued on the following topics:

1. The standing networking event for local officials, organizations, and regional partners hosted by Thurston County, on the fifth Wednesday of the month

2. An upcoming Housing Roundtable organized by Lieutenant Governor Heck
3. State budget deficit
4. Housing crisis to include long-term policy and housing models, Maple Court operations, and Regional Housing Council operations and structure
5. Considerations for future ballot measure proposals

No final action was taken per Lacey City Council Policies and Procedures, Chapter 7.01.

6. Adjourn

Mayor Ryder adjourned the meeting at 5:30 p.m.

DRAFT



City Council Regular Meeting Minutes

Tuesday, August 5, 2025

Council Chambers and Online

1. Call to Order

Mayor Ryder called the meeting to order at 6:00 p.m.

2. Roll Call

Council Present

Mayor Andy Ryder

Deputy Mayor Malcolm Miller

Councilmember Lenny Greenstein

Councilmember Carolyn Cox

Councilmember Robin Vazquez

Councilmember Nicolas Dunning

Council Excused

Councilmember Michael Steadman

Staff Present

Rick Walk, City Manager

Shannon Kelley-Fong, Assistant City Manager

Dave Schneider, City Attorney

Troy Woo, Finance Director

Michelle Chavez, Human Services Coordinator

Brian Waananen, Veterans Services Hub Coordinator

Elissa Fontaine, City Clerk

3. Pledge of Allegiance

Mayor Ryder led the Flag Salute.

4. Land Acknowledgement

Mayor Ryder presented the abbreviated Land Acknowledgement.

5. Approval of Agenda and Consent Agenda Items

A. Worksession minutes of June 24, 2025

B. Worksession minutes of July 8, 2025

- C. Council minutes of July 15, 2025
- D. Approval of payment of claims, wages, and transfers for July 3 through 25, 2025

Councilmember Greenstein moved to approve the agenda and consent agenda items. Deputy Mayor Miller seconded. The motion carried.

6. Proclamations

A. Legislators Appreciation

Jessica Bateman, Senator, 22nd District
Beth Doglio, Representative, 22nd District
Drew MacEwen, Senator, 35th District
Dan Griffey, Representative, 35th District
Matt Marshall, Representative, 2nd District

Mayor Ryder and Council proclaimed the City's appreciation to the State Legislators of the 22nd, 2nd, and 35th Districts. MacEwen, Marshall, and Doglio were present to accept the proclamation.

B. National Purple Heart Day

Oliver Osborne, Marine Corps Veteran

Mayor Ryder and Council proclaimed August 7, 2025, as National Purple Heart Day. Osborne was present to accept the proclamation.

7. Public Recognitions and Presentations

A. MakerSpace Update

Michelle Pope, Director, MakerSpace
Chris Pierson, Director of Operations and Funding, AJAC Training
Sean Moore, Director, Center for Business and Innovation, Thurston Economic Development Council

Pope presented an update on the Lacey MakerSpace, an innovator's workshop where community members can access tools and training. The presentation highlighted a membership overview, new class development, educational programs, volunteer programs, and new and ongoing collaborations. Moore presented funding details for 2025, a financial overview and projections, and reviewed the implementation of the strategic plan.

AJAC is a statewide nonprofit training organization that offers pre-apprenticeship, youth apprenticeship, and adult apprenticeship programs for manufacturing industries. Damien Magista, AJAC Regional Program Manager, presented on the partnership with the MakerSpace, program outcomes, and future plans.

John Zinser, MakerSpace member and woodworker, presented an ongoing canoe woodworking project.

B. Veterans Services Hub Update

Michelle Chavez, Human Services Coordinator

Brian Waananen, Lacey Veterans Services Hub Coordinator

The Veterans Services Hub provides a single point for veterans and their families to access Veterans Administration (VA) benefits, employment, financial assistance, healthcare, housing, education, legal, nutrition, and transportation services.

Chavez introduced Waananen as the new Lacey Veterans Services Hub Coordinator, who presented an update on the Veterans Services Hub. The presentation included a client summary, visit locator, volunteer update, current providers, initiatives, and training and development.

8. Public Comment

Verbal Public Comment

One (1) person signed up to speak at the meeting.

Cortni Holthaus, community member, commented on housing vouchers.

Written Public Comment

No written public comment(s) were received.

9. Mayor's Report

No reports were provided.

10. City Manager's Report

A. Thurston County District Court Violations Bureau Interlocal Agreement

Kristy Wolf, Financial Services Manager

Woo presented the draft amendment to the City's interlocal agreement with the Thurston County District Court. The amendment transfers the processing, adjudicating, and administering of violations occurring in the City to Thurston County. Violation revenues to the City will remain unaffected.

Councilmember Greenstein moved to authorize the City Manager to enter into Amendment No. 1 to the Interlocal Agreement Establishing District Court Filing and Jury Trial Fees, allowing for the transfer of all Violations Bureau functions to Thurston County. Councilmember Dunning seconded. The motion carried.

B. Human Services Grant Program Funding Awards

Michelle Chavez, Human Services Coordinator

Chavez presented the recommendation of the Human Services Commission regarding 2025 program funding. The application review, interview process, and deliberation were reviewed in detail during the July 22, 2025, Worksession. The Human Services Commission presented a recommendation to the Council that awards funds to applicants with scores above 95 with 60 percent or \$30,000 of the total requested, whichever is less, and applicants with scores of 90-95 with 46 percent or \$23,125.

Councilmember Dunning moved to approve awarding 2025 Human Services Grant Program funding as recommended by the Human Services Commission. Councilmember Vazquez seconded. The motion carried.

C. Community Development Block Grant Consolidated Plan and Annual Action Plan

Michelle Chavez, Human Services Coordinator

Chavez presented the draft 2025-2027 Consolidated Plan and 2025 Annual Action Plan (AAP). The Consolidated Plan is a planning document required by the U.S. Department of Housing and Urban Development (HUD) to be submitted every three to five years by all jurisdictions that receive Community Development Block Grant (CDBG) funds and HOME funds. The AAP is required by HUD to be submitted annually by all jurisdictions that receive CDBG and HOME funds. A detailed review of the plans, goals, national objectives, and process for project certification was reviewed during the July 22, 2025, Worksession.

Councilmember Dunning moved to authorize staff to submit the Draft 2025-2027 Consolidated Plan and Draft 2025 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) for review and approval. Councilmember Cox seconded. The motion carried.

11. Council Reports

A. Mayor Andy Ryder:

1. Mayors' Forum
2. Thurston Chamber Shared Legislative Committee
3. Transportation Policy Board (TPB)

Mayor Ryder provided a report from the Mayors' Forum.

B. Deputy Mayor Malcolm Miller:

1. Economic Development Council (EDC)
2. Lodging Tax Advisory Committee (LTAC)
3. Thurston County Coalition Against Trafficking (TCCAT)
4. Joint Animal Services Commission (JASCOM)

Deputy Mayor Miller did not provide any reports.

C. Councilmember Lenny Greenstein:

1. Emergency Medical Services (EMS)
2. TCOMM911
3. Opioid Abatement Council Independent Subcommittee

Councilmember Greenstein provided a report from TCOMM911.

D. Councilmember Michael Steadman:

1. Nisqually River Council
2. Thurston County Law & Justice Council
3. Olympic Region Clean Air Agency (ORCAA)

Councilmember Steadman was excused and did not provide any reports.

E. Councilmember Carolyn Cox:

1. Lacey-Olympia-Tumwater-Thurston Clean Water Alliance (LOTT)
2. Regional Housing Council
3. Intercity Transit Authority

Councilmember Cox provided reports from Intercity Transit and the Regional Housing Council.

F. Councilmember Robin Vazquez:

1. Thurston Climate Mitigation Collaborative (TCMC)
2. Thurston Regional Planning Council (TRPC)

Councilmember Vazquez provided a report from the Thurston Regional Planning Council.

G. Councilmember Nicolas Dunning:

1. Thurston Thrives
2. Solid Waste Advisory Committee (SWAC)
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)

Councilmember Dunning did not provide any reports.

12. Adjourn

Mayor Ryder adjourned the meeting at 7:34 p.m.



LACEY CITY COUNCIL MEETING

August 19, 2025

SUBJECT: Disbursement Approval

RECOMMENDATION: By motion, approve payment of claims, wages, and transfers.

STAFF CONTACT: Troy Woo, Finance Director *TW*
Alix Turcotte, Senior Accountant *AT*
Carrie Bode, Accounting Technician *CB*

ORIGINATED BY: Finance Department

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 7/11/2025 through 8/8/2025. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	*7/31/2025	280827	280831	4,602.06
	8/1/2025	280832	280905	119,195.25
	8/8/2025	280906	280979	1,730,348.83

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	7/11/2025	14,623.36
	7/28/2025	56,310.88
	7/30/2025	65,481.51
	*7/31/2025	23,064.31
	*7/31/2025	1,980,601.45
	*7/31/2025	464,753.54
	*7/31/2025	1,545.64
	8/1/2025	1,633,234.61
	8/8/2025	1,209,737.29

Payroll:	<u>Month End</u>	<u>Wages</u>
	7/31/2025	2,415,762.76

*Disbursements for employee out-of-pocket deductions and employee benefits.

Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
US Bank	\$ 56,310.88	US Bank Employee Credit Cards
Olympia-CARPFD	\$ 65,481.51	July 2025 CARPFD
Barcott Construction, LLC	\$ 82,607.47	Lift Station 11 Improvements
Pacific Civil & Infrastructure	\$ 1,089,996.71	Madrona & Westside pH Treatment
Shea Carr & Jewell, Inc.	\$ 190,676.50	RAC Phase 3 Design
LOTT Wastewater Alliance	\$ 78,067.40	July 2025 Reserve Capacity
LOTT Wastewater Alliance	\$ 1,368,441.24	July 2025 ERU's
Midway Underground, LLC	\$ 812,235.67	Greg Cuoio Park – Phase 1A
Moore Iacofano Goltsman, Inc.	\$ 149,018.76	Lacey Comprehensive Plan
North Thurston Public Schools	\$ 130,148.99	July 2025 Impact Fees
Specialized Pavement Marking	\$ 55,831.81	Edge Line/Bike Line Maintenance
Thurston County District Court	\$ 50,381.00	May 2025 Violations



LACEY CITY COUNCIL MEETING

August 19, 2025

SUBJECT: 2025-2026 Lacey Youth Council Appointments

RECOMMENDATION: Appoint the recommended applicants identified in **Table A** to serve as Youth Councilmembers for the 2025-2026 term.

STAFF CONTACT: Rick Walk, City Manager
Shannon Kelley-Fong, Assistant City Manager *SKF*
Sadie Siglin, Management Analyst *SS*

ORIGINATED BY: City Manager's Office

ATTACHMENTS: [1. Lacey City Council Policies and Procedures Manual: 2.16 Lacey Youth Council](#)

FISCAL NOTE: None

PRIOR REVIEW: None

BACKGROUND: Pursuant to the Lacey City Council Policies and Procedures Manual (**Attachment 1**), each year, aligned with the school year, eligible students apply to serve as members of the Lacey Youth Council.

The Mayor and City staff review applications and select candidates for recommendation for service on the Lacey Youth Council. On August 7, 2025, interviews were held for perspective applicants. After application review and interviews, the applicants identified in **Table A** are recommended to serve on the Lacey Youth Council for the 2025-2026 term.

Table A				
Recommended 2025-2026 Lacey Youth Councilmembers				
	Student	School	Grade	Returning
1	Joel Whipple	North Thurston High School	12	Yes
2	Dior Trinh	River Ridge High School	12	Yes
3	Aryan Kumar	Timberline High School	12	Yes
4	Avani Kumar	Timberline High School	12	Yes
5	Luka Froehlich	Home School	11	Yes
6	Sydney Lee	North Thurston High School	11	Yes
7	Isabella Valerio	River Ridge High School	11	Yes
8	Makayla Pennington	River Ridge High School	12	No
9	Caleb Kim	River Ridge High School	12	No

10	Matthew Mandig	Timberline High School	12	No
11	Jennifer Zheng	North Thurston High School	11	No
12	Michelle Ewig	North Thurston High School	11	No
13	Makayla Lesane	River Ridge High School	11	No
14	Shalom Mutua	Timberline High School	11	No
15	Harmony Johnson	River Ridge High School	10	No

The following provides a breakdown of the recommended applicants by grade, school, and returning member:

Grade:

- Seniors: 7
- Juniors: 7
- Sophomores: 1

School:

- North Thurston High School: 4
- River Ridge High School: 6
- Timberline High School: 4
- Home School: 1

Returning:

- Yes: 7
- No: 8

NEXT STEPS:

Option 1: Appoint applicants identified in **Table A** to serve on the Lacey Youth Council for the 2025-2026 term.

Option 2: Do not appoint the applicants identified in **Table A** to serve on the Lacey Youth Council for the 2025-2026 term.

Option 3: Provide direction to City staff on other elements to consider in regards to this issue. After further diligence on these elements, City Staff would then return to the Lacey City Council to review.

Option 4: Some other option not contemplated in the above options.



LACEY CITY COUNCIL MEETING

August 19, 2025

SUBJECT: Final Plat and PRD Approval for Morel Meadows
Division 1 Project number 25-0162 (23-0180)

RECOMMENDATION: With approval of the consent agenda, approve the final plat and planned residential development for Morel Meadows Division 1 project number 25-0162 (23-0180), and authorize the Mayor to sign the final plat map.

STAFF CONTACT: Rick Walk, City Manager
Shannon Kelley-Fong, Assistant City Manager (Acting City Manager) *SKF*
Vanessa Dolbee, Community and Economic Development Director *VD*
Sarah Schelling, Current Planning & Economic Development Manager *SS*
Reace Fant, Associate Planner *RF*

ORIGINATED BY: Community and Economic Development Department

ATTACHMENTS: 1. Final Plat Map of Morel Meadows Division I

FISCAL NOTE: NA

PRIOR REVIEW: None

BACKGROUND:

On February 26, 2024, the Hearings Examiner approved the preliminary subdivision and Planned Residential Development (PRD) of Morel Meadows. The approval authorized 179 single-family lots and nine tracts on 32.08 acres, with 10.76 acres (34% of the site) retained as open space.

The applicant is requesting approval of the Final Planned Residential Development and Final Plat for Morel Meadows, Division 1. Division 1 consists of 107 single-family lots, five community open space tracts, one private alley tract, and one future development tract for the remaining 72 single-family lots that will comprise Division 2. The property is located at 8322 Steilacoom Road SE, Lacey, WA 98513, on the north side of Steilacoom Road

and east of Marvin Road. The project has been developed in accordance with the conditions of preliminary approval. All public works and planning improvements are complete and approved, or adequate financial securities are in place for their installation.

The application materials have been routed for review and all comments and requirements have been addressed by the applicant. Necessary signatures (the city engineer, the project planner, and the Thurston County Treasurer and Assessor) have been obtained and the final plat is ready for the Mayor's signature. Staff recommends that the City Council approve the final plat and final PRD, and authorize the Mayor to sign the final plat map of Morel Meadows Division I. After approval and signature, the final plat will be recorded with Thurston County. Once recorded, the sale of individual lots and construction of homes can begin.

NEXT STEPS:

Staff recommends the Lacey City Council take action by proceeding with Option 1.

Option 1: Approve the final plat and final PRD and authorize the Mayor to sign the final plat map.

Option 2: Identify outstanding requirements and request that these be met prior to authorizing approval.

PLAT OF MOREL MEADOWS DIVISION 1

A PLAT COMMUNITY, AS DEFINED BY CHAPTER 64.90 RCW

A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14 AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, ALL IN TOWNSHIP 18 NORTH RANGE 1 WEST, W.M.

DEDICATION

KNOW ALL PEOPLE BY THESE PRESENTS THAT EDGEWOOD TERRACE ESTATES, LLC, A WASHINGTON STATE LIMITED LIABILITY COMPANY, THE UNDERSIGNED OWNERS, IN FEE SIMPLE OF THE LAND HEREBY PLATTED AND SSHI, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DBA D.R. HORTON AND KITSAP BANK, THE MORTGAGEES THEREOF, HEREBY DECLARE THIS LAND DIVISION AND DEDICATE TO THE USE OF THE PUBLIC FOREVER ALL STREETS, EASEMENTS OR WHATEVER PUBLIC PROPERTY THERE IS SHOWN ON THE DIVISION AND THE USE THEREOF FOR ANY AND ALL PUBLIC PURPOSES NOT INCONSISTENT WITH THE USE DESCRIBED HEREIN FOR PUBLIC PURPOSES. ALSO, THE RIGHT TO MAKE ALL NECESSARY SLOPES FOR CUTS AND FILLS UPON LOTS, TRACTS, ETC. SHOWN ON THIS PLAT IN THE REASONABLE ORIGINAL GRADING OF ALL THE STREETS, SHOWN HEREON.

TRACTS "A", "B", "C", "D", "E" AND "F" AS DEPICTED ON THIS PLAT ARE HEREBY CONVEYED TO THE MOREL MEADOWS HOMEOWNERS ASSOCIATION

TRACT "X" IS HEREBY RESERVED BY THE DECLARANT. THEIR SUCCESSORS AND/OR ASSIGNS FOR FUTURE DEVELOPMENT.

IN WITNESS WHEREOF WE HAVE SET OUR HANDS AND SEALS THIS _____ DAY OF _____, 20____

EDGEWOOD TERRACE ESTATES, L.L.C.
a Washington limited liability company

SSHI, L.L.C., a Delaware limited liability company, DBA D.R. HORTON KITSAP BANK

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF WASHINGTON
COUNTY OF THURSTON > SS

ON THIS _____ DAY OF _____, 20____, BEFORE ME PERSONALLY APPEARED _____ TO ME KNOWN TO BE THE _____ OF EDGEWOOD TERRACE ESTATES, LLC, A WASHINGTON LIMITED LIABILITY COMPANY THAT EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED SAID INSTRUMENT TO BE THE FREE AND VOLUNTARY ACT AND DEED OF SAID LIMITED LIABILITY COMPANY, FOR THE USES AND PURPOSES THEREIN MENTIONED, AND ON OATH STATED THAT ARE AUTHORIZED TO EXECUTE SAID INSTRUMENT.

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
(PRINT NAME) _____
RESIDING AT: _____
MY COMMISSION EXPIRES: _____

(SEAL)
STATE OF _____
COUNTY OF _____ > SS

ON THIS _____ DAY OF _____, 20____, BEFORE ME PERSONALLY APPEARED _____ TO ME KNOWN TO BE THE _____ OF SSHI, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DBA D.R. HORTON THAT EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED SAID INSTRUMENT TO BE THE FREE AND VOLUNTARY ACT AND DEED OF SAID LIMITED LIABILITY COMPANY, FOR THE USES AND PURPOSES THEREIN MENTIONED, AND ON OATH STATED THAT ARE AUTHORIZED TO EXECUTE SAID INSTRUMENT.

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
(PRINT NAME) _____
RESIDING AT: _____
MY COMMISSION EXPIRES: _____

(SEAL)
STATE OF WASHINGTON
COUNTY OF THURSTON > SS

ON THE _____ DAY OF _____, 20____, BEFORE ME, A NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED _____ (NAME) TO ME KNOWN TO BE THE _____ (TITLE) OF KITSAP BANK AND ACKNOWLEDGED THE SAID INSTRUMENT TO BE THE FREE AND VOLUNTARY ACT AND DEED OF SAID CORPORATION, FOR THE USES AND PURPOSES THEREIN MENTIONED, AND ON OATH STATED THAT _____ IS AUTHORIZED TO EXECUTE THE SAID INSTRUMENT AND THAT THE SEAL AFFIXED (IF ANY) IS THE CORPORATE SEAL OF SAID CORPORATION.

WITNESS MY HAND AND OFFICIAL SEAL THE DAY AND YEAR FIRST ABOVE-WRITTEN.

NOTARY PUBLIC IN AND FOR THE STATE OF _____
(PRINT NAME) _____
RESIDING AT: _____ MY COMMISSION EXPIRES: _____

(SEAL)

EASEMENT PROVISIONS

AN EASEMENT IS HEREBY RESERVED FOR AND GRANTED TO PUGET SOUND ENERGY INC. COMCAST CABLE COMPANY, CENTURYLINK, THE MOREL MEADOWS HOMEOWNERS ASSOCIATION, THE CITY OF LACEY AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS UNDER AND UPON THE FRONT TEN FEET PARALLEL WITH AND ADJOINING THE PUBLIC STREET FRONTAGES OF THE PORTIONS OF THE LOTS AND TRACTS, AS DEPICTED ON SHEETS 5, 6, 7 AND 8 HEREIN; WHICH TO INSTALL, LAY, CONSTRUCT, RENEW, OPERATE AND MAINTAIN UNDERGROUND PIPE, CONDUIT, CABLES AND WIRES WITH NECESSARY FACILITIES AND OTHER EQUIPMENT FOR THE PURPOSES OF SERVING THIS SUBDIVISION AND OTHER PROPERTY WITH ELECTRIC, TELEPHONE, GAS, SEWER, WATER, STORM DRAINAGE, STREET LIGHTING, UTILITY SERVICE AND PEDESTRIAN ACCESS ALONG SIDEWALKS; TOGETHER WITH THE RIGHT TO ENTER UPON THE LOTS AT ALL TIMES FOR THE PURPOSES HEREIN STATED. THESE EASEMENTS ENTERED UPON FOR THESE PURPOSES SHALL BE RESTORED AS NEAR AS POSSIBLE TO THEIR ORIGINAL CONDITION. NO LINES OR WIRES FOR THE TRANSMISSION OF ELECTRIC CURRENT OR FOR TELEPHONE USE OR CABLE TELEVISION SHALL BE PLACED OR PERMITTED TO BE PLACED UPON ANY LOT UNLESS THE SAME SHALL BE UNDERGROUND OR IN CONDUIT ATTACHED TO A BUILDING.

INDEX OF SHEETS

- SHEET 1 - DEDICATION, ACKNOWLEDGMENTS, EASEMENT PROVISIONS, APPROVALS, COVENANTS,
AUDITOR'S CERTIFICATE AND INDEX AND LAND SURVEYOR'S CERTIFICATE
SHEET 2 - PARTIAL SECTION SUBDIVISION, DESCRIPTION, TITLE, LAND SURVEYORS & PLAT NOTES,
SURVEY REFERENCES,
SHEET 3 - PLAT BOUNDARY
SHEET 4 - SHEET LAYOUT
SHEET 5 - LOTS 1 THRU 17, LOT 66 THRU 96, TRACT C, EASTERLY PORTION OF TRACTS A & E
ADDRESSES
SHEET 6 - LOTS 31-69, 93-107, TRACTS B & D, WESTERLY PORTION OF TRACT E
SHEET 7 - WESTERLY PORTIONS OF TRACTS A AND X
SHEET 8 - LOTS 18-30, TRACTS F AND THE NORTHEASTERLY PORTION OF TRACT A
SHEET 9 - AREA TABLES, LINE & CURVE TABLES

APPROVED FOR RECORDING



CITY OF LACEY

APPROVALS

CERTIFICATE - CITY ENGINEER

EXAMINED AND APPROVED THIS _____ DAY OF _____, A.D., _____

CITY ENGINEER

CERTIFICATE - ASSESSOR

EXAMINED AND APPROVED THIS _____ DAY OF _____, A.D., _____

THURSTON COUNTY ASSESSOR

CERTIFICATE - TREASURER

I HEREBY CERTIFY THAT ALL TAXES ON THE LAND DESCRIBED HEREON HAVE BEEN FULLY PAID TO AND INCLUDING THE YEAR _____.

THURSTON COUNTY TREASURER

CERTIFICATE - CITY PLANNER

EXAMINED AND APPROVED THIS _____ DAY OF _____, A.D., _____

CITY PLANNER

CERTIFICATE - MAYOR FOR LACEY CITY COUNCIL

EXAMINED AND APPROVED THIS _____ DAY OF _____, A.D., _____

ATTEST
CITY CLERK
LACEY CITY COUNCIL
BY: _____
MAYOR

COVENANTS

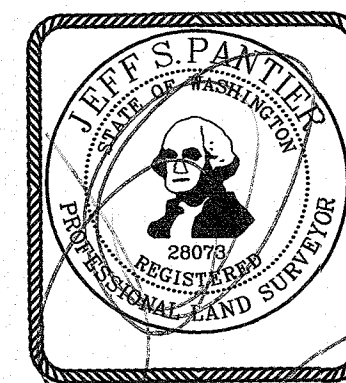
COVENANTS, CONDITIONS AND RESTRICTIONS ARE RECORDED UNDER AUDITOR'S FILE NO. _____

AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS _____ DAY OF _____, 20____ AT _____ M. IN BOOK _____ OF _____ AT PAGE _____ AT THE REQUEST OF HATTON GODAT PANTIER

THURSTON COUNTY AUDITOR BY _____ DEPUTY
AUDITOR'S FILE NO. _____

LAND SURVEYOR'S CERTIFICATE



THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF EDGEWOOD TERRACE ESTATES, LLC IN MAY 2025.

I HEREBY CERTIFY THAT THIS MAP FOR MOREL MEADOWS DIVISION 1 IS BASED UPON AN ACTUAL SURVEY OF THE PROPERTY HEREIN DESCRIBED; THAT THE BEARINGS AND DISTANCES ARE CORRECTLY SHOWN; THAT ALL INFORMATION REQUIRED BY THE WASHINGTON UNIFORM COMMON INTEREST OWNERSHIP ACT IS SUPPLIED HEREIN; AND THAT ALL BOUNDARIES OF THE UNITS ARE SHOWN ON THE MAP.

I, FURTHER, HEREBY CERTIFY THAT THE PLAT OF MOREL MEADOWS IS BASED UPON AN ACTUAL SURVEY AND SUBDIVISION OF A PORTION OF SECTION 9, TOWNSHIP 18 NORTH, RANGE 1 WEST, W.M.; THAT THE MONUMENTS HAVE BEEN SET AND LOT CORNERS STAKED ON THE GROUND WITH 5/8" REBAR WITH PLASTIC CAPS STAMPED "JSP 28073" OR "MAG" NAIL W/ BRASS WASHER STAMPED "JSP 28073".

JEFF S. PANTIER PROF. REGISTERED
LAND SURVEYOR - CERTIFICATE NO. 28073

DATE

STATE OF WASHINGTON
COUNTY OF THURSTON > SS

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT _____ (IS/ARE)
THE PERSON(S) WHO APPEARED BEFORE ME, AND SAID PERSON(S) ACKNOWLEDGED THAT _____ (HE/SHE/THEY)
SIGNED THIS INSTRUMENT, AND ACKNOWLEDGED IT TO BE _____ (HIS/HER/THEIR) FREE AND VOLUNTARY ACT FOR THE
USES AND PURPOSES MENTIONED IN THE INSTRUMENT.

GIVEN UNDER MY HAND AND SEAL THIS _____ DAY OF _____, 20____

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
(PRINT NAME) _____
RESIDING AT: _____
MY COMMISSION EXPIRES: _____

(SEAL)

HATTON GODAT PANTIER
ENGINEERS AND SURVEYORS
3910 MARTIN WAY E. SUITE B
OLYMPIA, WA 98506
TEL: 360.943.1599 FAX: 360.357.6299
hattonpantier.com EEP
21-100A

PLAT OF **MOREL MEADOWS DIVISION 1**
A PLAT COMMUNITY, AS DEFINED BY CHAPTER 64.90 RCW

A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14 AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, ALL IN TOWNSHIP 18 NORTH RANGE 1 WEST, W.M.

DESCRIPTION

PARCEL A:
THE WEST 60 FEET OF THAT PART OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 18 NORTH, RANGE 1 WEST, W.M., LYING NORTHERLY OF THE COUNTY ROAD KNOW AS STEILACOOM ROAD;

EXCEPT THE NORTH 1,355.99 FEET OF SAID NORTHWEST QUARTER;

ALSO EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR MATTER OF STATE ROUTE 510, HOGUM BAY ROAD, BY DEED RECORDED JUNE 16, 1989 UNDER RECORDING NO. 8906160107;

IN THURSTON COUNTY, WASHINGTON

PARCEL B:
THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 18 NORTH, RANGE 1 WEST, W.M., LYING NORTHERLY OF COUNTY ROAD KNOWN AS STEILACOOM ROAD AND EASTERLY OF COUNTY ROAD KNOWN AS MARVIN ROAD;

EXCEPT THE NORTH 1,355.99 FEET OF SAID EAST HALF OF THE NORTHEAST QUARTER;

ALSO EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR MATTER OF STATE ROUTE 510, HOGUM BAY ROAD, BY DEED RECORDED JUNE 16, 1989 UNDER RECORDING NO. 8906160107;

AND EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR SR 510. JCT. SR 5 TO PACIFIC HIGHWAY VIC. BY DEED RECORDED MARCH 28, 2001 UNDER RECORDING NO. 3343189;

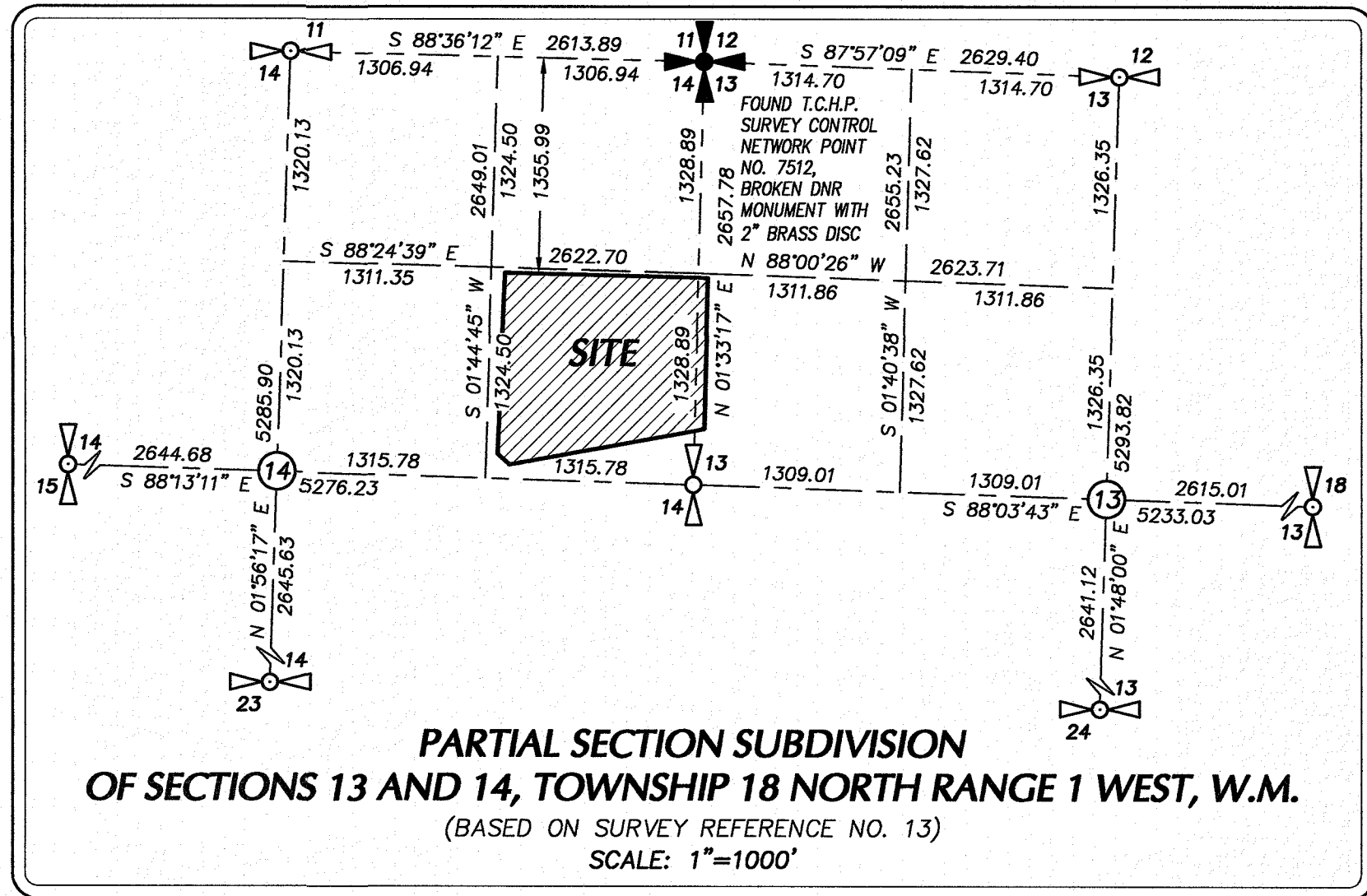
IN THURSTON COUNTY, WASHINGTON.

TITLE NOTES

1. A PORTION OF THE LAND DESCRIBED HEREON HAS BEEN ASSIGNED PROPERTY TAX ACCOUNT NO. 11813220300 BY THURSTON COUNTY.
2. A PORTION OF THE LAND DESCRIBED HEREON HAS BEEN ASSIGNED PROPERTY TAX ACCOUNT NO. 11814140500 BY THURSTON COUNTY.
3. INTENTIONALLY OMITTED.
4. A PORTION OF THE LAND DESCRIBED HEREON IS SUBJECT TO EASEMENT FOR ELECTRIC TRANSMISSION AND/OR DISTRIBUTION LINE GRANTED TO PUGET SOUND POWER AND LIGHT COMPANY RECORDED UNDER AUDITOR'S FILE NO. 9206100190.
5. INTENTIONALLY OMITTED.
6. THE LAND DESCRIBED HEREON IS SUBJECT TO SEWAGE OPERATION AND MAINTENANCE PERMIT AND THE TERMS AND CONDITIONS THEREOF ISSUED BY THURSTON COUNTY HEALTH, AS DISCLOSED BY INSTRUMENT RECORDED UNDER AUDITOR'S FILE NO. 3022726.
7. INTENTIONALLY OMITTED.
8. A PORTION OF THE LAND DESCRIBED HEREON IS SUBJECT TO EASEMENT GRANTED TO STATE OF WASHINGTON FOR HIGHWAY SLOPES IN EXCAVATION AND/OR EMBANKMENT RECORDED UNDER AUDITOR'S FILE NO. 3343190.
9. A PORTION OF THE LAND DESCRIBED HEREON IS SUBJECT TO EASEMENT GRANTED TO STATE OF WASHINGTON FOR HIGHWAY SLOPES IN EXCAVATION AND/OR EMBANKMENT RECORDED UNDER AUDITOR'S FILE NO. 3387638.
10. A PORTION OF THE LAND DESCRIBED HEREON IS SUBJECT TO EASEMENT NO.'S 1, 2 AND 3 GRANTED TO PUGET SOUND ENERGY, INC. FOR ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM RECORDED UNDER AUDITOR'S FILE NO. 3428267. (EASEMENT NO. 4 DOES NOT AFFECT THIS LAND DESCRIBED HEREON.
11. A PORTION OF THE LAND DESCRIBED HEREON IS SUBJECT TO EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. FOR GAS TRANSMISSION AND/OR DISTRIBUTION SYSTEM RECORDED UNDER AUDITOR'S FILE NO. 3428268.
12. INTENTIONALLY OMITTED.
13. A PORTION OF THE LAND DESCRIBED HEREON IS SUBJECT TO EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. FOR ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM RECORDED UNDER AUDITOR'S FILE NO. 4008833.
14. THIS SURVEY UPDATES MATTERS DISCLOSED ON SURVEY RECORDED UNDER AUDITOR'S FILE NO. 4608119.
15. THIS SURVEY UPDATES MATTERS DISCLOSED BY BOUNDARY & TOPOGRAPHIC SURVEY PERFORMED BY HATTON GODAT PANTIER DATED APRIL 24, 2023 UNDER HGP PROJECT NO. 21-100.
16. INTENTIONALLY OMITTED.
17. A PORTION OF THE LAND DESCRIBED HEREON IS SUBJECT TO EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. FOR ELECTRIC AND GAS TRANSMISSION AND/OR DISTRIBUTION SYSTEM UNDER AUDITOR'S FILE NO. 5031456.
18. A PORTION OF THE LAND DESCRIBED HEREON IS SUBJECT TO EASEMENT GRANTED TO RAINIER VISTA MHP LLC, A WASHINGTON LIMITED LIABILITY COMPANY FOR USE OF LAND FOR EXISTING IMPROVEMENTS RECORDED UNDER AUDITOR'S FILE NO. 5057264.

LAND SURVEYOR'S NOTES

1. TITLE INFORMATION DEPICTED ON THIS DRAWING IS BASED ON SUBDIVISION GAURANTTEE ISSUED BY CHICAGO TITLE INSURANCE COMPANY DATED MAY 19, 2025, UNDER GAURANTTEE NUMBER CTTC250067824.
2. THIS DRAWING IS BASED ON FIELD SURVEY PERFORMED IN FEBRUARY 2023. ALL SURVEY CONTROL NOTED AS FOUND WAS RECOVERED DURING THIS SURVEY UNLESS OTHERWISE NOTED.
3. FIELD TRAVERSE METHODS WERE USED FOR THIS SURVEY. A LEICA T1600 ELECTRONIC TOTAL STATION SURVEY INSTRUMENT WAS USED TO MEASURE THE ANGULAR AND DISTANCE RELATIONSHIPS BETWEEN CONTROLLING MONUMENTS. THIS SURVEY MEETS OR EXCEEDS THE ACCURACY RATIOS SPECIFIED IN WAC 332-130-090.
4. BASIS OF BEARINGS: THURSTON COUNTY HIGH PRECISION SURVEY CONTROL NETWORK BASED ON CONTROL POINT NO. GP-3510-59 AND POINT NO. 7512, BEARING BETWEEN SAID POINTS IS NORTH 29°22'41" EAST.
5. SECTION SUBDIVISION BASED ON SURVEY RECORDED UNDER AUDITOR'S FILE NO. 4608119 (SURVEY REFERENCE NO. 2)



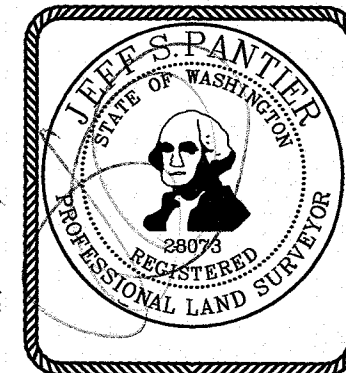
PLAT NOTES

1. TRACTS C & D ARE DESIGNATED OPEN SPACE TRACTS FOR LANDSCAPE PURPOSES. THE MOREL MEADOWS HOMEOWNERS ASSOCIATION SHALL OWN AND MAINTAIN SAID TRACTS.
2. TRACTS A & B ARE DESIGNATED FOR STORMWATER MANAGEMENT, OPEN SPACE AND SUBDIVISION ENTRY MONUMENTATION/SIGNAGE, SAID TRACTS SHALL BE OWNED AND MAINTAINED BY THE MOREL MEADOWS HOMEOWNERS ASSOCIATION AND SUBJECT TO STORM WATER FACILITY DECLARATION RECORDED UNDER AUDITOR'S FILE NO. _____
3. TRACT E IS A PRIVATE ALLEY AND SHALL BE OWNED AND MAINTAINED BY THE MOREL MEADOWS HOMEOWNERS ASSOCIATION.
4. TRACT F IS DESIGNATED AS A PARK AND SHALL BE OWNED AND MAINTAINED BY THE MOREL MEADOWS HOMEOWNERS ASSOCIATION.
5. TRACT X IS RESERVED FOR FUTURE DEVELOPMENT.
6. THE PROPERTY OWNER AND/OR HOMEOWNERS ASSOCIATION ADJACENT TO THE PUBLIC RIGHT-OF-WAY, SHALL BE RESPONSIBLE FOR MAINTAINING THE PLANTER STRIP AND AREA WITHIN THE RIGHT-OF-WAY BETWEEN THE SIDEWALK AND PROPERTY LINE (WEEDING, PRUNING, IRRIGATING, MOWING, ETCETERA OF THE LANDSCAPING AND STREET TREES.) IN A HEALTHY AND GROWING MANNER IN PERPETUITY. IF THESE AREAS ARE BEING MAINTAINED BY ANOTHER GROUP OR ORGANIZATION, THEN A MAINTENANCE AGREEMENT (OR ADEQUATE DOCUMENTATION) THAT VERIFIES THESE AREAS ARE BEING (AND WILL CONTINUE TO BE) MAINTAINED SHALL BE SUBMITTED TO THE CITY FOR REVIEW.
7. THE MOREL MEADOWS HOMEOWNERS ASSOCIATION SHALL BE RESPONSIBLE FOR MAINTAINING AND LOCATING ALL IRRIGATION LINES LOCATED IN THE PUBLIC RIGHTS OF WAY.
8. THE LAND WITHIN THE BOUNDARIES OF THIS PLAT IS LOCATED WITH A COMMUNITY FACILITIES DISTRICT OF THE CITY OF LACEY AND ALL SALEABLE LOTS ARE SUBJECT TO ALL SERVICE FEES AND CHARGES WHICH MAY BE LEVED BY THE CITY OF LACEY FOR THE MAINTENANCE AND OPERATION AND IMPROVEMENT OF ANY COMMUNITY FACILITIES AND FOR LIENS FOR ANY UNPAID SERVICE FEES OR CHARGES.
9. ROOF DRAINAGE FOR LOTS 1-107 INCLUSIVE, SHALL BE PROVIDED IN ACCORDANCE WITH THE STORM DRAINAGE PLAN DESIGNED FOR THIS SUBDIVISION OR AN ALTERNATIVE PLAN APPROVED BY THE PROJECT ENGINEER AND CITY OF LACEY.
10. NOTICE: THE CITY OF LACEY HAS NO RESPONSIBILITY TO BUILD, IMPROVE, MAINTAIN, OR OTHERWISE SERVICE ANY PRIVATE ROADS, ALLEYS OR DRIVEWAYS WITHIN OR PROVIDING ACCESS TO PROPERTY DESCRIBED IN THIS PLAT.
11. ANY IRRIGATION LINES PLACED WITHIN TREE PROTECTION ZONES ESTABLISHED FOR THE PROJECT MUST BE INSTALLED IN SUCH A MANNER AS TO NOT CAUSE DAMAGE TO THE ROOT PROTECTION ZONE, SUCH AS BY CUTTING ROOTS, DIGGING TRENCHES, OPERATION OF MACHINERY, ETC. SPECIAL CARE MUST BE TAKEN (HAND DIGGING TRENCHES, DESIGNING LINES TO STAY OUT OF THESE AREAS WHERE POSSIBLE, ETC.) TO ENSURE DAMAGE TO THE TREES DOES NOT OCCUR. IN THE EVENT DAMAGE TO THESE AREAS DOES OCCUR, THE CITY MAY REQUIRE, AT THEIR DISCRETION, REPLACEMENT OF THE COMPARABLE LANDSCAPE VALUE OF THE TREES DAMAGED OR OTHER MEANS TO MAKE UP THAT LOSS.
12. LOTS 54 THROUGH 107 INCLUSIVE ARE SUBJECT TO A SIDE YARD USE EASEMENT AND OTHER TERMS DESCRIBED WITHIN THE DECLARATION RECORDED UNDER AUDITOR'S FILE NO. _____

SURVEY REFERENCES

1. SUBDIVISION GUARANTEE ISSUED BY CHICAGO TITLE INSURANCE COMPANY DATED MAY 19, 2025 UNDER GUARANTEE NO. CTTC250067824
2. SURVEY RECORDED UNDER AUDITOR'S FILE NO. 4608119
3. SURVEY RECORDED UNDER AUDITOR'S FILE NO. 4335765
4. SURVEY RECORDED UNDER AUDITOR'S FILE NO. 1028592
5. SURVEY RECORDED UNDER AUDITOR'S FILE NO. 979232
6. SHORT SUBDIVISION NO. SS990225TC RECORDED UNDER AUDITOR'S FILE NO. 3216107
7. PLAT OF HAWKSRIIDGE RECORDED UNDER AUDITOR'S FILE NO. 1048360
8. SURVEY RECORDED UNDER AUDITOR'S FILE NO. 9212110225
9. SURVEY RECORDED UNDER AUDITOR'S FILE NO. 4834567
10. SURVEY RECORDED UNDER AUDITOR'S FILE NO. 9012140288
11. LARGE LOT SUBDIVISION NO. LLS 09102298TC RECORDED UNDER AUDITOR'S FILE NO. 4129384
12. PLAT OF STEILACOOM HEIGHTS RECORDED UNDER AUDITOR'S FILE NO. 3585435
13. SHORT SUBDIVISION NO. SS15-0005LA RECORDED UNDER AUDITOR'S FILE NO. 4502606
14. PLAT OF HAWKS GLEN RECORDED UNDER AUDITOR'S FILE NO. 8110280005
15. PLAT OF PINECREST RECORDED UNDER AUDITOR'S FILE NO. 3546145
16. THURSTON COUNTY HIGH PRECISION SURVEY CONTROL NETWORK
17. SURVEY RECORDED UNDER AUDITOR'S FILE NO. 3111152
18. WASHINGTON STATE DEPARTMENT OF TRANSPORTATION THURSTON COUNTY RIGHT OF WAY PLAN FOR SR 510 MP 0.14 TO MP 1.91 JCT. SR 5 TO PACIFIC HEY VIC. STATION 92+00 TO STATION 107+00 DATED JULY 24, 1998 SHEETS OF 8

BASIS OF BEARINGS:
THURSTON COUNTY HIGH PRECISION SURVEY CONTROL NETWORK BASED ON CONTROL POINT NO. GP-3510-59 AND POINT NO. 7512, BEARING BETWEEN SAID POINTS IS NORTH 29°22'41" EAST

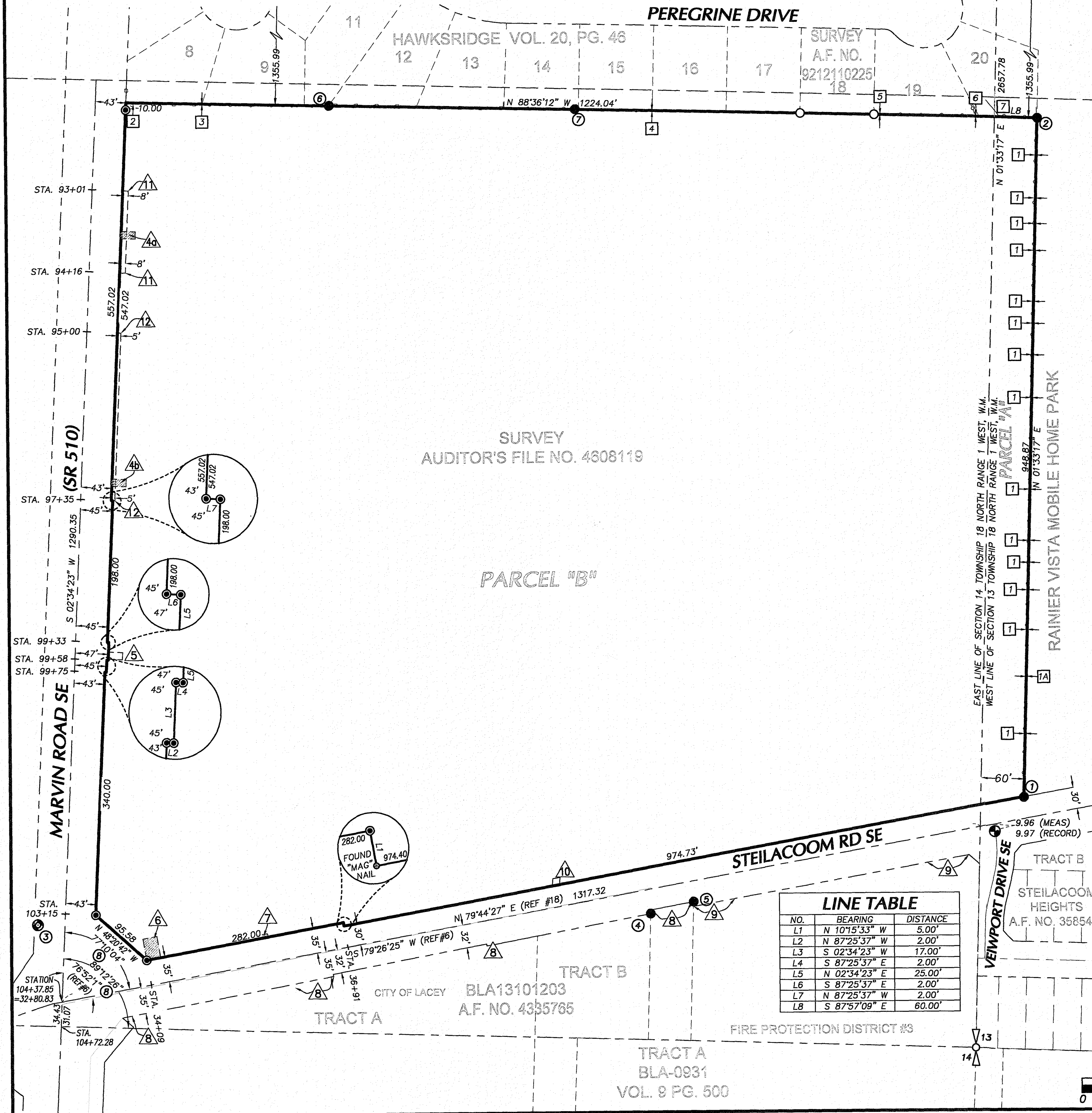


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hattonpantier.com

MOREL MEADOWS DIVISION 1

A PLAT COMMUNITY, AS DEFINED BY CHAPTER 64.90 RCW

A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14 AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, ALL IN TOWNSHIP 18 NORTH RANGE 1 WEST, W.M.



LEGEND

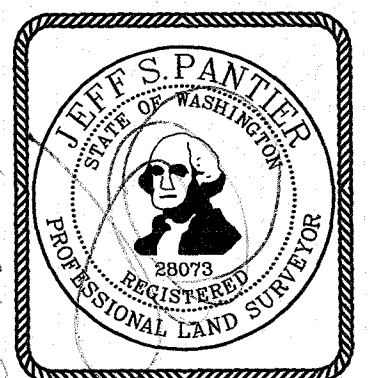
- FOUND WSDOT BRASS DISC IN SIDEWALK (THURSTON COUNTY HIGH PRECISION NETWORK CONTROL POINT # GP34510-59)
- FOUND 3" BRASS DISC "CITY OF LACEY LS 48748"
- MONUMENT FOUND AS NOTED
- FOUND 5/8" REBAR AND PLASTIC CAP STAMPED "JSP 28073"
- SET 5/8" REBAR AND PLASTIC CAP STAMPED "JSP 28073"
- △ EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 3428267 (EASEMENT NO. 1)
- △ EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 3428267 (EASEMENT NO. 2)
- △ EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 3428267
- △ EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 3428268 (SEE TITLE NOTE NO. 11)
- △ EASEMENT GRANTED TO PUGET SOUND POWER & LIGHT COMPANY RECORDED UNDER AUDITOR'S FILE NO. 9206100190 (SEE TITLE NOTE NO. 5)
- △ RIGHT OF WAY BASED ON SURVEY REFERENCE NO.'S 3, 6, & 10
- △ SOUTH LINE RIGHT OF WAY DESCRIBED IN DEED RECORDED UNDER AUDITOR'S FILE NO. 4890335
- △ EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 4008833 (SEE TITLE NOTE NO. 13)
- △ SLOPE EASEMENT GRANTED TO STATE OF WASHINGTON RECORDED UNDER AUDITOR'S FILE NO. 3387638 (SEE TITLE NOTE NO. 9)
- △ SLOPE EASEMENT GRANTED TO STATE OF WASHINGTON RECORDED UNDER AUDITOR'S FILE NO. 3343190 (SEE TITLE NOTE NO. 8)
- ① FOUND 5/8" REBAR AND CAP (ILLEGIBLE), CHAINLINK FENCE 0.5' WEST OF PROPERTY LINE
- ② FOUND 1" IRON PIPE WITH PLASTIC CAP STAMPED "9608"
- ③ FOUND WSDOT 3" BRASS DISC, NO. GP34510-59 (THURSTON COUNTY HIGH PRECISION SURVEY CONTROL POINT NO. GP-34510-59).
- ④ FOUND 5/8" REBAR AND CAP LS 28073
- ⑤ FOUND 5/8" REBAR ON CALCULATED RIGHT OF WAY
- ⑥ FOUND 5/8" REBAR AND PLASTIC CAP STAMPED "LS 33138", CHAINLINK FENCE 0.1' NORTH OF PROPERTY LINE
- ⑦ FOUND 5/8" REBAR, CHAINLINK FENCE 1.2' NORTH OF PROPERTY LINE
- ⑧ ANGLE PER SURVEY REFERENCE NO. 14
- ⑨ CHAINLINK FENCE 0.1'-1.7' WEST OF CALC PROPERTY LINE (SEE TITLE NOTE NO. 18)
- ⑩ CHAINLINK FENCE 0.2' EAST OF CALC PROPERTY LINE
- ⑪ 6" BOARD FENCE 1.2' SOUTH OF CALC PROP LINE
- ⑫ BOARD FENCE 0.5' SOUTH AND CHAINLINK FENCE 0.8' SOUTH OF PROPERTY LINE
- ⑬ CHAINLINK FENCE 1' SOUTH OF PROPERTY LINE
- ⑭ CHAINLINK FENCE 0.5' NORTH OF PROPERTY LINE
- ⑮ CHAINLINK FENCE CORNER 0.8' NORTH OF PROPERTY LINE
- ⑯ CHAINLINK FENCE 3.0' NORTH OF PROPERTY LINE
- CHAINLINK FENCE --- EASEMENT LINE
- BOARD FENCE --- PARCEL LINE
- PROP LINE --- SECTION QUARTER LINE
- CENTERLINE --- RIGHT OF WAY

LINE TABLE		
NO.	BEARING	DISTANCE
L1	N 10°15'33" W	5.00'
L2	N 87°25'37" W	2.00'
L3	S 02°34'23" W	17.00'
L4	S 87°25'37" E	2.00'
L5	N 02°34'23" E	25.00'
L6	S 87°25'37" E	2.00'
L7	N 87°25'37" W	2.00'
L8	S 87°57'09" E	60.00'

BASIS OF BEARINGS:

THURSTON COUNTY HIGH PRECISION SURVEY CONTROL NETWORK BASED ON SURVEY CONTROL POINT NO. GP-3510-59 AND POINT NO. 7512. BEARING BETWEEN SAID POINTS IS NORTH 29°22'41" EAST

SCALE: 1"=100 FEET



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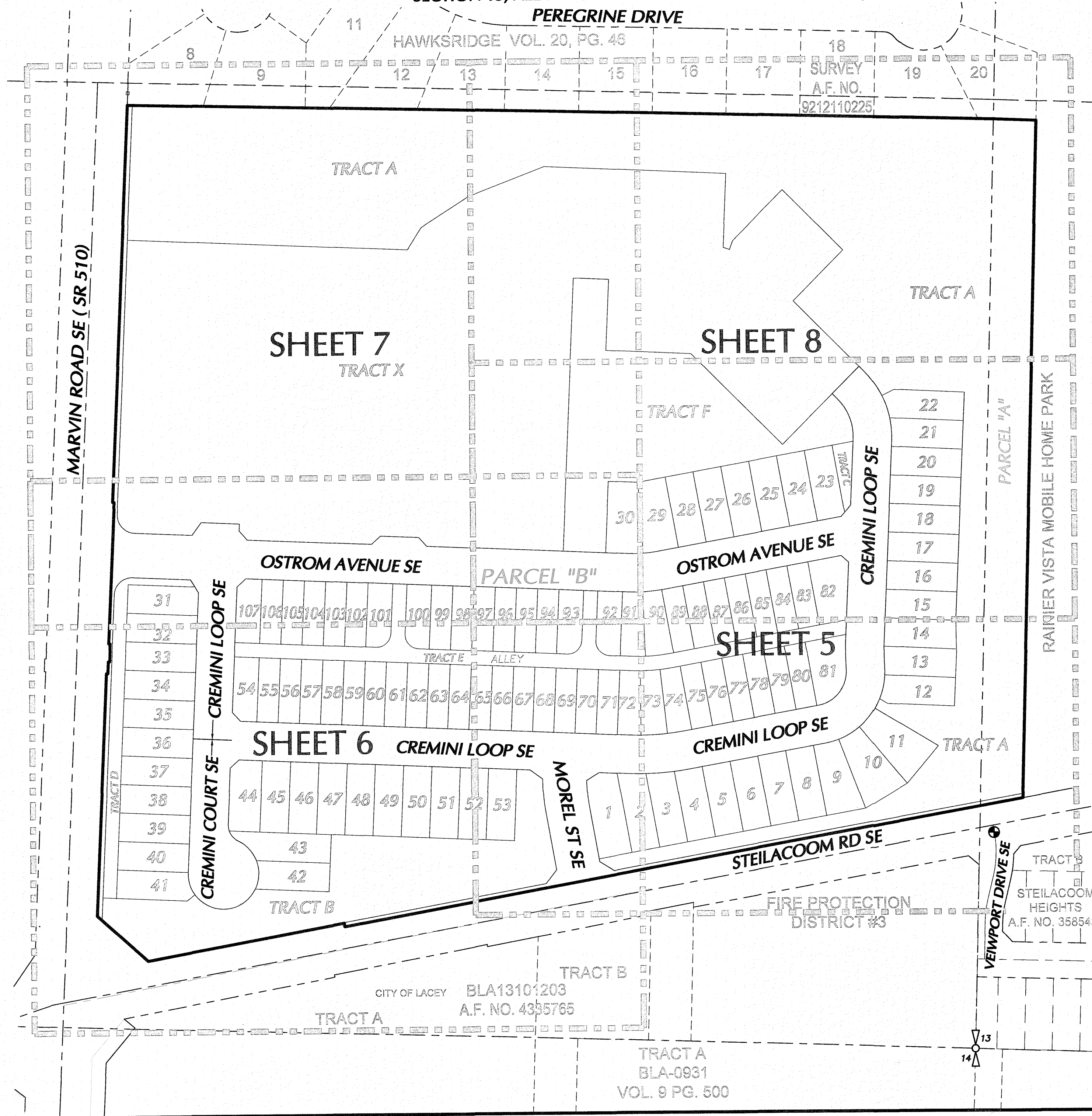
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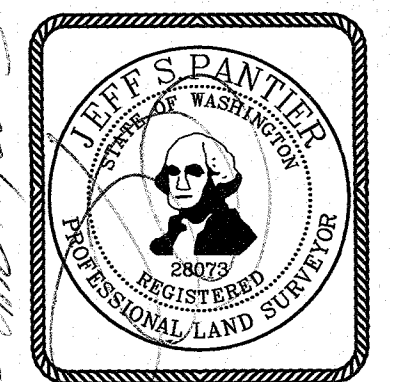
MOREL MEADOWS DIVISION 1

A PLAT COMMUNITY, AS DEFINED BY CHAPTER 64.90 RCW

A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14 AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, ALL IN TOWNSHIP 18 NORTH RANGE 1 WEST, W.M.



SCALE: 1"=100 FEET
0 50 100 200



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hattonpantier.com 21-100A

PLAT OF MOREL MEADOWS DIVISION 1 A PLAT COMMUNITY, AS DEFINED BY CHAPTER 64.90 RCW
 A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14 AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER
 OF SECTION 13, ALL IN TOWNSHIP 18 NORTH RANGE 1 WEST, W.M.

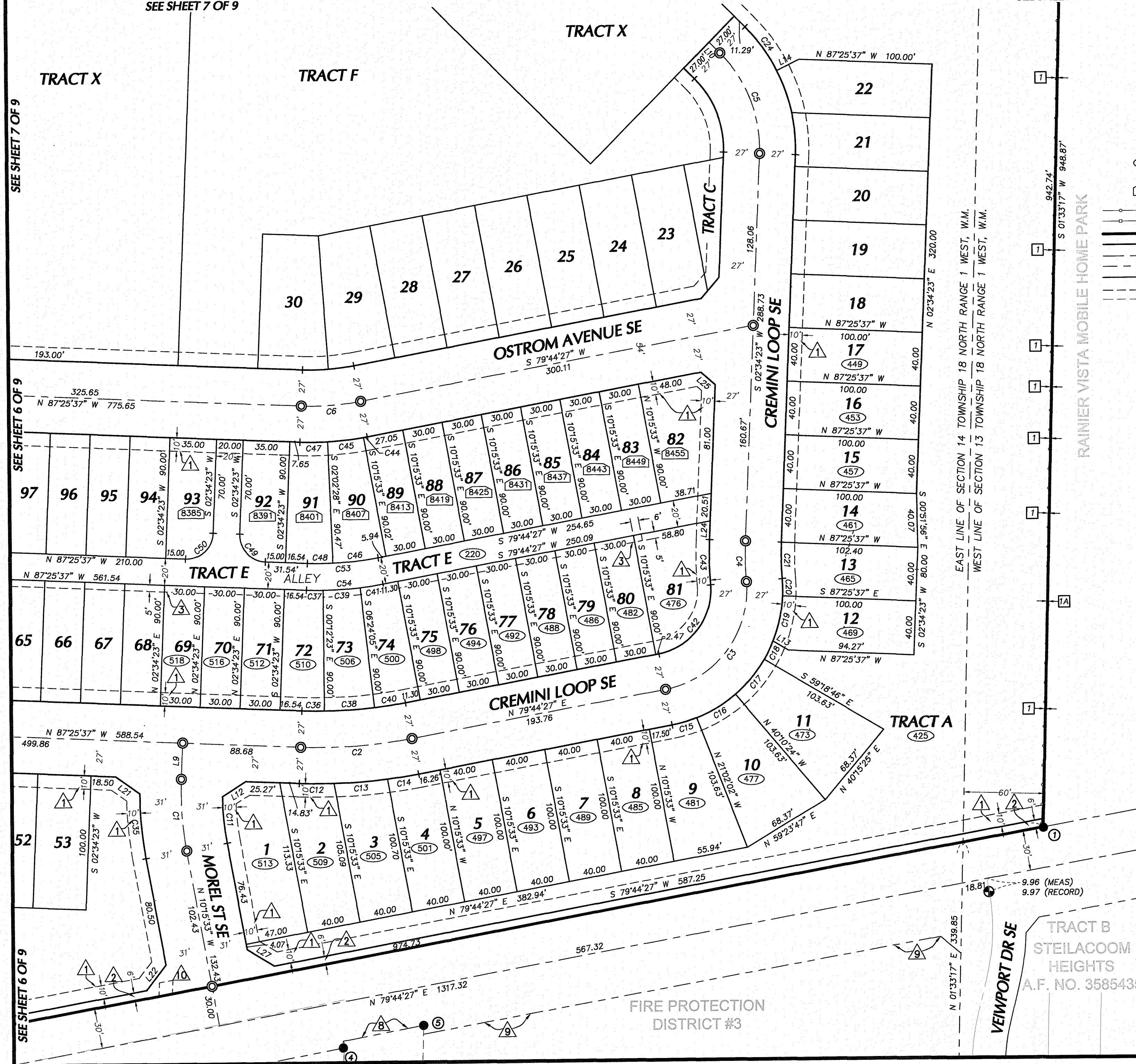
SEE SHEET 8 OF 9

SEE SHEET 7 OF 9

SEE SHEET 7 OF 9

SEE SHEET 6 OF 9

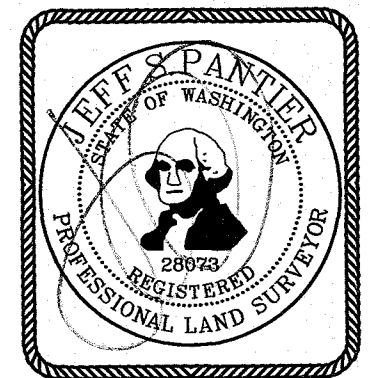
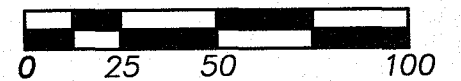
SEE SHEET 6 OF 9

**LEGEND**

- ① FOUND WSDOT BRASS DISC IN SIDEWALK (THURSTON COUNTY HIGH PRECISION NETWORK CONTROL POINT # G34510-59)
- ② FOUND 3" BRASS DISC "CITY OF LACEY LS 48748"
- ③ MONUMENT FOUND AS NOTED
- ④ FOUND 5/8" REBAR AND PLASTIC CAP STAMPED "JSP 28073"
- ⑤ SET CONCRETE MONUMENT WITH BRASS DISK STAMPED "28073"
- ④④⑨ ADDRESS: CREMINI LOOP SE LACEY, WA 98513
- ⑧④③⑦ ADDRESS: OSTROM AVENUE SE LACEY, WA 98513
- CHAINLINK FENCE
- BOARD FENCE
- PROP LINE
- RIGHT OF WAY DEDICATION
- CENTERLINE
- PUBLIC RIGHT OF WAY
- LOT LINE
- EASEMENT LINE
- PARCEL LINE
- ① 10' WIDE UTILITY EASEMENT (SEE EASEMENT PROVISIONS ON SHEET 1)
- ② RIGHT-OF-WAY DEDICATION
- ③ 5' WIDE STORM DRAINAGE EASEMENT FOR THE BENEFIT OF THE MOREL MEADOWS OWNERS ASSOCIATION
- ④ RIGHT OF WAY BASED ON SURVEY REFERENCE NO.'S 3, 6, & 10
- ⑤ SOUTH LINE RIGHT OF WAY DESCRIBED IN DEED RECORDED UNDER AUDITOR'S FILE NO. 4890335
- ⑥ EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 4008833 (SEE TITLE NOTE NO. 13)
- ⑦ FOUND 5/8" REBAR AND CAP (ILLEGIBLE), CHAINLINK FENCE 0.5' WEST OF PROPERTY LINE
- ⑧ FOUND 5/8" REBAR ON CALCULATED RIGHT OF WAY
- ⑨ CHAINLINK FENCE 0.1"-1.7" WEST OF CALC PROPERTY LINE (SEE TITLE NOTE NO. 18)
- ⑩ CHAINLINK FENCE 0.2' EAST OF CALC PROPERTY LINE

BASIS OF BEARINGS:
 THURSTON COUNTY HIGH PRECISION
 SURVEY CONTROL NETWORK BASED
 ON CONTROL POINT NO.
 GP-3510-59 AND POINT NO. 7512,
 BEARING BETWEEN SAID POINTS IS
 NORTH 29°22'41" EAST

SCALE: 1"=50 FEET



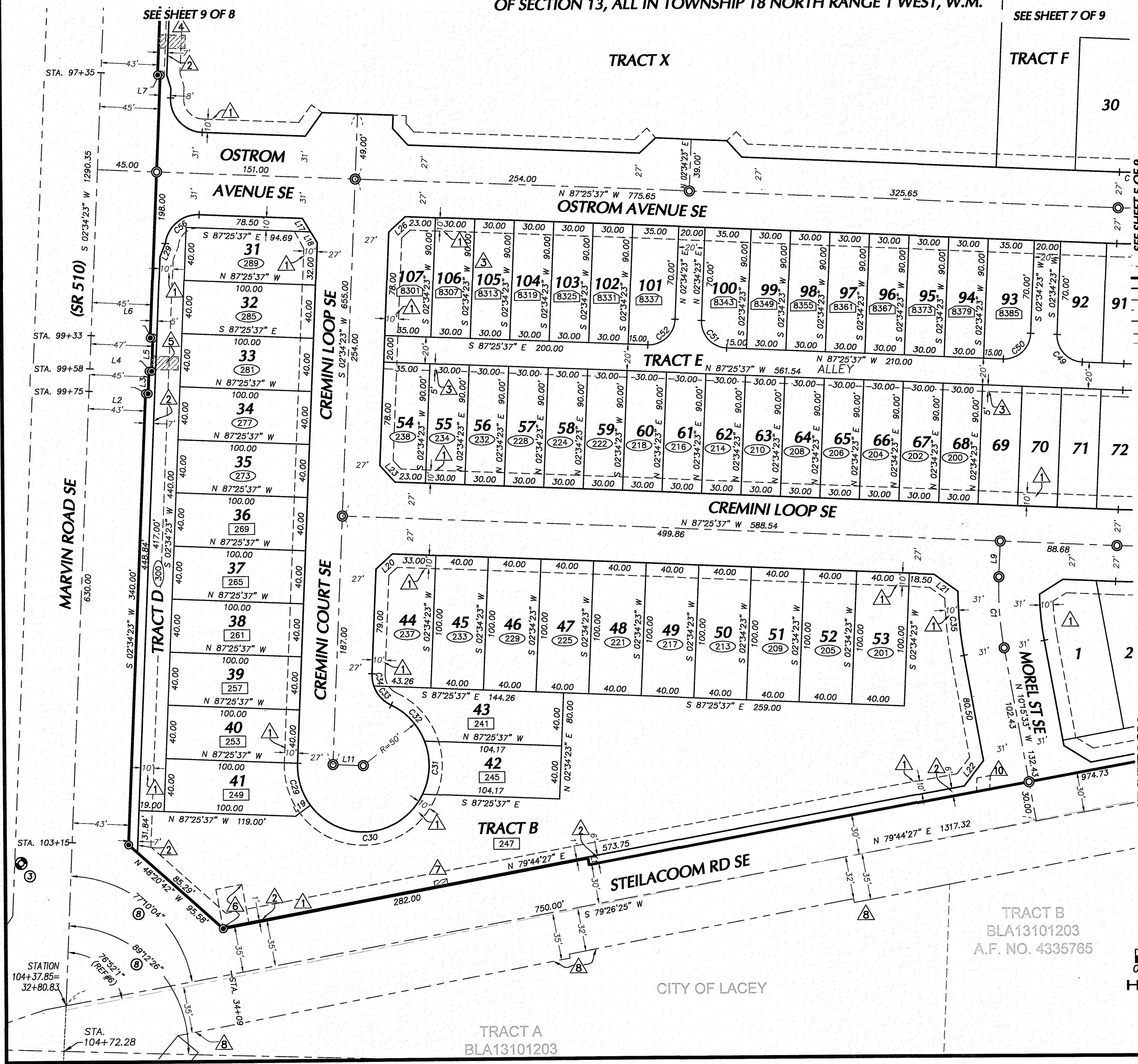
TRACT B
 STEILACOOM
 HEIGHTS
 A.F. NO. 3585435

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 OLYMPIA, WA 98506
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 hattonpantier.com

EEP
 21-100A

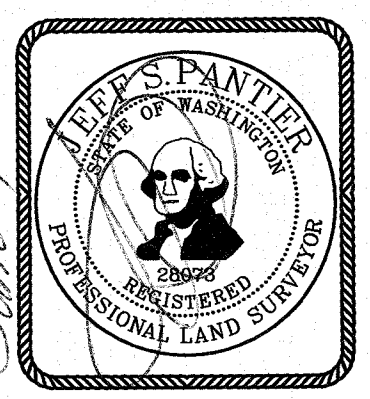
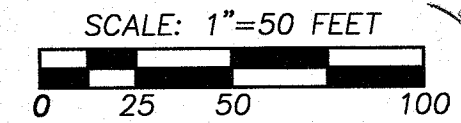
PLAT OF **MOREL MEADOWS DIVISION 1** A PLAT COMMUNITY, AS DEFINED BY CHAPTER 64.90 RCW

A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14 AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, ALL IN TOWNSHIP 18 NORTH RANGE 1 WEST, W.M.



- LEGEND**
- FOUND WSDOT BRASS DISC IN SIDEWALK (THURSTON COUNTY HIGH PRECISION NETWORK CONTROL POINT # G34510-59)
 - FOUND 3" BRASS DISC "CITY OF LACEY LS 48748"
 - MONUMENT FOUND AS NOTED
 - FOUND 5/8" REBAR AND PLASTIC CAP STAMPED "JSP 28073"
 - SET CONCRETE MONUMENT WITH BRASS DISK STAMPED "28073"
 - ADDRESS: CREMINI LOOP SE OLYMPIA, WA 98513
 - ADDRESS: CREMINI COURT SE OLYMPIA, WA 98513
 - ADDRESS: OSTROM AVENUE SE OLYMPIA, WA 98513
 - CHAINLINK FENCE
 - BOARD FENCE
 - PROP LINE
 - RIGHT OF WAY DEDICATION
 - CENTERLINE
 - PUBLIC RIGHT OF WAY
 - LOT LINE
 - EASEMENT LINE
 - PARCEL LINE
 - 10' WIDE UTILITY EASEMENT (SEE EASEMENT PROVISIONS ON SHEET 1)
 - RIGHT-OF-WAY DEDICATION
 - 5' WIDE STORM DRAINAGE EASEMENT FOR THE BENEFIT OF THE MOREL MEADOWS OWNERS ASSOCIATION
 - EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 3428267 (EASEMENT NO. 2)
 - EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 3428267
 - EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 3428268 (SEE TITLE NOTE NO. 11)
 - EASEMENT GRANTED TO PUGET SOUND POWER & LIGHT COMPANY RECORDED UNDER AUDITOR'S FILE NO. 9206100190 (SEE TITLE NOTE NO. 4)
 - RIGHT OF WAY BASED ON SURVEY REFERENCE NO. 3, 6, & 10
 - SOUTH LINE RIGHT OF WAY DESCRIBED IN DEED RECORDED UNDER AUDITOR'S FILE NO. 4890335
 - EASEMENT GRANTED TO PUGET SOUND ENERGY, INC. RECORDED UNDER AUDITOR'S FILE NO. 4008833 (SEE TITLE NOTE NO. 13)
 - FOUND WSDOT 3" BRASS DISC, NO. G34510-59 (THURSTON COUNTY HIGH PRECISION SURVEY CONTROL POINT NO. GP-34510-59).
 - ANGLE PER SURVEY REFERENCE NO. 14

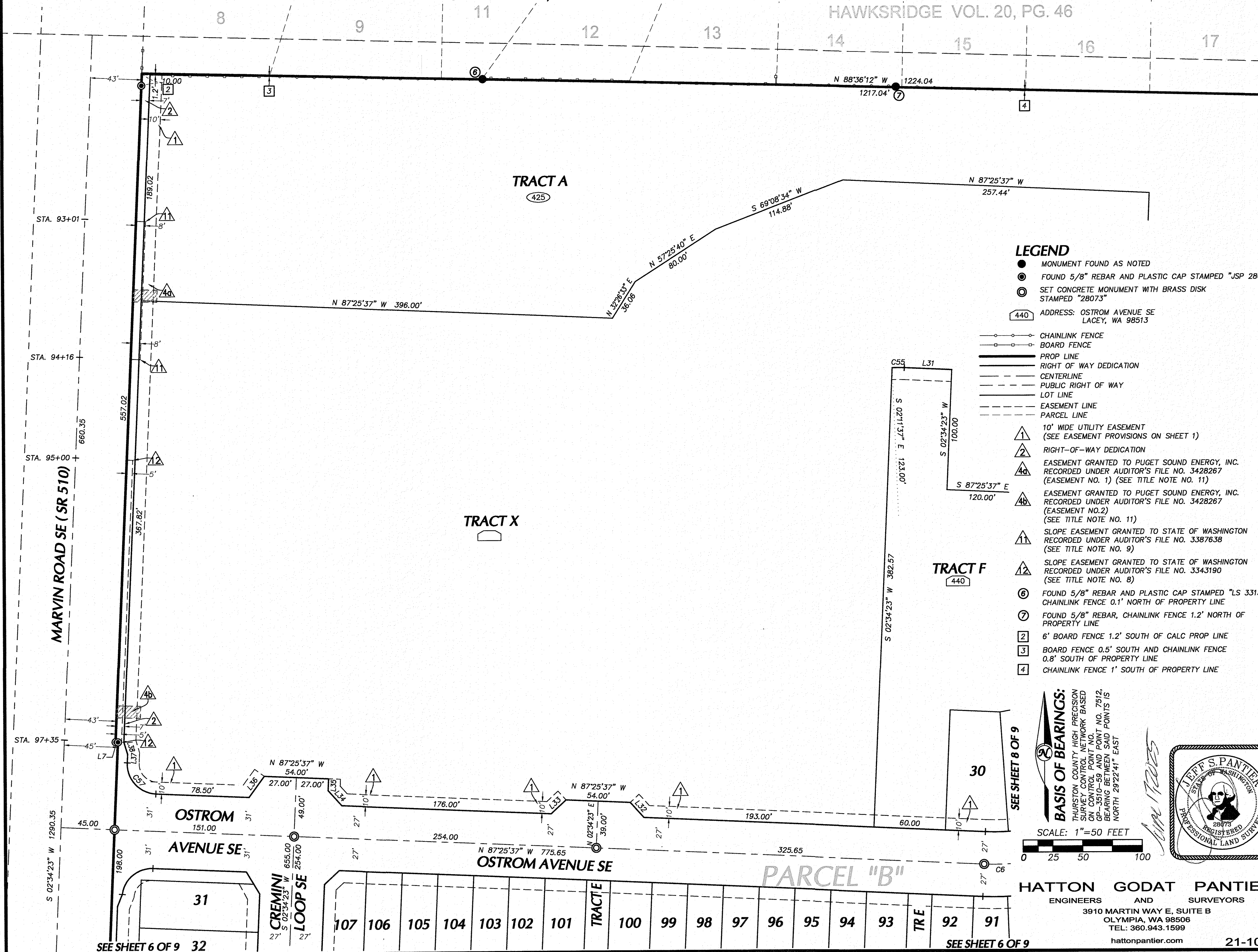
BASIS OF BEARINGS:
THURSTON COUNTY HIGH PRECISION SURVEY CONTROL NETWORK BASED ON CONTROL POINT NO. GP-3510-59 AND POINT NO. 7512. BEARING BETWEEN SAID POINTS IS NORTH 29°22'41" EAST



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A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14 AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, ALL IN TOWNSHIP 18 NORTH RANGE 1 WEST, W.M.

HAWKSRIIDGE VOL. 20, PG. 46

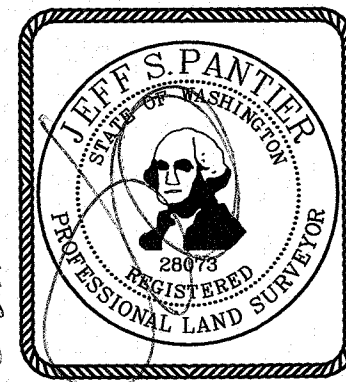


LEGEND

- MONUMENT FOUND AS NOTED
- ⊙ FOUND 5/8" REBAR AND PLASTIC CAP STAMPED "JSP 28073"
- ⊙ SET CONCRETE MONUMENT WITH BRASS DISK STAMPED "28073"
- 440 ADDRESS: OSTRUM AVENUE SE
LACEY, WA 98513
- CHAINLINK FENCE
- BOARD FENCE
- PROP LINE
- RIGHT OF WAY DEDICATION
- CENTERLINE
- PUBLIC RIGHT OF WAY
- LOT LINE
- EASEMENT LINE
- PARCEL LINE
- △ 10' WIDE UTILITY EASEMENT
(SEE EASEMENT PROVISIONS ON SHEET 1)
- △ 2 RIGHT-OF-WAY DEDICATION
- △ 4a EASEMENT GRANTED TO PUGET SOUND ENERGY, INC.
RECORDED UNDER AUDITOR'S FILE NO. 3428267
(EASEMENT NO. 1) (SEE TITLE NOTE NO. 11)
- △ 4b EASEMENT GRANTED TO PUGET SOUND ENERGY, INC.
RECORDED UNDER AUDITOR'S FILE NO. 3428267
(EASEMENT NO. 2) (SEE TITLE NOTE NO. 11)
- △ 11 SLOPE EASEMENT GRANTED TO STATE OF WASHINGTON
RECORDED UNDER AUDITOR'S FILE NO. 3387638
(SEE TITLE NOTE NO. 9)
- △ 12 SLOPE EASEMENT GRANTED TO STATE OF WASHINGTON
RECORDED UNDER AUDITOR'S FILE NO. 3343190
(SEE TITLE NOTE NO. 8)
- ⊙ 6 FOUND 5/8" REBAR AND PLASTIC CAP STAMPED "LS 33138",
CHAINLINK FENCE 0.1' NORTH OF PROPERTY LINE
- ⊙ 7 FOUND 5/8" REBAR, CHAINLINK FENCE 1.2' NORTH OF
PROPERTY LINE
- ⊙ 2 6' BOARD FENCE 1.2' SOUTH OF CALC PROP LINE
- ⊙ 3 BOARD FENCE 0.5' SOUTH AND CHAINLINK FENCE
0.8' SOUTH OF PROPERTY LINE
- ⊙ 4 CHAINLINK FENCE 1' SOUTH OF PROPERTY LINE

BASIS OF BEARINGS:
THURSTON COUNTY HIGH PRECISION
SURVEY CONTROL NETWORK BASED
ON CONTROL POINT NO.
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SCALE: 1"=50 FEET



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PLAT OF **MOREL MEADOWS DIVISION 1** A PLAT COMMUNITY, AS DEFINED BY CHAPTER 64.90 RCW

SHEET 8 OF 9

A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14 AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, ALL IN TOWNSHIP 18 NORTH RANGE 1 WEST, W.M.

HAWKS RIDGE A.F. NO. 1048360

LEGEND

- MONUMENT FOUND AS NOTED
- ⊙ FOUND 5/8" REBAR AND PLASTIC CAP STAMPED "JSP 28073"
- ⊙ SET CONCRETE MONUMENT WITH BRASS DISK STAMPED "28073"
- ④ ADDRESS: CREMINI LOOP SE LACEY, WA 98513
- ⑧ ADDRESS: OSTROM AVENUE SE LACEY, WA 98513
- CHAINLINK FENCE
- BOARD FENCE
- PROP LINE
- RIGHT OF WAY DEDICATION
- CENTERLINE
- PUBLIC RIGHT OF WAY
- LOT LINE
- EASEMENT LINE
- PARCEL LINE
- ① 10' WIDE UTILITY EASEMENT (SEE EASEMENT PROVISIONS ON SHEET 1)
- ④ UTILITY EASEMENT GRANTED TO CITY OF LACEY FOR WATERMAIN RECORDED UNDER AUDITOR'S FILE NO. 9305120281 (SEE TITLE NOTE NO. 6)
- ② FOUND 1" IRON PIPE WITH PLASTIC CAP STAMPED "9608"
- ⑦ FOUND 5/8" REBAR, CHAINLINK FENCE 1.2' NORTH OF PROPERTY LINE
- ① CHAINLINK FENCE 0.1'—1.7' WEST OF CALC PROPERTY LINE (SEE TITLE NOTE NO. 18)
- ④ CHAINLINK FENCE 1' SOUTH OF PROPERTY LINE
- ⑤ CHAINLINK FENCE 0.5' NORTH OF PROPERTY LINE
- ⑥ CHAINLINK FENCE CORNER 0.8' NORTH OF PROPERTY LINE
- ⑦ CHAINLINK FENCE 3.0' NORTH OF PROPERTY LINE

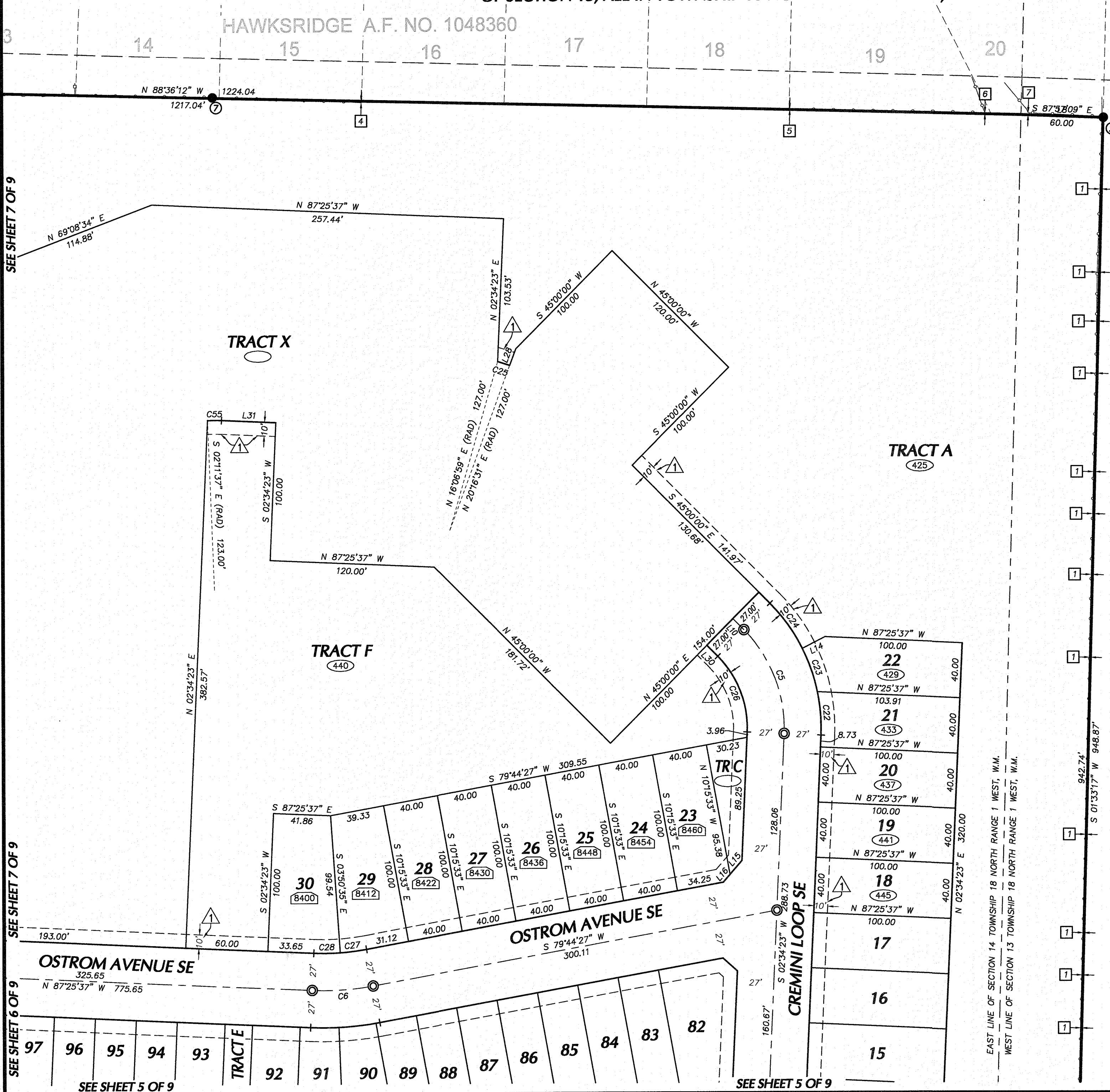
SEE SHEET 7 OF 9

SEE SHEET 7 OF 9

SEE SHEET 6 OF 9

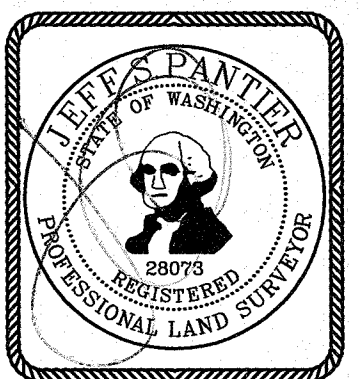
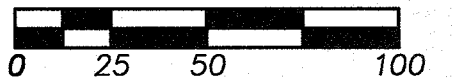
SEE SHEET 5 OF 9

SEE SHEET 5 OF 9



BASIS OF BEARINGS:
THURSTON COUNTY HIGH PRECISION
SURVEY CONTROL NETWORK BASED
ON CONTROL POINT NO.
GP-3510-59 AND POINT NO. 7512.
BEARING BETWEEN SAID POINTS IS
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21-100A

PLAT OF **MOREL MEADOWS DIVISION 1**
A PLAT COMMUNITY, AS DEFINED BY CHAPTER 64.90 RCW
A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14 AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER
OF SECTION 13, ALL IN TOWNSHIP 18 NORTH RANGE 1 WEST, W.M.

LOT AREAS		
LOT #	SQ. FT.	ACRES
1	5,390	0.12
2	4,358	0.10
3	4,102	0.09
4	4,006	0.09
5	4,000	0.09
6	4,000	0.09
7	4,000	0.09
8	4,000	0.09
9	4,654	0.11
10	5,194	0.12
11	5,194	0.12
12	4,068	0.09
13	4,053	0.09
14	4,048	0.09
15	4,000	0.09
16	4,000	0.09
17	4,000	0.09
18	4,000	0.09
19	4,000	0.09
20	4,000	0.09
21	4,040	0.09
22	4,361	0.10
23	3,987	0.09
24	4,000	0.09
25	4,000	0.09
26	4,000	0.09
27	4,000	0.09
28	4,000	0.09
29	4,488	0.10
30	4,742	0.11
31	3,970	0.09
32	4,000	0.09
33	4,000	0.09
34	4,000	0.09
35	4,000	0.09
36	4,000	0.09
37	4,000	0.09
38	4,000	0.09
39	4,000	0.09
40	4,000	0.09
41	4,157	0.10
42	4,055	0.09
43	4,911	0.11
44	4,424	0.10
45	4,000	0.09
46	4,000	0.09
47	4,000	0.09
48	4,000	0.09
49	4,000	0.09
50	4,000	0.09
51	4,000	0.09
52	4,000	0.09
53	4,000	0.09
54	3,078	0.07

LOT AREAS		
LOT #	SQ. FT.	ACRES
55	2,700	0.06
56	2,700	0.06
57	2,700	0.06
58	2,700	0.06
59	2,700	0.06
60	2,700	0.06
61	2,700	0.06
62	2,700	0.06
63	2,700	0.06
64	2,700	0.06
65	2,700	0.06
66	2,700	0.06
67	2,700	0.06
68	2,700	0.06
69	2,700	0.06
70	2,700	0.06
71	2,700	0.06
72	2,811	0.06
73	2,949	0.07
74	2,853	0.07
75	2,700	0.06
76	2,700	0.06
77	2,700	0.06
78	2,700	0.06
79	2,700	0.06
80	2,700	0.06
81	4,211	0.10
82	4,345	0.10
83	2,700	0.06
84	2,700	0.06
85	2,700	0.06
86	2,700	0.06
87	2,700	0.06
88	2,700	0.06
89	2,700	0.06
90	3,035	0.07
91	2,892	0.07
92	3,064	0.07
93	3,064	0.07
94	2,700	0.06
95	2,700	0.06
96	2,700	0.06
97	2,700	0.06
98	2,700	0.06
99	2,700	0.06
100	3,064	0.07
101	3,064	0.07
102	2,700	0.06
103	2,700	0.06
104	2,700	0.06
105	2,700	0.06
106	2,700	0.06
107	3,078	0.07

TRACT AREAS			
TRACT	USAGE	SQ. FT.	ACRES
BOUNDARY	SUBDIVISION	1,397,368	32.08
TRACT "A"	OPEN SPACE/ STORM DRAINAGE	325,088	7.46
TRACT "B"	OPEN SPACE/ STORM DRAINAGE	53,349	1.22
TRACT "C"	OPEN SPACE	1,812	0.04
TRACT "D"	OPEN SPACE	9,231	0.21
TRACT "E"	ALLEY	21,332	0.49
TRACT "F"	PARK/OPEN SPACE	58,322	1.34
TRACT "X"	FUTURE DEVELOPMENT	370,319	8.50

LINE TABLE		
NO.	BEARING	DISTANCE
L1	S 10°15'33" E	5.00'
L2	N 87°25'37" W	2.00'
L3	S 02°34'23" W	17.00'
L4	N 87°25'37" W	2.00'
L5	N 02°34'23" E	25.00'
L6	N 87°25'37" W	2.00'
L7	N 87°25'37" W	2.00'
L8	N 87°57'09" W	60.00'
L9	S 02°34'23" W	27.00'
L10	S 45°00'00" E	11.29'
L11	S 87°25'37" E	23.00'
L12	N 58°09'22" E	20.91'
L13	N 59°18'46" W	13.23'
L14	S 63°16'27" W	18.63'
L15	S 40°57'56" W	13.35'
L16	S 40°57'56" W	7.38'
L17	S 31°13'20" E	12.03'
L18	S 30°59'06" E	9.60'
L19	S 53°54'48" W	14.03'
L20	N 47°58'24" E	16.85'
L21	S 54°19'53" E	22.24'
L22	S 38°00'46" W	23.94'
L23	N 42°25'37" W	16.97'
L24	N 02°34'23" E	14.01'
L25	S 48°32'57" E	14.04'
L26	N 47°34'23" E	16.97'
L27	S 58°35'23" E	23.96'
L28	S 20°16'31" W	12.82'
L29	N 21°51'47" E	10.92'
L30	N 45°00'00" W	11.29'
L31	N 87°25'37" W	39.78'
L32	N 42°25'37" W	16.97'
L33	S 47°34'23" W	16.97'
L34	N 42°25'37" W	16.97'
L35	N 02°34'23" E	10.00'
L36	S 36°15'47" W	21.63'
L37	N 02°34'23" E	7.18'
L38	N 16°43'01" W	10.59'

CURVE TABLE			
NO.	RADIUS	DELTA ANGLE	ARC LENGTH
C1	240.00'	12°49'56"	53.75'
C2	375.00'	12°49'56"	83.99'
C3	75.00'	84°08'25"	110.14'
C4	250.00'	6°58'21"	30.42'
C5	100.00'	47°34'23"	83.03'
C6	200.00'	12°49'56"	44.79'
C11	209.00'	9°35'28"	34.99'
C12	402.00'	3°42'33"	26.02'
C13	402.00'	5°44'15"	40.26'
C14	402.00'	3°23'07"	23.75'
C15	102.00'	10°46'29"	19.18'
C16	102.00'	19°08'22"	34.07'
C17	102.00'	19°08'22"	34.07'
C18	102.00'	8°27'23"	15.05'
C19	102.00'	19°21'00"	34.45'
C20	102.00'	7°16'48"	12.96'
C21	223.00'	6°58'21"	27.14'
C22	127.00'	14°15'08"	31.59'
C23	127.00'	15°02'49"	33.35'
C24	127.00'	18°16'27"	40.51'
C25	127.00'	4°09'32"	9.22'
C26	73.00'	47°34'23"	60.61'
C27	173.00'	6°24'58"	19.37'
C28	173.00'	6°24'58"	19.37'
C29	50.00'	38°39'35"	33.74'
C30	50.00'	117°45'44"	102.77'
C31	50.00'	47°09'23"	41.15'
C32	50.00'	43°40'28"	38.11'
C33	25.00'	45°44'36"	19.96'
C34	25.00'	21°30'34"	9.39'
C35	271.00'	10°15'49"	48.54'
C36	348.00'	2°46'46"	16.88'
C37	258.00'	2°46'46"	12.52'
C38	348.00'	6°11'42"	37.63'
C39	258.00'	6°11'42"	27.90'
C40	348.00'	3°51'27"	23.43'
C41	258.00'	3°51'27"	17.37'
C42	48.00'	84°08'25"	70.49'
C43	277.00'	6°58'21"	33.71'
C44	227.00'	0°44'38"	2.95'
C45	227.00'	6°50'35"	27.11'
C46	238.00'	8°13'04"	34.14'
C47	227.00'	5°14'43"	20.78'
C48	238.00'	4°36'52"	19.17'
C49	20.00'	90°00'00"	31.42'
C50	20.00'	90°00'00"	31.42'
C51	20.00'	90°00'00"	31.42'
C52	20.00'	90°00'00"	31.42'
C53	238.00'	12°49'56"	53.30'
C54	258.00'	12°49'56"	57.78'
C55	123.00'	4°46'00"	10.23'
C56	25.00'	84°42'40"	36.96'
C57	25.00'	90°00'00"	39.27'

Scale 17 Feet

BASIS OF BEARINGS:
THURSTON COUNTY HIGH PRECISION
SURVEY CONTROL NETWORK BASED ON
CONTROL POINT NO. GP-3510-59 AND
POINT NO. 7512.
BEARING BETWEEN SAID POINTS IS
NORTH 29°22'41" EAST

JEFF S. PANTIER
REGISTERED
PROFESSIONAL LAND SURVEYOR
28993

CITY OF LACEY
Official Proclamation

WHEREAS, International Overdose Awareness Day shares the message that overdose deaths occur in all communities and among people from every walk of life; and

WHEREAS, the City of Lacey stands beside and uplifts those who have lost loved ones to an overdose and those who have a substance use disorder and are diligently working toward recovery; and

WHEREAS, overdose deaths are preventable and can be caused by alcohol, over-the-counter medications, stimulants, opioids, and other substances; and

WHEREAS, like many communities across Washington State, the national opioid epidemic and other overdoses pose a significant threat to public health in Lacey, and people who experience an overdose deserve quality care and kindness; and

WHEREAS, the City of Lacey has joined with other Washington communities in the One Washington Memorandum of Understanding to access funds vital to responding to the opioid epidemic in our community; and

WHEREAS, Washington State has implemented a State Opioid Response Plan; and

WHEREAS, anyone can visit the statewide resource www.stopoverdose.org and Recovery Help Line at 1-866-789-1511 for 24-hour information and help; and

NOW, THEREFORE, I, Andy Ryder, Mayor of the City of Lacey, on behalf of the Lacey City Council, do hereby proclaim August 31, 2025, as

Overdose Awareness Day

in the City of Lacey and encourage anyone whose life has been impacted by a substance use disorder to call the Washington Recovery Helpline at 1-866-789-1511.



Mayor Andy Ryder
August 19, 2025



LACEY CITY COUNCIL MEETING

August 19, 2025

Resolution 1171 – 5025 Mullen Rd SE Property Surplus

SUBJECT:

RECOMMENDATION: Motion: Adopt Resolution 1171 authorizing the disposition of the property located at 5025 Mullen Rd SE to the Housing Authority of Thurston County for a sale price of \$1.00 for development of affordable housing.

STAFF CONTACT: Rick Walk, City Manager *RW*
Vanessa Dolbee, Community and Economic Development Director

ORIGINATED BY: Community and Economic Development Department

ATTACHMENTS:

1. Resolution No. 1171
2. Property Map
3. Assessor Parcel Data
4. Title Report
5. Appraisal Report
6. Draft Memorandum of Understanding
7. Draft Property Covenant

FISCAL NOTE: \$1.00

WORK PLAN GOAL AND STRATEGY: Vibrant Place To Live, Work & Play - (D)(5 - 8)

HOUSING ACTION PLAN: Goal 1. p. "partner with low-income housing developers..."
Goal 5. c. "identify and develop partnerships.."

PRIOR REVIEW: Lacey City Council Worksession – July 22, 2025

BACKGROUND:

The City of Lacey owns a parcel of land located at 5025 Mullen Rd. SE, Lacey, WA, totaling approximately 5.32 acres. The property lies within city limits, in proximity to existing neighborhoods, schools, and services. The Thurston County Assessor's Tax Parcel Number for this property is 11828320203. The legal description is available in Attachment 2.

The City purchased the property from LOTT Clean Water Alliance and officially became the property owner on June 30, 2025, for a total cost of \$451,322.15, following execution of a Purchase and Sale Agreement in April 2025.

The City now seeks to surplus the property through direct negotiation with the Housing Authority of Thurston County (HATC), a public body corporate and politic of the State of Washington (i.e. a nonprofit similar entity), for the purpose of developing affordable housing. HATC will be required to enter into a Memorandum of Understanding (MOU) with the City. The MOU will require HATC to host a neighborhood meeting to gather community feedback prior to submitting a formal land use application for the proposed project.

The parcel is currently zoned Open Space Institutional (OS-I), and is proposed for a re-zone to Low-Density Residential as a part of the Comprehensive Plan Update process, allowing for residential site development. There are no federal or state grant restrictions governing the property's disposal.

No existing recorded easements, deed restrictions, or covenants limit the City's authority to dispose of the property (see Attachment 4, Schedule B for existing easements recorded on the property). As a part of the disposition, a covenant requiring that the property be used exclusively for the development of affordable housing in accordance with RCW 39.33.015 will be recorded. This covenant will run with the land and ensure long-term compliance (Attachment 7).

The Thurston County Assessor's current valuation is \$1,286,700. An independent appraisal completed in May 2025 estimated the market value at \$700,000.

Staff recommends disposing of the property through direct negotiation with HATC, given their status as a nonprofit similar entity and alignment with affordable housing goals. This method is consistent with both state law and LMC 2.74 for surplus property designated for affordable housing.

Staff recommends the sale price to be \$1.00 (one dollar) in recognition of the affordability requirements and public benefit derived from the partnership with HATC. The covenant and memorandum of understanding will ensure an affordable housing project and community engagement process consistent with community priorities.

Disposition of the property for affordable housing requires the adoption of a resolution by Council. At the July 22, 2025 Worksession of the Lacey City Council, staff was directed to prepare Resolution No. 1171, for Council to consider, declaring the property surplus, authorizing disposition of the property through direct negotiations with the HATC.

NEXT STEPS:

Option 1: Adopt Resolution 1171, declaring 5025 Mullen Rd. SE, surplus, authorizing disposition of the property through direct negotiations with the Housing Authority of Thurston County with a sale price of \$1.00 and for the specific public benefit purposes of providing affordable housing.

Option 2: Direct staff to review other alternatives to consider in regards to this resolution.

Option 3: Do not authorize the surplus and disposition of the property.

RESOLUTION 1171

CITY OF LACEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LACEY DECLARING CERTAIN REAL PROPERTY AS SURPLUS TO THE NEEDS OF THE CITY AND AUTHORIZING ITS DISPOSITION TO THE HOUSING AUTHORITY OF THURSTON COUNTY FOR THE PURPOSE OF DEVELOPING AFFORDABLE HOUSING

WHEREAS, the City of Lacey (“City”) is the owner of a parcel of real property located at 5025 Mullen Rd. SE, Lacey, WA, consisting of approximately 5.32 acres, legally described in Exhibit A, and identified by Thurston County Assessor’s Tax Parcel No. 11828320203 (the “Property”); and

WHEREAS, the City acquired the Property from the LOTT Clean Water Alliance in June 2025, at a purchase price of \$451,322.15; and

WHEREAS, no federal, state, or other grant funds were used in the acquisition of the Property, and the City’s General Fund was used for purchase; and any proceeds from sale shall be returned to the General Fund; and

WHEREAS, there are no existing federal or state grant restrictions, deed restrictions, or covenants limiting the City’s authority to dispose of the Property, and there are no known easements that restrict its use for affordable housing development; and

WHEREAS, the Property is currently zoned Open Space Institutional (OS-I) but is proposed for rezone to Low-Density Residential (LD) as part of the City's 2025 Comprehensive Plan Update, allowing for residential site development consistent with affordable housing goals; and

WHEREAS, the Property has not been used for active municipal services and is not anticipated to be needed for future municipal use; and

WHEREAS, the Thurston County Assessor’s current valuation of the Property is \$1,286,700, and an independent appraisal completed in May 2025 estimates the fair market value at \$700,000; and

WHEREAS, in accordance with RCW 39.33.015 and Lacey Municipal Code Chapter

2.74, the City may dispose of surplus real property to a nonprofit or public entity for the purpose of providing affordable housing; and

WHEREAS, the Housing Authority of Thurston County (“HATC”), a public body corporate and politic of the State of Washington, is a qualified entity under RCW 39.33.015 and has expressed interest in acquiring the Property for the development of affordable housing consistent with City goals and policies; and

WHEREAS, the City Council finds it in the public interest to dispose of the Property to HATC through direct negotiation for the nominal amount of \$1.00 (one dollar) in recognition of the long-term affordability commitment and public benefit of the proposed housing project; and

WHEREAS, a Memorandum of Understanding (MOU) has been executed which requires the HATC to conduct a neighborhood meeting prior to land use application submittal, and a covenant restricting the use of the Property exclusively to affordable housing development, in accordance with RCW 39.33.015, shall be recorded against the title and run with the land; and

WHEREAS, at the July 22, 2025, Work Session, the City Council directed staff to prepare this Resolution declaring the Property surplus and authorizing its disposition;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, as follows:

1. The real property located at 5025 Mullen Rd. SE, Lacey, WA, identified as Thurston County Assessor’s Tax Parcel No. 11828320203 and legally described in Exhibit A, attached hereto, is hereby declared surplus to the needs of the City.
2. The City Manager or designee is authorized to dispose of the Property to the Housing Authority of Thurston County through direct negotiation, consistent with the requirements of RCW 39.33.015 and Lacey Municipal Code 2.74, for the nominal price of \$1.00 (one dollar), and to execute all necessary documents to complete the transfer.
3. The disposition shall be conditioned upon:
 - a. HATC holding a neighborhood meeting prior to land use application submittal as required by the MOU; and
 - b. Recordation of a covenant running with the land restricting the use of the Property to the development of affordable housing in accordance with RCW 39.33.015, as set forth in Exhibit B.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON,

this _____ day of _____, 2025.

CITY COUNCIL

By _____
Mayor

Attest:

Approved as to form:

City Clerk

City Attorney

Property Location | 5025 Mullen Rd. SE, Lacey



Thurston County Assessor

Parcel Number: 11828320203

Date: 7/8/2025

Situs Address:	UNKNOWN	Sect/Town/Range:	28 18 1W
Owner:	LOTT ALLIANCE	Size:	5.32 Acres
Address:	500 ADAMS ST SE OLYMPIA, WA 98501	UseCode:	91 Undeveloped Land
		TCA Number:	241
Taxpayer:	CITY OF LACEY	Neighborhood:	28ID
Address:	420 COLLEGE ST SE LACEY, WA 98503	Property Type:	XMP
		Taxable:	YES
		Active Exemptions:	Government Property - Property is exempt from property tax and the assessed value may not represent market value.
Abbreviated Legal:	Section 28 Township 18 Range 1W Quarter SW SW DAF: COM SW COR SEC 28 THENCE N01-38-58E 1319.22F TO NORTH LINE SW SW, THENCE S87-59-28E 660.01F TO EAST LINE SW SW, THENCE S01-38-58W 108.85F TO X S	Fire District:	FIRE DISTRICT #03
		School District:	NORTH THURSTON S.D. #3

Market Values

Tax Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Assessment Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Market Value Land	\$1,286,700	\$1,127,500	\$943,400	\$765,000	\$1,121,700	\$1,465,200	\$505,400	\$438,000	\$246,700	\$206,600
Market Value Buildings										
Market Value Total	\$1,286,700	\$1,127,500	\$943,400	\$765,000	\$1,121,700	\$1,465,200	\$505,400	\$438,000	\$246,700	\$206,600

Land Characteristics

Land Flag	5860	Land Influence(s)	LT-LIGHT TRAFFIC
Lot Square Footage	231727		SP-SHAPE
Lot Acreage	5.32		FE-FAIR EXPOSURE
Effective Frontage	Not Listed		
Effective Depth	Not Listed		
Water Source	Not Listed		
Sewer Source	Not Listed		

Sales

Sale Date:	12/06/2006
Price:	\$450,000
Excise:	359022
Sale Type:	STATUTRY WARNTY DEED
Recording Number:	3888295
Seller:	SCHOOL DISTRICT #3
Buyer:	LOTT ALLIANCE
Multiple Parcel Sale:	N

The Assessor's Office maintains property records on approximately 112,000 parcels in Thurston County for tax purposes. Though records are updated regularly, the accuracy and timeliness of published data cannot be guaranteed. Any person or entity that relies on information obtained from this website does so at his or her own risk. Neither Thurston County nor the Assessor will be held liable for damage or losses caused by use of this information. **All critical information should be independently verified.**

Office of the Assessor

Steven J. Drew, Assessor

3000 Pacific Ave SE, Olympia WA 98501

Customer Service (360)867-2200 -- Fax (360)867-2201 -- TDD (360)754-2933

COMMITMENT FOR TITLE INSURANCE



THURSTON
COUNTY TITLE

105 8th Ave SE
Olympia, WA 98501
Phone: 360-943-7300 Fax: 360-786-9315



[How to Read a
Preliminary Title Report](#)



ALTA COMMITMENT FOR TITLE INSURANCE

Issued by OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, Old Republic National Title Insurance Company, a Florida corporation, (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Amount of Insurance and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

Issued through the office of:
**Thurston County Title Company as agent for
Old Republic National Title Insurance Company**

Authorized Officer or Agent

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
1408 North Westshore Blvd., Suite 900, Tampa, Florida 33607
(612) 371-1111 www.oldrepublictitle.com

By

President

Attest

Secretary

This page is only a part of a 2021 ALTA Commitment for Title Insurance issued by Old Republic National Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

ORT Form 4757-NA

ALTA Commitment for Title Insurance 2021 v. 01.00

07/01/2021

COMMITMENT CONDITIONS

1. DEFINITIONS

- a. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
 - b. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
 - c. "Land": The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
 - d. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
 - e. "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
 - f. "Proposed Amount of Insurance": Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.
 - g. "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
 - h. "Public Records": The recording or filing system established under State statutes in effect at the Commitment Date under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
 - i. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
 - j. "Title": The estate or interest in the Land identified in Item 3 of Schedule A.
2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.
3. The Company's liability and obligation is limited by and this Commitment is not valid without:
- a. the Notice;
 - b. the Commitment to Issue Policy;
 - c. the Commitment Conditions;
 - d. Schedule A;
 - e. Schedule B, Part I—Requirements;
 - f. Schedule B, Part II—Exceptions; and
 - g. a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company is not liable for any other amendment to this Commitment.

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5. LIMITATIONS OF LIABILITY

- a. The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - i. comply with the Schedule B, Part I—Requirements;
 - ii. eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - iii. acquire the Title or create the Mortgage covered by this Commitment.
- b. The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- c. The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- d. The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.
- f. The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- g. The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM

- a. Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- b. Any claim must be based in contract under the State law of the State where the Land is located and is restricted to the terms and provisions of this Commitment. Any litigation or other proceeding brought by the Proposed Insured against the Company must be filed only in a State or federal court having jurisdiction.
- c. This Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- d. The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- e. Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- f. When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. CLAIMS PROCEDURES

This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.

10. CLASS ACTION

All claims and disputes arising out of or relating to this commitment, including any service or other matter in connection with issuing this commitment, any breach of a commitment provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this commitment, must be brought in an individual capacity. no party may serve as plaintiff, class member, or participant in any class or representative proceeding. any policy issued pursuant to this commitment will contain a class action condition.

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ORT Form 4757-NA

ALTA Commitment for Title Insurance 2021 v. 01.00

07/01/2021



Thurston County Title Company
105 8th Ave SE, Olympia, WA 98501
Phone: 360-943-7300 Fax: 360-208-1153

Agent for
Old Republic National Title Insurance Company
ALTA COMMITMENT FOR TITLE INSURANCE 2021

SCHEDULE A

Title Officer: **Jody Coots**
Escrow Officer: **Jennifer Dempsey**
Ref: **LOTT CLEAN WATER ALLIANCE / CITY OF LACEY**
Issuing Office ALTA Registry ID: **1063433**

Order No.: **TH46172**
Loan ID No.:

1. COMMITMENT DATE: **June 10, 2025 at 8:00 AM.**

2. POLICY OR POLICIES TO BE ISSUED:

- | | | |
|--|--------|---------------------|
| a. ALTA 2021 STANDARD OWNER'S POLICY | Amount | \$450,000.00 |
| Proposed Insured: | | |
| CITY OF LACEY, a Washington Municipal Corporation | | |
| b. | Amount | |
| Proposed Insured: | | |
| c. | Amount | |
| Proposed Insured: | | |

PREMIUM INFORMATION:

- | | | | |
|---------------------------------|-------------------|----------------------|--------------------------|
| a. GENERAL SCHEDULE RATE | \$1,286.00 | Tax: \$126.03 | Total: \$1,412.03 |
| b. | | Tax: | Total: |
| c. | | Tax: | Total: |

3. THE ESTATE OR INTEREST IN THE LAND DESCRIBED HEREIN AND WHICH IS COVERED BY THIS COMMITMENT IS:

FEE SIMPLE

4. THE ESTATE OR INTEREST REFERRED TO HEREIN IS AT DATE OF COMMITMENT VESTED IN:

LOTT CLEAN WATER ALLIANCE WHO ACQUIRED TITLE AS LOTT ALLIANCE, A WASHINGTON NON-PROFIT CORPORATION

5. THE LAND REFERRED TO IN THIS COMMITMENT IS SITUATED IN THE COUNTY OF THURSTON, STATE OF WASHINGTON AND IS MORE FULLY DESCRIBED AS FOLLOWS:

SEE ATTACHED EXHIBIT "A"

SCHEDULE B - SECTION 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.
5. A LEGAL DESCRIPTION WAS NOT INCLUDED IN THE APPLICATION FOR TITLE INSURANCE. THE LEGAL DESCRIPTION CONTAINED HEREIN WAS TAKEN FROM THE RECORD AND PRESUMED INTENTION OF THE PARTIES TO THE TRANSACTION. SAID DESCRIPTION MUST BE EXAMINED AND APPROVED BY ALL PARTIES PRIOR TO CLOSING.
6. EVIDENCE OF THE IDENTITY AND AUTHORITY OF THE OFFICERS OF LOTT CLEAN WATER ALLIANCE, A WASHINGTON NON-PROFIT CORPORATION TO EXECUTE THE FORTHCOMING INSTRUMENT SHOULD BE SUBMITTED.

END OF SCHEDULE B - SECTION I REQUIREMENTS

**SCHEDULE B - SECTION II
EXCEPTIONS FROM COVERAGE**

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 provision 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:

STANDARD EXCEPTIONS:

- A. (a) Taxes or assessments that 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) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- B. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
- C. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
- D. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
- E. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water; (d) Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements and equitable servitudes, whether or not the matters excepted under (a), (b), (c) or (d) are shown by the Public Records.
- F. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
- G. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

END OF SCHEDULE B SECTION II STANDARD EXCEPTIONS

SPECIAL EXCEPTIONS:

1. LIEN OF EXCISE TAX, IF UNPAID.

EXCISE TAX RATE IS A GRADUATED, MARGINAL RATE BASED ON SALES PRICE (PLUS \$5.00 STATE TECHNOLOGY FEE):

\$525,000 OR LESS	1.60%
\$525,000.01 - \$1,525,000.00	1.78%
\$1,525,000.01 - \$3,025,000.00	3.25%
\$3,025,000.01 OR MORE	3.50%

CALCULATION IS MARGINAL (FIRST \$525,000.00 IS AT LOWER RATE, PLUS AMOUNT OF PRICE ABOVE \$525,000.00 AT HIGHER RATE).

EXCEPTIONS TO ABOVE RATES:

• **CITY OF RAINIER (IF AREA CODE 310):**

\$525,000.00 OR LESS	1.35%
\$525,000.01 - \$1,525,000.00	1.53%
\$1,525,000.01 - \$3,025,000.00	3.00%
\$3,025,000.01 OR MORE	3.25%

• **AGRICULTURAL LAND/TIMBERLAND EXCISE TAX IS 1.78% REGARDLESS OF SALES PRICE.**

2. EASEMENT FOR STORMWATER DRAINAGE SYSTEM FOR THE BENEFIT OF LOT 4 OF SOUTHPARK DIVISION 5, AS CONVEYED BY INSTRUMENT RECORDED JANUARY 7, 1991 UNDER AUDITOR'S FILE NO. [9101070214](#).

3. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: PUGET SOUND POWER & LIGHT COMPANY, A WASHINGTON CORPORATION
PURPOSE: UNDERGROUND ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM
RECORDED: October 15, 1991
AUDITOR'S FILE NO.: [9110150185](#)
AREA AFFECTED: SAID PREMISES

4. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTEE: CITY OF LACEY, A MUNICIPAL CORPORATION
PURPOSE: WATER SERVICE
RECORDED: November 12, 1992
AUDITOR'S FILE NO.: [9211120230](#)
AREA AFFECTED: SAID PREMISES

5. EASEMENT OR QUASI-EASEMENT, INCLUDING THE TERMS, COVENANTS AND PROVISIONS THEREOF, AS GRANTED BY INSTRUMENT;

RECORDED: November 30, 1992
AUDITOR'S FILE NO.: [9211300057](#)
IN FAVOR OF: CITY OF LACEY, STATE OF WASHINGTON
FOR: THE RIGHT TO MAKE NECESSARY SLOPES FOR CUTS OR FILLS
UPON THAT PORTION OF SAID PREMISES ABUTTING MULLEN
ROAD SE

END OF SCHEDULE B - SECTION II SPECIAL EXCEPTIONS

NOTES:

- a. ACCORDING TO THE RECORDS OF THURSTON COUNTY ASSESSOR, THE CURRENT VALUE OF SAID PREMISES IS AS FOLLOWS:

TAX ACCOUNT NO.: 118-28-320203
LAND: \$1,286,700.00
IMPROVEMENTS: \$0.00
TOTAL: \$1,286,700.00

- b. THE FOLLOWING ABBREVIATED LEGAL DESCRIPTION IS PROVIDED AS A COURTESY TO ENABLE THE DOCUMENT PREPARER TO CONFORM WITH THE REQUIREMENTS OF RCW 65.04.045, PERTAINING TO STANDARDIZATION OF RECORDED DOCUMENTS.

ABBREVIATED LEGAL DESCRIPTION:

PTN SW1/4 SW1.4 28-18-1W

- c. GENERAL TAXES FOR 2025 IN THE SUM OF \$11.97, ARE PAID IN FULL. TAX ACCOUNT NO. 118-28-320203. (AREA CODE 241, FIRST HALF TAXES ARE DELINQUENT MAY 1. LAST HALF TAXES ARE DELINQUENT NOVEMBER 1.) (SAID TAXES CONTAIN A GOVERNMENT PROPERTY EXEMPTION PER THE THURSTON COUNTY TREASURER TAX ROLLS)
- d. THERE ARE NO CONVEYANCES AFFECTING SAID PREMISES RECORDED WITHIN THE LAST 24 MONTHS.

THE LAST RECORDED TRANSFER OR AGREEMENT TO TRANSFER THE LAND DESCRIBED HEREIN IS AS FOLLOWS:

INSTRUMENT: STATUTORY WARRANTY DEED
GRANTOR: NORTH THURSTON PUBLIC SCHOOL DISTRICT NO. 3, A
WASHINGTON MUNICIPAL CORPORATION
GRANTEE: LOTT ALLIANCE, A WASHINGTON NON-PROFIT CORPORATION
RECORDED: December 15, 2006
AUDITOR'S FILE NO.: [3888295](#)

- e. WE FIND NO PERTINENT MATTER OF RECORD AGAINST CITY OF LACEY, THE FORTHCOMING BUYER(S)/BORROWER(S).

END OF SCHEDULE B - SECTION II NOTES



Authorized Signature

EXHIBIT "A"

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 18 NORTH, RANGE 1 WEST, W.M. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 28, THENCE NORTH 01°36'58" EAST ALONG THE WEST LINE OF SAID SECTION 28, ACCORDING TO THE SURVEY RECORDED IN VOLUME 27 OF SURVYS, PAGE 152, UNDER THURSTON COUNTY AUDITOR'S FILE NUMBER 9101150177 A DISTANCE OF 1319.22 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28; THENCE SOUTH 87°59'28" EAST ALONG SAID NORTH LINE 660.01 FEET TO THE EAST LINE OF THE WEST 660 FEET OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE SOUTH 01°38'58" WEST ALONG SAID EAST LINE OF THE WEST 660 FEET A DISTANCE OF 108.85 FEET TO THE INTERSECTION WITH THE SOUTH RIGHT-OF-WAY MARGIN OF MULLEN ROAD EXTENSION AS DESCRIBED IN RIGHT-OF-WAY DEDICATION DEED RECORDED UNDER THURSTON COUNTY AUDITOR'S FILE NO. 9211300057 AND THE TRUE POINT OF BEGINNING;

**THENCE CONTINUING SOUTH 01°38'58" WEST ALONG SAID EAST LINE OF THE WEST 660 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER 580.65 FEET TO THE NORTH LINE OF THE SOUTH 300 FEET OF THE NORTH THREE-QUARTERS OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER;
THENCE SOUTH 87°58'59" EAST ALONG SAID NORTH LINE OF THE SOUTH 300 FEET A DISTANCE OF 652.82 FEET TO THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28;
THENCE NORTH 01°32'03" EAST ALONG SAID EAST LINE A DISTANCE OF 97.79 FEET TO THE SOUTH RIGHT-OF-WAY MARGIN OF MULLEN ROAD EXTENSION AS DESCRIBED IN RIGHT-OF-WAY DEDICATION DEED RECORDED UNDER THURSTON COUNTY AUDITOR'S FILE NO. 9211300057;
THENCE NORTH 49°25'00" WEST ALONG SAID SOUTH RIGHT-OF-WAY MARGIN 584.01 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 860.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 15°29'33" AN ARC DISTANCE OF 232.54 FEET TO THE POINT OF BEGINNING.**

IN THURSTON COUNTY, WASHINGTON.



FACTS

WHAT DOES OLD REPUBLIC TITLE
DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

Questions

Go to www.oldrepublictitle.com (Contact Us)

Who we are	
Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do	
How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit http://www.oldrepublictitle.com/privacy-policy .
How does Old Republic Title collect my personal information?	We collect your personal information, for example, when you: • Give us your contact information or show your driver's license • Show your government-issued ID or provide your mortgage information • Make a wire transfer We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: • Sharing for affiliates' everyday business purposes - information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See the State Privacy Rights Section location at https://www.oldrepublictitle.com/privacy-policy for your rights under state law.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • <i>Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company.</i>
Non-affiliates	Companies not related by common ownership or control. They can be financial and non-financial companies. • <i>Old Republic Title does not share with non-affiliates so they can market to you</i>
Joint marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. • <i>Old Republic Title doesn't jointly market.</i>

Affiliates Who May be Delivering This Notice				
American First Abstract, LLC	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC.
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc.	L.T. Service Corp.	Lenders Inspection Company
Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mississippi Valley Title Services Company	National Title Agent's Services Company	Old Republic Branch Information Services, Inc.
Old Republic Diversified Services, Inc.	Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic National Ancillary Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.
Old Republic Title Insurance Company	Old Republic Title Company	Old Republic Title Companies, Inc.	Old Republic Title Company of Conroe	Old Republic Title Company of Indiana
Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon	Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee
Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.	Old Republic Title, Ltd.	RamQuest Software, Inc.	Republic Abstract & Settlement, LLC
Sentry Abstract Company	Surety Title Agency, Inc.	Trident Land Transfer Company, LLC		

Appraisal Report

**Mullen Road SE Land
XXXX Mullen Road SE
Lacey, Washington
Purchase Order 1425**

Prepared For:

LOTT Clean Water Alliance

ANDERSON APPRAISAL, INC.

Real Estate Appraisers and Consultants

ANDERSON APPRAISAL, INC.

EIN: 91-1486688 • TELEPHONE (360) 943-8400 • EMAIL: DEREKJ@ANDERSONAPPRAISALINC.COM
P. O. BOX 2694 • OLYMPIA, WASHINGTON 98507

Date of Report: May 2, 2024

Mr. Justin Long
LOTT Clean Water Alliance
500 Adams Street NE
Olympia, WA 98501

Re: Mullen Road SE Land
XXXX Mullen Road SE
Lacey, Washington
File No. 6476-24ADS

Dear Mr. Long:

In accordance with our engagement, Anderson Appraisal, Inc. evaluated the above referenced property, utilizing best practice appraisal standards for this property type. The appraisal was conducted in compliance with our understanding of the following: Uniform Standards of Professional Appraisal Practice (USPAP), appraisal guidelines of LOTT Clean Water Alliance, and all applicable state and federal laws and regulations including licensing and registration. The undersigned hereby certifies that no attempt was made by the client or any third party to influence the valuation through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

The purpose of this appraisal is to develop an opinion of the Market Value of the subject property's Fee Simple Estate. The Appraisal Report is as defined by USPAP Standards Rule 2-2(a). The following table conveys the final opinions of market value that are developed within the body of the report.

Value Type	Value Premise	Value Perspective	Interest Appraised	Effective Date	Indicated Value
Market Value	As Is	Current	Fee Simple	4/23/2024	\$700,000

The appraisal report has been prepared for the exclusive benefit of LOTT Clean Water Alliance. It may not be used or relied upon by any other party without our written consent. The reader's attention is directed to the Underlying Assumptions and Limiting Conditions, on page 53. We appreciate the opportunity to serve you, and if you have any questions regarding this report, please feel free to call.

Sincerely,



Derek R. Jolliff, MAI

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Summary of Salient Facts and Conclusions

Introduction:

The subject is a 5.32-acre parcel, currently zoned Open Space-Institutional. It was purchased from the school district by LOTT Alliance in 2006 for use as a water reclamation site. It was, however, deemed to be surplus and eligible for disposition. The site has good residential development potential but would need to be rezoned. It is expected to be rezoned by the City of Lacey in 2025 as part of the 2025 rewrite of the Comprehensive Plan.

<i>Property Identification:</i>	Mullen Road SE Land.
<i>Parcel Number(s):</i>	11828320203.
<i>Ownership:</i>	LOTT Alliance.
<i>Property Type:</i>	Land Other.
<i>Land Area:</i>	5.32 acres or 231,727 SF.
<i>Zoning:</i>	OS-I, Open Space Institutional.
<i>Highest & Best Use:</i>	Residential Development.
<i>Type of Appraisal:</i>	As requested, this is an Appraisal Report, which is USPAP compliant.
<i>Effective Date(s) of Value:</i>	April 23, 2024.
<i>Date of Report:</i>	May 2, 2024.
<i>Rights Appraised:</i>	Market Value of the Fee Simple Estate.
<i>Client & Intended Use:</i>	The client (intended user) is LOTT Clean Water Alliance. The function (intended use) of this appraisal is to evaluate the real property for a selling decision.

Value Indicated By:	
Cost Approach:	Not Applicable
Sales Comparison Approach	\$700,000
Income Approach:	Not Completed
FINAL ESTIMATE OF MARKET VALUE:	
\$700,000	

Subject Photographs



Aerial View



Subject Street View



Mullen Rd, Looking SE



Mullen Rd, Looking NW



Subject Interior, Looking S



Subject Interior, showing slope



Subject Interior, Looking SW



SE corner, looking SW along boundary



Subject Interior, Looking W



Subject S portion, showing residential use to S



Subject Interior, Looking E



Subject Interior, Looking NNE



Subject Interior



W boundary, Looking S



W portion, Looking N



SW corner, Looking E

Introduction

<i>Type of Property:</i>	Mullen Road SE Land.
<i>Address of Property:</i>	XXXX Mullen Road SE, Lacey, Washington.
<i>Location:</i>	South side of Mullen Road SE approximately 700' southeast of the intersection with College Street SE in the City Limits of Lacey in Thurston County.
<i>Owner of Record:</i>	LOTT Alliance.

Legal Description

No title report has been furnished. The legal description shown in public records is as follows:

"Section 28 Township 18 Range 1W Quarter SW SW DAF: COM SW COR SEC 28 THENCE N01-38-58E 1319.22F TO NORTH LINE SW SW, THENCE S87-59-28E 660.01F TO EAST LINE SW SW, THENCE S01-38-58W 108.85F TO X S".

Purpose of Appraisal

The purpose of this appraisal was to estimate the Market Value a buyer would be justified in paying for the subject property, Fee Simple Estate, as of April 23, 2024.

Intended Use of Appraisal

This appraisal report is intended for the sole and exclusive use of LOTT Clean Water Alliance to evaluate the real property for a selling decision..

Definition of Client

The term "Client" is defined in USPAP as:

"The party or parties who engage an appraiser (by employment or contract) in a specific assignment."

The client (intended user) of this appraisal report is LOTT Clean Water Alliance.

Unavailability of Information

The following information was not provided or available to the appraisers:

Title Report
Environmental Reports

Extraordinary Assumptions

The subject is in an area designated as "More Preferred" Mazama Pocket Gopher soils which are indicative of possible Mazama Pocket Gopher habitat. Mazama Pocket Gophers are an endangered species and the presence of active habitat could significantly impact the subject. It is unknown if the subject has active Mazama Pocket Gopher Habitat thus there is an Extraordinary Assumption that there is no Mazama Pocket Gopher habitat located on the subject. The use of this Extraordinary Assumption may have affected the assignment results.

Hypothetical Conditions

None.

Definitions

Market Value¹

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated;*
- *Both parties are well informed or well advised, and acting in what they consider their best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994).*

Fee Simple Estate²

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Property Rights Appraised

The Fee Simple Estate is appraised herein, subject to zoning, easements, and other governmental restrictions of record.

¹The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 142.

² The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 90.

Date of Inspection

The last date of physical property inspection was April 23, 2024. Present during the inspection were the following individuals: Alison Anderson Snodgrass, Assistant Appraiser, Derek Jolliff, Appraiser.

During the inspection, the appraiser visually surveyed the subject by walking the site perimeter, road frontages, and portions of the interior. The appraiser is not a surveyor, environmental, or geotechnical specialist. The client is urged to retain such if so desired. Should there be physical characteristics not commensurate with the observed areas that are later discovered, we reserve the right to modify the report and value conclusions presented within.

Property History

The subject, a 5.32-acre undeveloped parcel, was purchased from the Lacey School District by LOTT Clean water Alliance for a potential water reclamation satellite site. The LOTT 2050 Master Plan identified the ability to expand capacity at existing site, rendering the subject parcel, among others, surplus. The parcel is on a list with several parcels in the neighborhood with OS or similar zoning to be evaluated by the Long Range Planning Department and the Planning Commission for rezoning according to their highest and best use and city goals. Discussions with the City of Lacey Planning Department indicated the site will likely be rezoned to LD, Low Density residential, but they could not guarantee that until the Planning Commission begins the process. There are reported discussions of a possible purchase of the property by the City of Lacey, but there is not a public memorandum of understanding or contract for the property available.

The subject has not sold in the three years prior to the date of value and is not currently under contract or being marketed for sale.

Scope of Work

This report has been prepared in conformance with the current Uniform Standards of Professional Appraisal Practice (USPAP), as formulated by the Appraisal Foundation.

The subject property is appraised based on the following Scope of Work:

- The property is identified as: Mullen Road SE Land.
- The property was inspected on April 23, 2024.
- The research of the local and regional economy and Thurston County Land market data included reference to various sources that include Thurston County Assessor, Washington

State Office of Financial Management, CoStar, Washington State Department of Labor and Industry, and our in-house surveys of the market.

- Specific data concerning the subject was obtained from various sources including the property owner, City of Lacey (zoning), and Thurston County (assessed values and real estate taxes).
- Data compiled in the analysis of the building sales and leases was obtained from Thurston County Assessor, NWMLS, CoStar, CBA (Commercial Broker Association), as well as our own in-house data files.
- All of the sales data were confirmed with a party involved in the transaction and/or through public records.
- The Sales Comparison Approach was fully developed.
- The reconciliation and final value estimate(s) are based on an overview of the weight applied to each approach by buyers and sellers in the current market, also taking into consideration the quality of the data available for each.
- Alison Anderson Snodgrass, License #21018996, provided significant real property appraisal assistance to the person signing this report by assisting in the: defining of the appraisal problem, performing preliminary analysis and planning, selecting and collecting data, performing an analysis of the subject property, estimating the subject's highest and best use, developing the approaches to value, reconciling value indicators, reaching defined value conclusions and reporting value conclusions as defined.

Exposure Time

"The time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market."³

The following information was taken into consideration to develop an estimate of exposure time for the subject property: recent comparable sale and current listing experience (i.e. days on market), interviews with real estate brokers/agents with experience marketing this property type, interviews with lenders who finance this type of real estate, and the subject property's overall physical and locational characteristics.

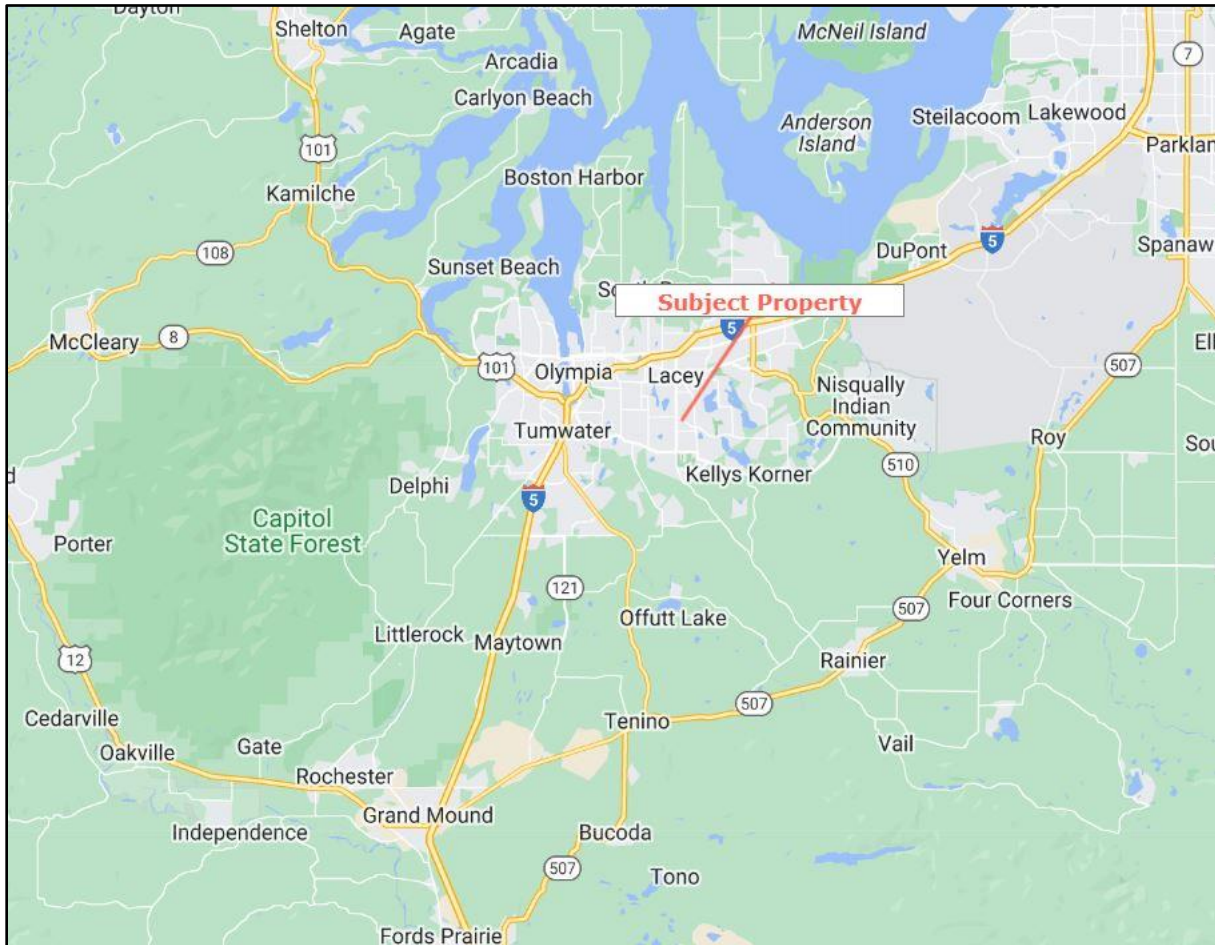
Based upon our research for this assignment, required marketing periods ranging between 17 days and 203 days were observed, with at least two properties having extended feasibility periods that delayed closing. Considering all of the preceding factors, the exposure period has

³ The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 83.

been estimated at approximately six months or less. Exposure time is always presumed to occur prior to the effective date of the appraisal.

Market Area Summary

A market area is defined as "the geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users."⁴



Location

The subject is in the City Limits of Lacey which is part of the Olympia-Lacey-Tumwater metro area in Thurston County. Thurston County lies near the middle of a corridor running down the east side of Puget Sound that extends straight south to the Columbia River. This corridor consists of ten counties and holds approximately 69 percent of Washington State's population, with Thurston County projected as one of the fastest growing through the year 2015. Seattle is located about one hour's driving time to the North, and Portland is about two hours to the South via Interstate Highway 5.

Infrastructure and Public Services

The major transportation route in Thurston County is Interstate 5 which nearly bisects the county north-south and is the major north-south transportation corridor on the west coast. Other

⁴Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 139.

connecting major routes include US Highway 101 to the north, State Highway 8 providing east-west connection with Grays Harbor County, State Highway 507 providing access to Yelm and State Highway 12, in the southeast portion of the county. Intercity Transit (IT) is the region's public transit provider with regular fixed-route bus service throughout the County and inter-county service in conjunction with Pierce, Mason and Grays Harbor Transits. Thurston County is served by four rail companies, three freight and one passenger service, Amtrak.

Thurston County features one main marine terminal, Port of Olympia, a deep water port offering service for loading and unloading of international vessels. The Port of Olympia's Tumwater facility is the Olympia Airport and New Market Industrial Campus, totaling about 1,500 acres. Charter airline service is available at the airport, but scheduled airline service has been difficult to sustain over the years for a variety of reasons.

Thurston County has two hospitals, Providence St. Peter Hospital and Capital Medical Center. The two hospitals function as the regional medical center for five counties, both offering numerous specialty clinics and treatment centers. There are also numerous small medical clinics in the area.

Law enforcement is provided by municipal police departments in the major Thurston County cities and by the Thurston County Sheriff's Department in the smaller rural communities and unincorporated areas of the County. Residents of Thurston County are served by 16 fire districts and the three city fire departments of Olympia, Tumwater and Bucoda. Lacey fire protection is provided by contract with Thurston County Fire District #3.

Population

Thurston County has been one of the fastest growing counties in the State since the 1960's, consistently exceeding the State's overall rate of growth and is currently ranked the sixth most populous county in the State. From 2010 to 2020 (actual census numbers), the county population has increased 16.9%. The Olympia population increased 19.2%, Tumwater 47.2%, and Lacey was up 26.3% for the same time period. The city of Yelm has grown the fastest at 55.0%.⁵

County Municipality	Census 2020	Estimate 2021¹	Estimate 2022	Estimate 2023
Thurston	294,793	297,800	300,500	303,400
Unincorporated	144,856	145,255	143,760	143,980
Incorporated	149,937	152,545	156,740	159,420
Bucoda	600	595	610	620
Lacey	53,526	54,850	58,180	59,430
Olympia	55,382 \$	55,960	56,370	56,900
Rainier	2,369	2,440	2,510	2,555
Tenino	1,870	2,010	2,030	2,045
Tumwater	25,573 \$	26,050	26,360	27,100
Yelm	10,617	10,640	10,680	10,770

\$ represents corrected Federal Census numbers

Employment

The unemployment rate has remained low and nonfarm payrolls have expanded consistently over the year. Government employment in the county has remained steady and strong

⁵ OFM Forecasting, State of Washington, April, 2023; US Census, 2020

with no reason to see this trend not continuing. Ground has been broken on many new projects, including a craft brewing and retail sector in Tumwater which will include craft brewing space, distillery space and South Puget Sound Community College classrooms, as it launches new craft brewing and distillery classes. New hotels have been built or renovated and rooms are being filled on a regular basis.

Economy

In the case of Thurston County, state government has had a major role, and with its status as State Capitol, this is expected to continue. Unless the local economic base diversifies, employment and overall economic growth will continue to be dependent upon growth in State government and the continuation of the county becoming a regional trade and service center for neighboring counties.

Residential Development

As in much of the U.S., new residential activity boomed in Thurston County during 2003-2007, in both urban and rural areas. The nationwide "great" recession, which officially began Fall, 2007, severely impacted this area as well. Median home prices plummeted and took until 2013 to regain 2007 values.

Since 2013 home values continued to rise and began to skyrocket the past two years. The increase is mostly due to very low inventory of homes on the market and the new construction market unable to keep up with the demand. In addition, there has been an influx of people being outpriced in King and Pierce Counties and purchasing homes further south, in spite of the commute.

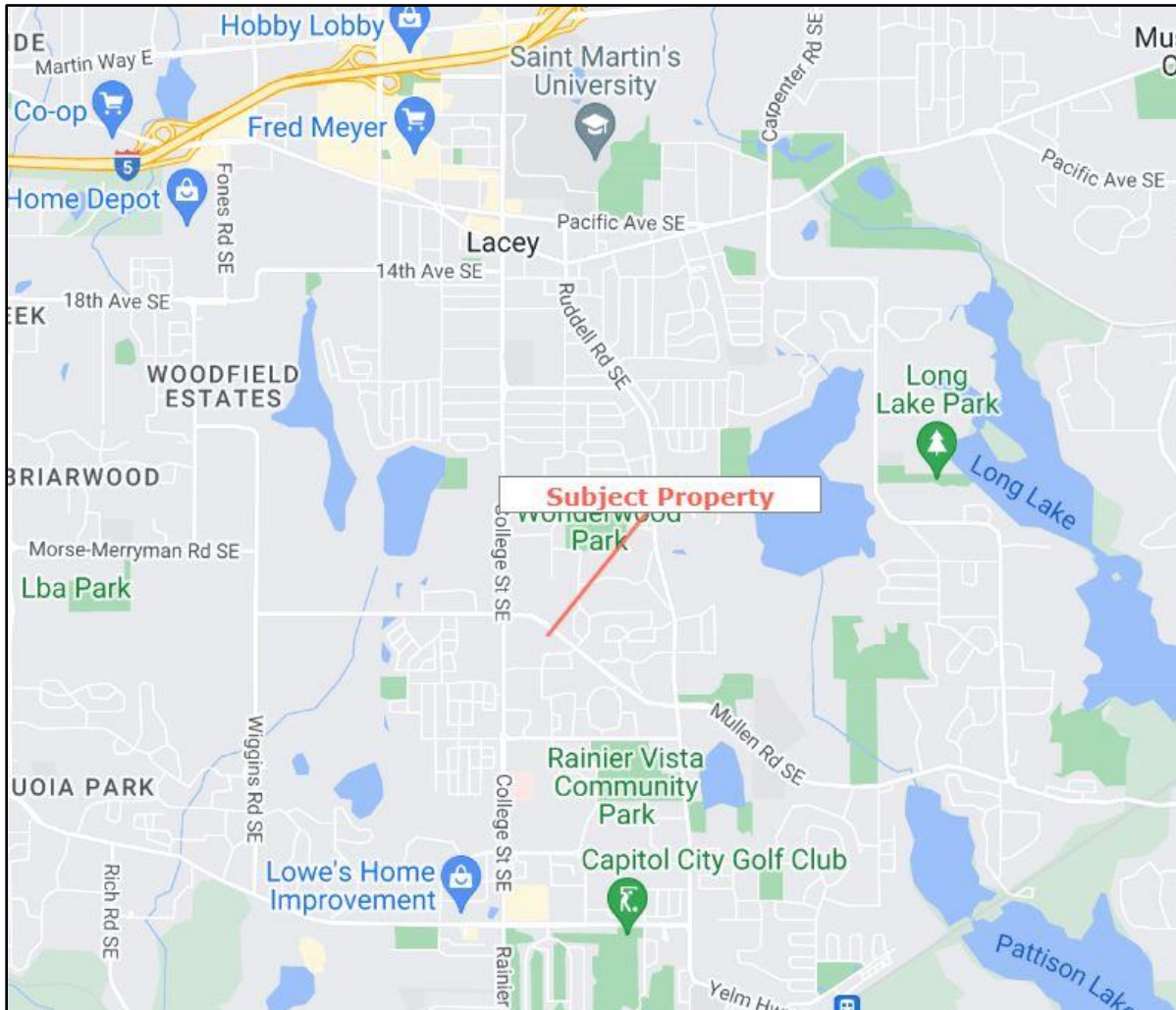
Summary

At this time, growth appears to be driven by the in-migration of people wanting to escape the more heavily urbanized communities to the north and continued spin-off of opportunities from being situated on Interstate 5, which continues to grow in traffic volume. In addition to being the center of state government, the Olympia/Tumwater/Lacey area is also a regional shopping and medical center for the more rural counties of Mason, Grays Harbor and Lewis. Regional economic issues such as Boeing's up and down-market impacts, typically aren't felt as strongly in Thurston County because of the insulating effects of its state government core.

The economy continues to draw new warehousing/manufacturing concerns, especially to the Hawk's Prairie/Meridian Campus northeast of Lacey. Growth throughout the county is expected to continue well into the future.

Neighborhood and/or District Summary

A neighborhood is defined as "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."⁶ A district is defined as "a market area characterized by homogeneous land use, e.g. apartment, commercial, industrial, agricultural."⁷



Boundaries

North:	Lacey Blvd
South:	Yelm Hwy
East:	Ruddell Rd
West:	Chehalis Western Trail

⁶Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 156.

⁷Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 68.

Environmental Influences

<i>Construction Types, Ages:</i>	Predominately single family residential interspersed with institutional and multifamily developments; the neighborhood is bounded on the north and south by predominantly commercial development. Construction is mostly wood frame residential and masonry or metal frame institutional and commercial with ages ranging from early 1970s to present.
<i>General Maintenance:</i>	Overall maintenance in the neighborhood is considered average to good.
<i>New Development & Construction:</i>	There are no active developments in the permitting process in the neighborhood. There is some single-family and multifamily construction north and east of the subject neighborhood.
<i>Life Cycle:</i>	The neighborhood experienced infill from the late 2000s to the late 2010s. The neighborhood is largely built out with little to no vacant land that is currently zoned for development.
<i>Nuisances & Hazards:</i>	None noted.
<i>Public Utilities & Infrastructure:</i>	Typical public utilities are all available throughout the neighborhood.
<i>Linkages:</i>	College St SE and Ruddell Rd SE provide north/south linkage to large retail developments along Lacey Blvd and I-5 to the north and Retail goods and services along Yelm Hwy to the south. Lacey Blvd and Yelm Hwy provide good east/west linkages.
<i>Street Patterns:</i>	Neighborhood arterial and feeder streets.
<i>Public Transportation:</i>	The neighborhood is served by Intercity Transit with the following routes 64, 66, 67, 94.
<i>Goods & Services:</i>	The majority of typical goods and services, as well as amenities, are available at the northern and southern edges of the neighborhood.

Governmental Influences

<i>Zoning & Land Use Policy:</i>	City of Lacey. The primary zoning in the neighborhood is low to moderate density residential.
<i>Protective Services:</i>	City of Lacey police and fire protection .

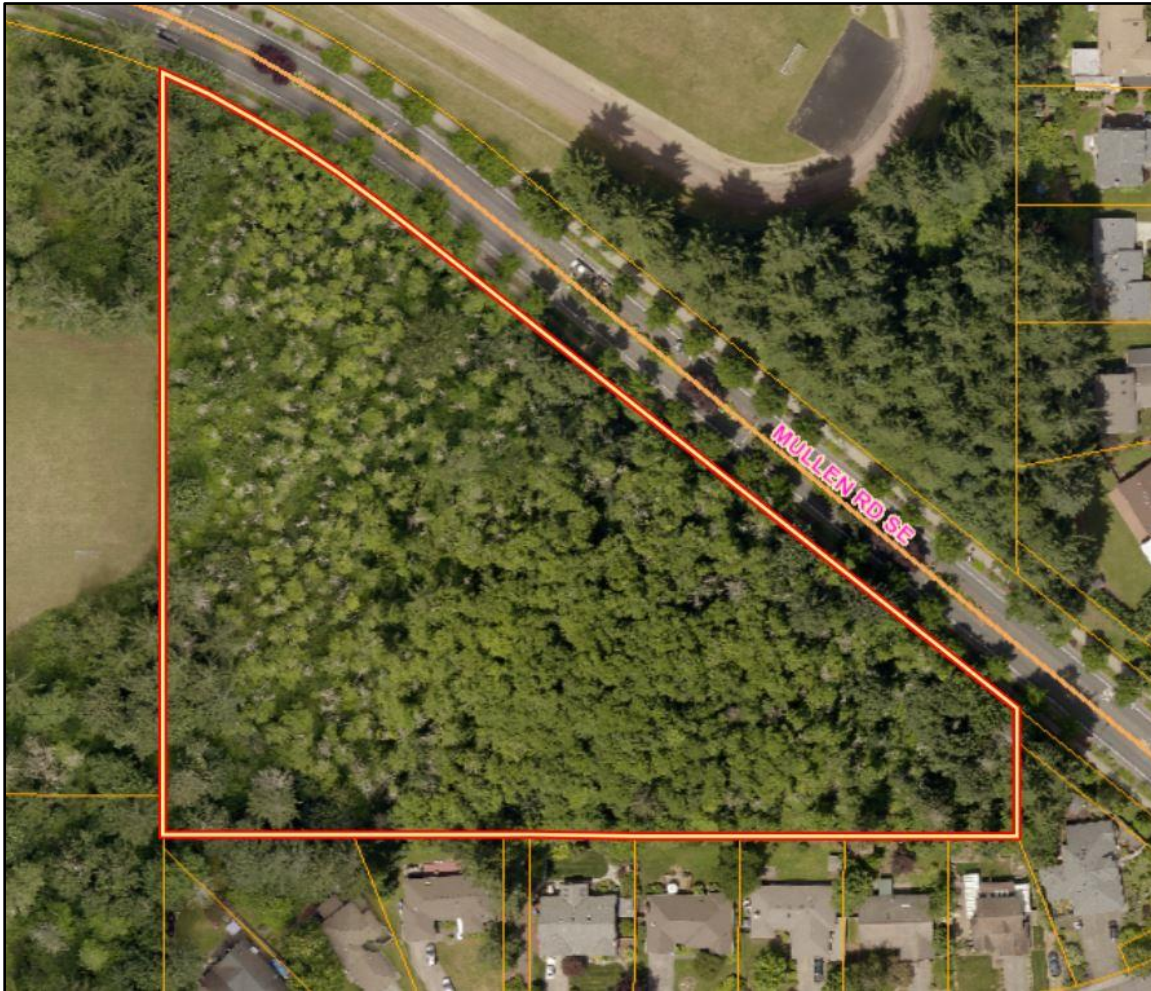
<i>Tax Burden, LID's, etc.:</i>	No detrimental tax burdens or LID's noted
<i>Environmental Regulations:</i>	No adverse environmental regulations exist in the neighborhood.
Economic Influences	
<i>Income Characteristics:</i>	Household median income within a 2-mile radius of the subject is estimated at \$72,025 in 2023 (CoStar Properties 2-mile radius).
<i>Owner Occupancy:</i>	The owner occupancy rate in the neighborhood is 57% and renter occupancy is 42% in 2023 according to CoStar Properties 3-mile radius.
<i>Industry Employment:</i>	Approximately 32% of employees in the neighborhood are employed in Education and Health Services, 16% Trade Transportation and Utilities, and 12% in both Financial Activities and Professional and Business Services (CoStar Properties 2-mile radius).
<i>Population Density:</i>	Moderate density with 5.84 persons per acre.
<i>Quality of Community Services:</i>	Considered average to good.

Summary and Conclusions:

The neighborhood is characterized by the residential developments sandwiched between recreational amenities to the east and south of the neighborhood. It is considered to have good access to goods, services, and employment hubs. It has mostly single-family residential focus with some multifamily residential interspersed, as well as schools and religious institutions. The neighborhood is entirely in the Lacey city limits and has all typical associated utilities and services. It has good linkages to I-5 in the north, retail to the north and south, and employment to the west and north, and recreation to the east and south.

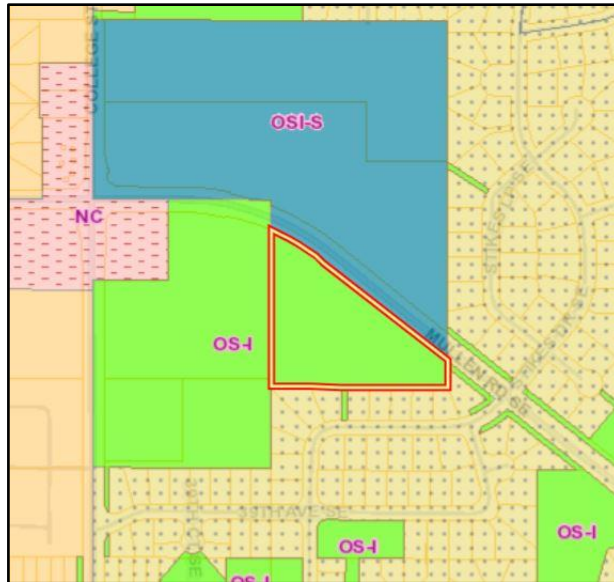
Site Summary

No site plan has been furnished. The exhibit below is a depiction of the site from Thurston County GIS, showing the basic orientation and configuration. The following description is based upon public records and/or a personal inspection of the site.



Zoning:

The subject property is zoned OS-I, Open Space Institutional, under the City of Lacey zoning ordinance. The most relevant aspects of the designation is reprinted or summarized below.



Intent: Protect and preserve certain areas of land devoted to existing and future use for civic, cultural, educational and similar facilities.

Allowed Uses: Parks, greenways and open space for active or passive recreation or enjoyment; Government buildings or offices such as city hall, fire stations, schools and colleges, hospitals, community meeting or recreation halls; Libraries, museums, or similar cultural facilities; Churches; Residential uses as an incidental use to the permitted use; Urban agricultural uses.

Development Standards: Max Height: 80'; Max Bldg Cvr: 35%; Front Setback: 35'; Side Yard: 15'-25'; Rear Yard: 15'-25'.

Conclusion: Development under current zoning is restricted to institutional use. Discussions with Ryan Andrews, a Long Range Planner with the City of Lacey, indicated it is on a list of parcels to be considered for rezoning in 2025. He stated that based on unofficial internal discussions, the department's opinion of the subject's highest and best use was more likely Low Density residential use, allowing up to 6 units per acre given the LD zoning to the south and east. There is a less likely possibility the subject could be zoned Medium Density residential, allowing 8-16 units per acre.

Location:

South side of Mullen Road SE approximately 700' southeast of the intersection with College Street SE in the City Limits of Lacey in Thurston County.

Abutting Subject Property:

Abuts	Description
North:	Mullen Rd, thence Komachin Middle School
South:	Single-Family Residential use
East:	Mullen Rd, thence Single-Family use
West:	House of Worship

Shape: Triangular. The northern and eastern boundaries are created by Mullen Rd, allowing good frontage. The shape may minimally impact full utilization of the land area.

Size: 5.32 acres; 231,727 SF.

Visibility Rating: Average. The subject has approximately 850'+ of frontage on Mullen Rd SE.

Access Rating: Good. The subject is vacant with no built access, but frontage along Mullen would allow multiple points of ingress/egress.

Frontage:

Street/Attribute	Descriptor
Mullen Rd SE	Neighborhood arterial
Direction	East/West
Lanes	Two, divided, with bike lanes
Sidewalks/Lights	Yes
On-Street Parking	No
Traffic Volume	Moderate
Speed Limit	35 mph

Topography: Level. The site has a very slight slope, from 236' in the southwest corner down to 228' at the site's center.

Soils: No soil tests were provided. No settling or other disturbance noted in immediately surrounding area. It is an assumption of the report that the soil qualities are adequate to support the Highest and Best Use of the subject property.

Drainage: The site is vacant. There are storm drains in Mullen Rd in front of the subject.

Utilities:

	Provider
Electricity:	Puget Sound Energy
Gas:	Puget Sound Energy
Sewer:	City of Lacey
Water:	City of Lacey

Site Improvements & Coverage: The subject site is vacant. There is, however, already street improvements in place along Mullen Rd.

Environmental Concerns:

No site environmental assessment information has been furnished.

There was no visual evidence of solid waste materials dumping, soil erosion, overuse of pesticides or other hazardous elements. This statement does not mean that Anderson Appraisal, Inc. warrants the non-existence of any potential environmental concerns, but rather that none were visually evident on the date of inspection. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Flood Zone:

According to FEMA Community Panel No. 53067C0189F, effective 09-02-2016, subject site is part of a larger surrounding area all designated "Flood Zone X: Areas Determined to be Outside the 0.2% Annual Chance Floodplain".

Earthquake Zone:

The International Building Code (IBC) is the newly adopted building code effective in the state of Washington. The IBC uses the Seismic Design Category (SDC), which is a function of ground motion, soil type, and building occupancy, to classify areas of expected ground shaking. Most buildings in Puget Sound region would fall under category D or greater. The categories range from A to F, with A having the lowest structural requirements and F having the highest structural requirements.

A seismic study has not been provided and the appraisers do not possess the expertise in seismic or structural engineering.

Critical Areas:

According to public mapping, there are no wetlands, wetland buffers, hydric soils, stream or shoreline setback the property. The subject is in an area of more preferred gopher soils, but it is an extraordinary assumption of this report that there are no pocket gophers on the site.

Easements:

There are no known detrimental easements.

Covenants, Conditions & Restrictions:

There are no known detrimental covenants, conditions, or restrictions.

Summary and Conclusions:

The subject parcel is located in a residential area that is largely built out, with the most recent infill neighborhoods built in the 2010s. The subject was once part of a larger parcel owned by Thurston County schools. However, when Mullen Rd was constructed, it was separated from the school property. However, the subject parcel and the parcels directly adjacent to the west, retain the Open Space- Institutional zoning. The parcels directly to the west are developed with houses of worship. The City of Lacey indicated that the city would be open to rezoning the parcel, that it is on a list of OS and similarly zoned parcels to be evaluated for upzoning in 2025. It is most likely that the parcel could be rezoned LD, Low Density single family residential, giving it the same zoning as parcels to the south and east. The parcel has approximately 850' of frontage along Mullen Road, which already has all typical utilities installed and street frontage in place. The frontage is enough to allow two points of ingress/egress for the creation of residential access streets. All these things make the parcel a good candidate for rezoning to LD, single-family residential use, which could allow up to 25-30 homesites.

Assessed Valuation and Tax Load

The subject property is currently assessed for real estate taxes as shown below:

Tax Parcel No. (s)	Tax Land Value	Tax Buildings Value	Tax Market Value	Tax Amount
11828320203	\$1,127,500	\$0	\$1,127,500	\$12.00
Totals	\$1,127,500	\$0	\$1,127,500	\$12.00

The subject property has a tax exemption due to its current ownership and the exemption indicates that the assessed value may not represent market value. The assessed value has fluctuated significantly over the last ten years ranging from \$206,600 to \$1,465,200. The current total assessed value is significantly higher than the conclusion reached in this appraisal and may put it at risk of a greater tax load in the event that it is not tax exempt.

Market Study

"An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area."⁸

Product Definition

There are a number of characteristics that determine the marketability of any property. The characteristics generally fall under the broad categories of legal, physical (site and improvements) and locational. To understand how the market perceives the subject, it is necessary to compare it to similar properties in its market area. The following table rates the subject's primary characteristics in comparison to similar competitive properties.

Subject - Property Rating							
Impact on Productivity	Inferior			Market Standard	Superior		
	High	Moderate	Slight	Neutral	Slight	Moderate	High
Legal Characteristics							
Zoning			X				
Site Characteristics							
Accessibility				X			
Visibility					X		
Site Improvements/Parking				X			
Utilities					X		
Topography/Shape				X			
Critical Areas				X			
Locational Characteristics							
Linkages				X			
Proximity to Goods & Services				X			
Proximity to Employment Drivers				X			
Quality of the Neighborhood				X			

Conclusion

The subject is currently zoned for Open Space, which would not allow development. However, according to the City of Lacey Planning Department, it is a reasonable possibility that the subject could be rezoned low density, allowing up to 6 units per acre. Also possible, but less likely, is medium density zoning, allowing 8-16 units per acre. Unofficial, precursory discussions in the long range planning department give more likelihood to low density zoning, given the adjacent development to the south and east. However, a buyer would have to incur the cost of rezoning or wait for the city to do so.

There are preferred gopher soils in the area; however, it is an extraordinary assumption of this report that there are no gophers present on the subject property. It is not impacted by any other

⁸The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 140.

Therefore, it is likely the subject would have above average competitiveness as a single-family or possibly multifamily development site, depending on how the city ultimately allowed it to be rezoned. The subject is not yet zoned for low density residential but discussions with the City of Lacey Long Range Planning Department indicated that the rezoned was likely to occur in 2025.

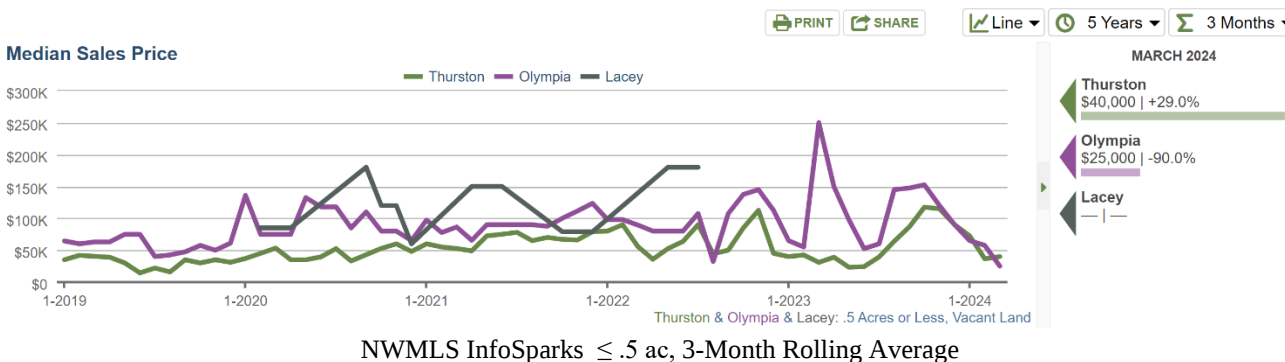
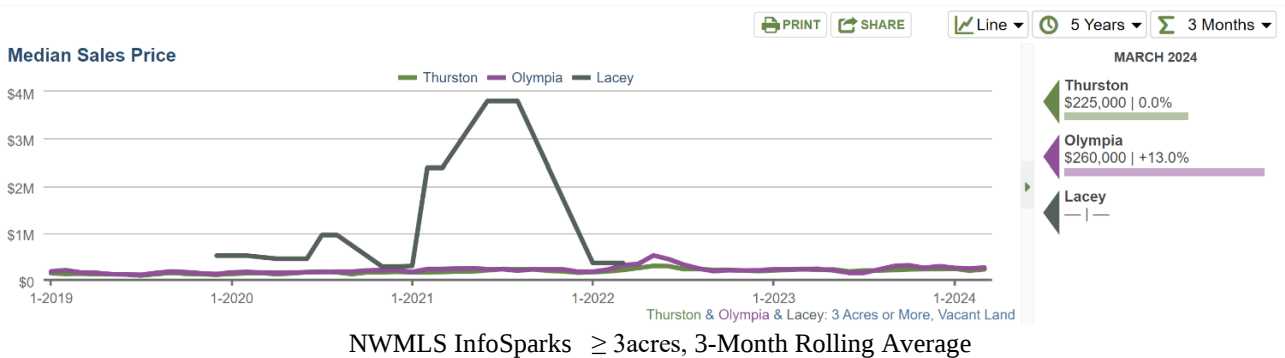
The market delineation in this marketability study includes determination of the market area, and the most likely buyer and user of the property.

The market area can be considered the geographic area that contains the subject and all of its competition. The market area is the Olympia-Lacey-Tumwater area and to a lesser extent the rest of Thurston County.

The subject's Highest and Best Use is considered low density residential development. The most likely buyer for the subject is a developer that is willing and able to take on the risk of the entitlement process to build either single family lots or, less likely, multifamily units.

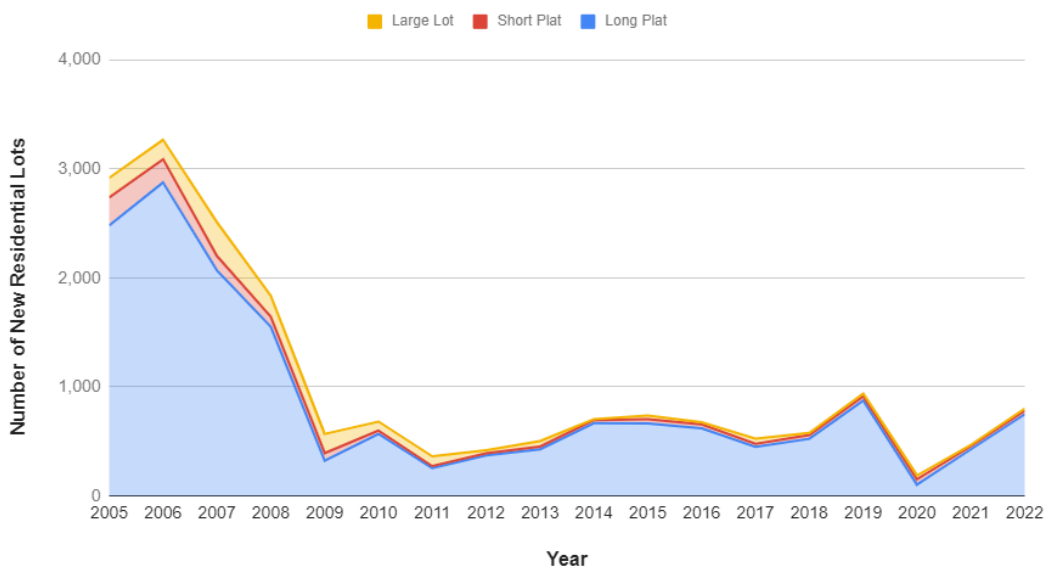
An analysis of county population growth and county residential permit applications from 2015-2019, reported by the Olympian, indicates that, even in the height of building, the population was growing at twice the pace of the housing supply⁹. With the shortage in housing supply and the pandemic allowing many more people to work from home, many people who could not find an existing home turned to building one. As a result of this trend, the median price for land increased over 2021. According to the University of Washington Housing Report, sales of existing homes fell almost 32% year-over-year in the fourth quarter of 2023 in Thurston County. Building permits were down approximately 53%.

⁹ The Olympian, Thurston County's housing crisis by the numbers, December 4, 2020



The following chart displays lots created through subdivisions in Thurston County over the past 17 years. The largest activity occurred during the previous peak of the market in 2006. There was a small number created at the beginning of the pandemic with a return to typical activity in 2022. There may be some pent-up demand from 2020 that may not be satisfied as of 2022.

Lots Created Through Subdivisions

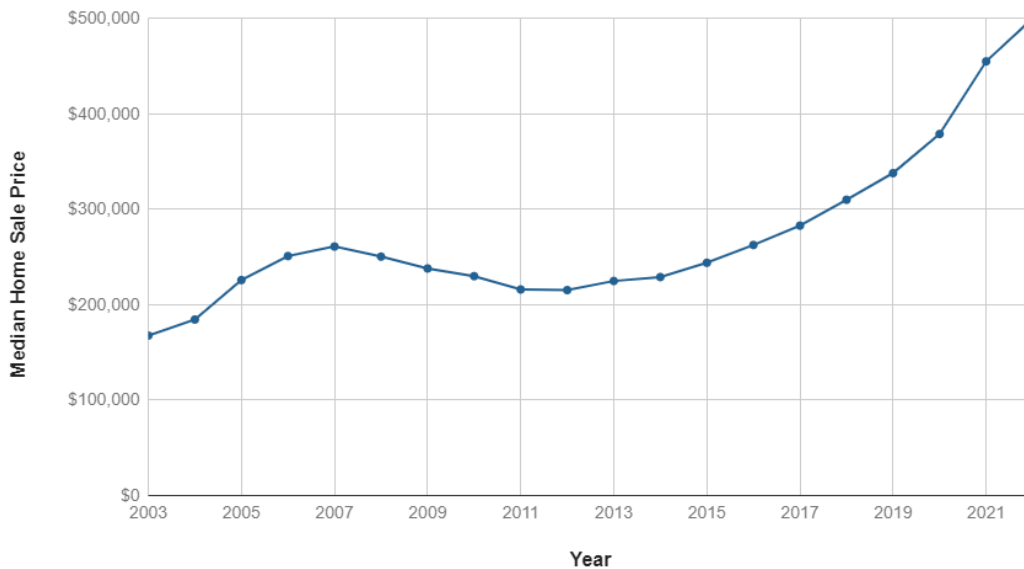


Thurston Regional Planning Council

According to a housing supply shortage study conducted by the Building and Industry Association of Washington, Washington State has an estimated 250,000 housing unit shortage. Thurston County's portion of the shortage is approximately 9,500 units. The housing shortage has contributed to the increasing price of housing. As can be seen in the chart below, prices have doubled since the prior peak in 2007. Leaving nearly 80% of Washington households unable to

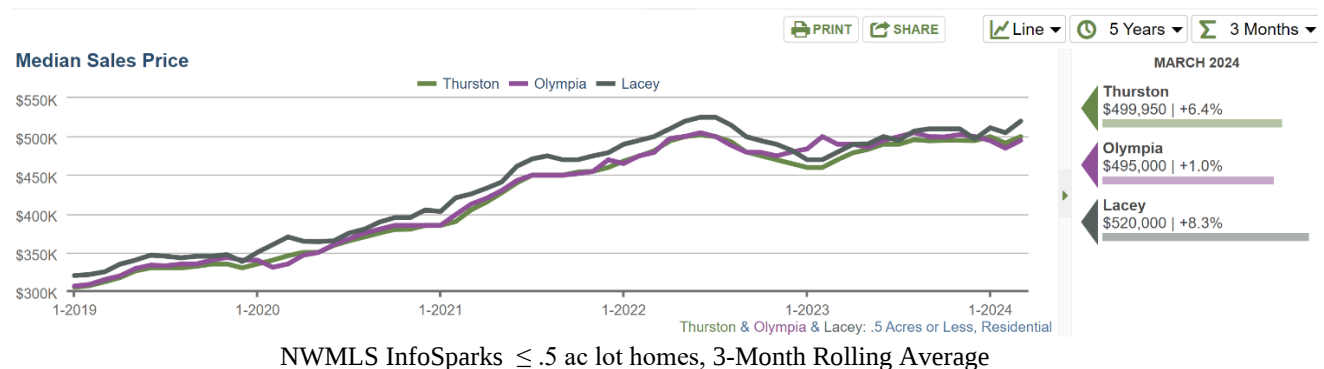
afford to purchase a median priced home according to an article featuring Greg Lane, BIAW Executive Vice President.

Median Home Sale Price

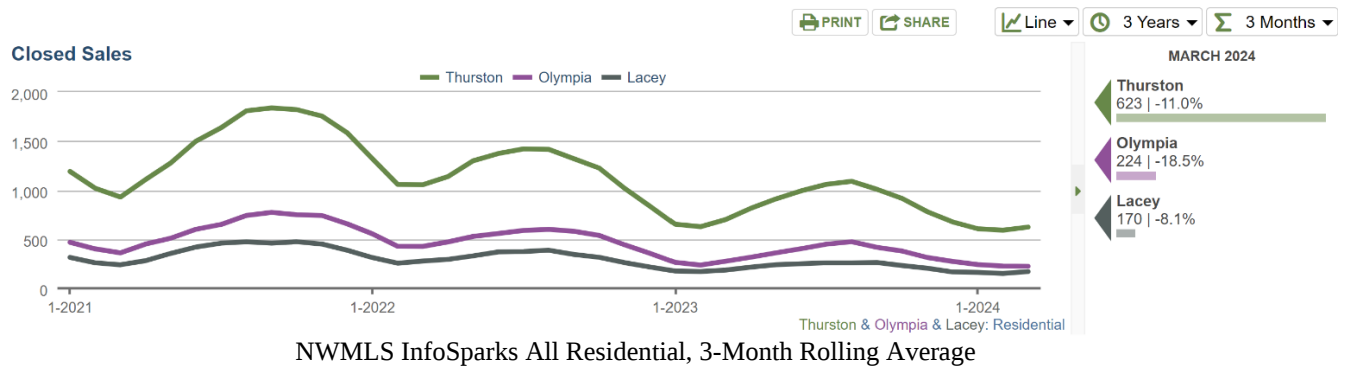


Thurston County Regional Planning Council

Residential sale prices drive subdivision and development of vacant land in the market. The strong median sale prices for single-family residences on half an acre or less for the City of Olympia is over \$500,000 and generally trending upward. Based on analysis of sales from the NWMLS of existing homes in the last 6 months, the subject neighborhood has a median home sale price slightly below the median for all of Lacey but the median age of improvements is more than double the median for the entire Lacey market.



The period of decreasing sale prices coincides with increasing interest rates on 30-Year Fixed Rate Mortgages going from 3% at the beginning of 2022 to around 7% toward the end of that year. Interest rates are currently above 7%. This may also be contributing to the low volume of sales as homeowners are less motivated to sell a home with a low interest rate loan. Closed sale volumes are displayed in the table below.



Demand Analysis

Population Growth

The following table summarizes population growth in the subject's Market Area (2-mile Radius), Thurston County, and Washington State:

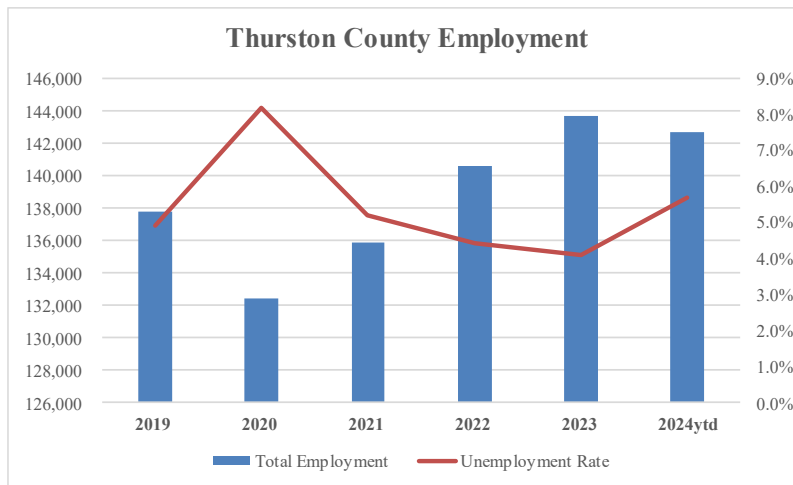
Current and Projected Population			
	<u>2023</u>	<u>2028</u>	<i>Annual Growth Rate</i> <u>2023-2028</u>
2 Mile Radius	46,978	48,397	0.60%
Thurston County	303,400	325,903	1.48%
Washington State	7,951,150	8,343,906	0.99%

Sources: CoStar, WA State Office of Financial Management

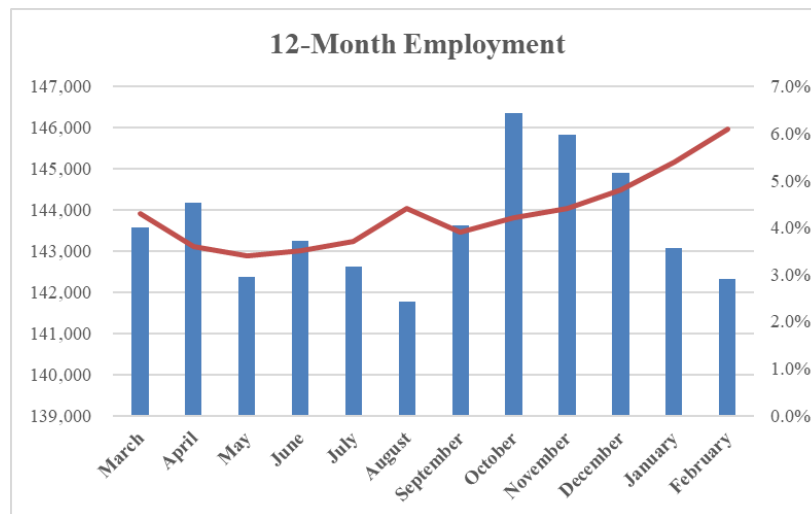
The population in the two-mile radius is projected to grow at a slower rate than Thurston County and near the same rate as Washington State. Utilizing a 2.51 persons per household (US Census Bureau) this indicates an estimated increase in demand for housing in the 3-mile radius by nearly 565 units over the next five years, or 113 units per year. However, the higher median sale price and lack of vacant land sales in the Lacey market indicates there is some chance that Lacey could capture a higher rate of potential buyers than some competing markets.

Employment

Historical employment in Thurston County is summarized in the following table:



Source: Washington State Employment Security Dept.



Source: Washington State Employment Security Dept.

Over the last five years, the unemployment rate has been fairly stable, with the exception of a brief spike associated with the Covid 19 pandemic. However, detailed analysis of the previous twelve months indicates some weakness in employment. Of greater concern than the increase in the unemployment rate is the reversal of total employment growth trends seen from mid-2020 until 2023, when total employment began to fluctuate. There has been consistent negative growth in monthly employment since the fourth quarter of 2023.

Household Income

The following table summarizes median household income growth in Thurston County and Washington State.

Current and Projected Median Household Income			
	<u>2021 Est.</u>	<u>2022 Proj.</u>	<u>Annual Growth Rate</u> <u>2021-2022</u>
Thurston County	\$81,544	\$83,358	2.22%
Washington State	\$84,155	\$86,343	2.60%

Source: WA State Office of Financial Management

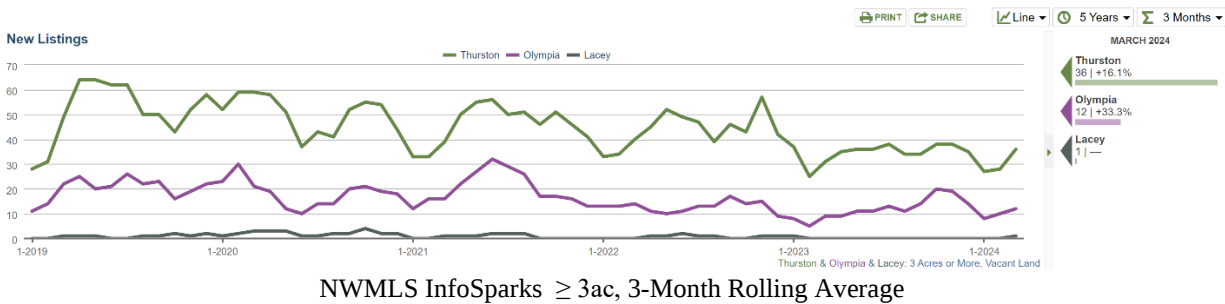
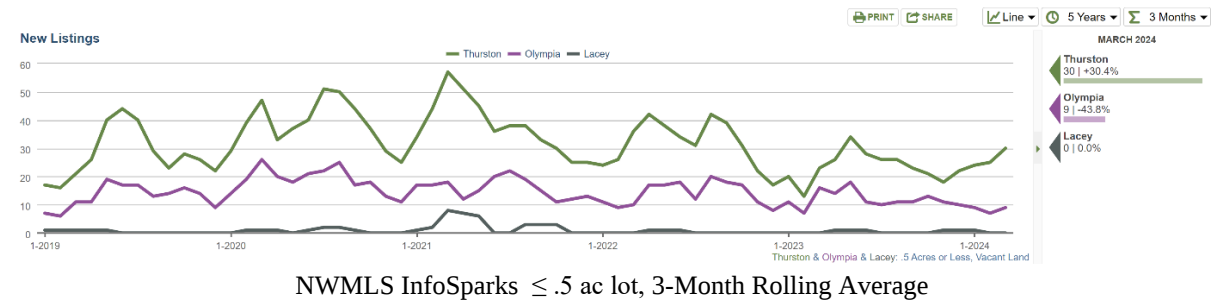
As can be seen in the table above, household income in Thurston County has been increasing at a rate close to Washington State. The three-mile radius income for 2023 is estimated at **\$72,025** (CoStar, 2-mi), which is below both Thurston County and Washington State.

Supply Analysis

Supply in this market analysis is interpreted from estimates of existing competing properties plus planned and potential construction of competing properties. Single family residential supply directly impacts the demand for large development properties such as the subject.

Existing Supply

New listings of vacant land .5 acres or less has fluctuated over the last five years but has been trending downward over the last 18 months. However, Lacey has not had more than one new listing at any given time over the last 24+ months. Land over 3 acres has followed similar trends. However, there has not been a new listing of vacant land in this size range in approximately one year.



A more specific breakdown of land sales in Lacey over the last five years is shown below. The low transaction volume limits the value of the data, but some general patterns do emerge. Sale prices, on a per square foot basis, had been increasing until 2023. There have yet to be any closed sales in 2024 to know if the market is adjusting to higher construction costs, interest rates, and inflation or if the market will continue to price in these higher costs by paying less for raw land. Two of the three current listings, if they sell close to the list price will prove the market has adjusted to higher cost expectations. However, the two listings that have list prices well above previous years' sales have been on the market almost six months.

The third listing is priced at \$0.84/SF. This listing is approximately one mile east of the subject. It is currently zoned for Open Space, Nature, and Cemetery, similar to the subject. It is

marketed as being on the city of Lacey's agenda to potentially rezone in 2025. It is surrounded by schools, open space amenities, a cemetery, and single-family housing. The sale is much larger than the subject and is heavily impacted by slope, wetlands, and does not have the same frontage as the subject. One of the other listings is zoned for medium density and surrounded by medium density development and open space zoning. It has significant frontage like the subject, but is across the street from industrial zoning.

Year	# Sales	Median Size	Median Price	Median \$/SF	Median DOM
2019	9	1.81	\$180,000	\$2.47	33
2020	13	2.33	\$195,000	\$2.87	12
2021	9	1.22	\$190,000	\$4.69	99
2022	3	1.99	\$360,000	\$6.35	78
2023	4	1.07	\$295,000	\$5.21	22
Listings	3	2.28	\$700,000	\$7.48	159

The following table displays the volume and sale price of residences on a quarter acre lot or smaller over the past few years for the City of Lacey.

Single Family Residential Sales 0.25 Acres or Less				
Year	# Sales	Median Price	Days on Market	
2019	851	\$345,000	8	
2020	859	\$395,500	5	
2021	878	\$480,000	5	
2022	746	\$530,000	6	
2023	529	\$515,900	9	
2024 ytd	121	\$550,000	11	
Active Listings	48	\$612,990	13	

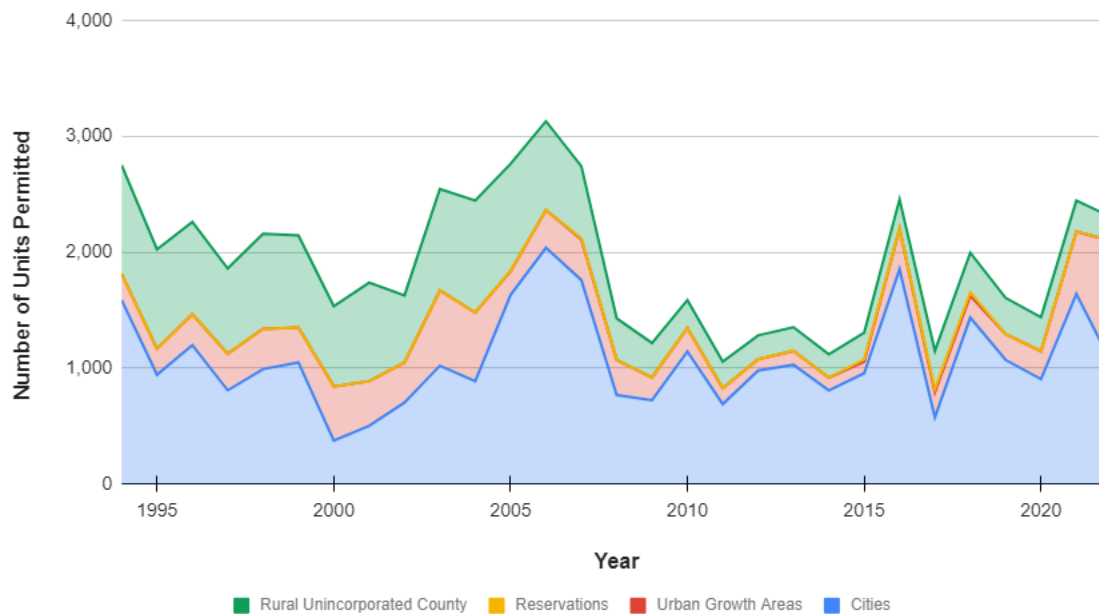
NWMLS City of Olympia

Sale prices have been increasing, except for a slight dip in 2023. This may be due to an increase in interest rates which may be somewhat offset by low supply. That is supported by the significant increase in median sale price in 2024 over both 2023 and 2022 prices. Sales volumes were increasing pre-pandemic through early post-pandemic. However, sales volume began decreasing at a double-digit pace in 2022, the same year the Federal Reserve began to increase interest rates. The active listings indicate approximately 4 weeks of supply based on 2023 demand.

Construction

An indicator of future supply is the number of residential building permits that have been issued.

Residential Units Permitted by Location



Thurston Regional Planning Council

There were 2,300 new homes permitted in 2022, which is down 145 from the previous year. Of the new homes permitted, 91% were in a city or an urban growth area and 74% of all homes permitted were for multifamily units.

There were 639 single-family and multifamily units permitted in Lacey in 2022, only 5.6% of those were single-family homes. There were only 127 single-family and multifamily units permitted in 2023, but 82.6% of those were single-family units. There have been 29 single-family homes and 53 multifamily units permitted in Lacey city limits so far this year.

Interaction of Supply & Demand

The supply and demand factors in the subject's market indicate that the market is currently undersupplied for residential units. For vacant land in the Lacey market, falling transaction volume but rising prices until 2023 and at least a three- or four-month supply based on demand prior to the Federal Reserve increasing interest rates indicate the market is in balance for the short term. Given the increasing median sale prices of homes in the Lacey market, should the Federal Reserve cut interest rates, demand for residential land could increase in the medium term.

Going forward, economists predict historically high inflation and high interest rates to last into 2025. This may keep capital markets constrained into 2025, in turn constraining the real estate industry, especially higher risk land sales.

Conclusions

In the near term, the residential market is approaching equilibrium. While there is still a housing shortage, many buyers have been priced out of the build-to-suit market by high construction costs and high interest rates, as well as land prices that have remained high even as interest rates have increased. Median sale prices have dipped slightly in 2023 but prices for existing homes appear to have recovered in 2024, appreciating above 2022 levels. The median sale

price in the subject neighborhood is only \$10,000, or 2%, less than the median for all of Lacey while the median age is more than double. This likely shows the neighborhood is in good condition and well regarded by the market.

Extremely limited inventory of existing homes and rising prices imply there is still pent-up demand for single-family homes. There are parcels currently on the market, one in the subject neighborhood and one at the very northern edge of it that represent competition for the subject. However, the subject parcel has better positioning in the market: size, road frontage, fewer challenges to development, and surrounding uses make the subject more competitive than current inventory for development of single-family homes, and possibly medium density multifamily.

However, recent inflation reports have put expected interest rate cuts on hold. Falling employment in Thurston County over the last several months will also dampen demand for residential property, both existing homes and residential land. The timing of interest rate cuts will depend on inflation and labor reports in the second and third quarters of 2024. Local demand will depend both on inflation and interest rates and local employment. If inflation and interest rates remain high and local employment remains soft, demand may be below average in the short term. However, the housing shortage and limited residential construction will likely keep supply constrained in the short and possibly into the medium term.

Highest and Best Use Analysis

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible, and that results in the highest value."¹⁰

Summarizing the above:

- The use must be *legal*.
- The use must be *physically possible*.
- The use must be *financially feasible*.
- The use must be *maximally productive* (highest net return to the land).

The definition above applies specifically to the highest and best use of the land. It should be recognized that in cases where a site has existing improvements, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until the land value in its highest and best use exceeds the total value of the property in its existing use.

Application of the Highest and Best Use Criteria:

As Vacant

Legal Considerations:

The site is zoned OS-I, Open Space Institutional. This zone allows development such as schools and houses of worship. The zone is most prohibitive of commercial and residential development. It should be noted that nearby Open Space-zoned parcels are on the Lacey Planning Commission agenda to rezone as part of the Comprehensive Plan in 2025. Discussions with Lacey City Planning indicate it is likely the subject parcel could be rezoned for residential use, most likely Low Density, allowing up to 6 units per acre.

Physical & Locational Considerations:

Physical characteristics of a property that may impact the development of a site include the site's physical location, size, shape, topography, and/or location within a floodway or floodplain.

Size: 5.32 acres or 231,727 SF.

Shape: Irregular. The subject's irregular shape is largely due to Mullen Rd, allowing the subject significant frontage and good visibility.

¹⁰The Dictionary of Real Estate, Sixth Edition, Page 109.

Topography: General level. There is only slight slope from the southwest to the center of the parcel.

Hazards: It is an extraordinary assumption of this report that there are no gophers on the subject site. The site is not impacted by any other critical areas or hazards.

Utilities: All typical utilities are available in the street.

Location: The location provides for good access and ingress/egress for residential streets. It allows access to all utilities. It provides good access to goods, services, and amenities.

Overall, the physical characteristics of the subject site are conducive to most uses allowed by the current zoning and the most likely zone upon a rezone.

Financial Feasibility:

The financial feasibility test is a test of the ability of a potential property use to generate enough income to support the use. The following information are market indicators of the most financially feasible uses:

- Population growth in the neighborhood is slower than some competing neighborhoods, Thurston County, and the State.
- Employment is showing signs of weakness over the last six months.
- Neighborhood median income is significantly lower than the county median and lower than some competing neighborhoods.
- There is limited vacant land on the market in the subject neighborhood.
- Home sale transaction volume has been stronger in the subject market area than in immediately surrounding MLS market areas.
- Residential construction has not kept pace with population growth, leading to a housing shortage.
- The subject parcel has few challenges to development of single-family lots and has utilities and street improvements already in place.

Maximally Productive:

The current zone is effectively a non-economic zone meant for civic, cultural, and educational uses. A rezone is already being considered and appears likely. Thus, a rezone and residential development emerges as the dominant use based on the legal, physical, and financially feasible tests.

Valuation Methods

Cost Approach

The Cost Approach is based on the understanding that market participants typically relate value to cost. In the Cost Approach, the value of a property is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation (i.e. deterioration and obsolescence) in the structures from all causes. Entrepreneurial profit and/or incentive may be included in the value indication.

Sales Comparison Approach

In the Sales Comparison Approach, an opinion of market value is developed by comparing properties similar to the subject property that have recently sold, are listed for sale, or are currently under contract to be sold.¹¹ The Sales Comparison Approach is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property's market.

Income Approach

The Income Approach is based on the concept that an investor who purchases income-producing real estate is essentially trading present dollars for the expectation of receiving future dollars. The income capitalization approach consists of methods, techniques, and mathematical procedures that an appraiser uses to analyze a property's capacity to generate benefits (i.e., usually the monetary benefits of income and reversion) and to convert these benefits into an indication of present value.

Conclusion:

The Cost Approach is not utilized in this assignment. The Cost Approach is not applicable because the subject is unimproved land.

The Sales Comparison Approach is utilized in this assignment because it is considered a meaningful indicator of value for the subject property. The quality and quantity of the data available to complete the Sales Comparison Approach was adequate to arrive at a credible opinion of value.

The Income Approach has not been completed. Undeveloped and unentitled land such as the subject is not generally purchased for its income generating potential..

¹¹ The Appraisal of Real Estate, Fifteenth Edition, (Appraisal Institute, Chicago, Illinois, 2020), page 351.

Land (or Site) Analysis

The direct sales comparison approach is usually the preferred methodology for developing a land value conclusion. When sales of similar parcels of land are not plentiful enough for the application of sales comparison, alternative methods such as the following, may be used.

- Allocation.
- Extraction.
- Subdivision development analysis.
- Land residual technique.
- Ground rent capitalization.

In this appraisal assignment, the sales comparison approach is the primary method which has been utilized. The most recent comparable land sales are shown in the following summary table. Each sale is then individually described; and is also presented in greater detail in the Comparable Market Data section of the report, including photographs, legal references, and other information.

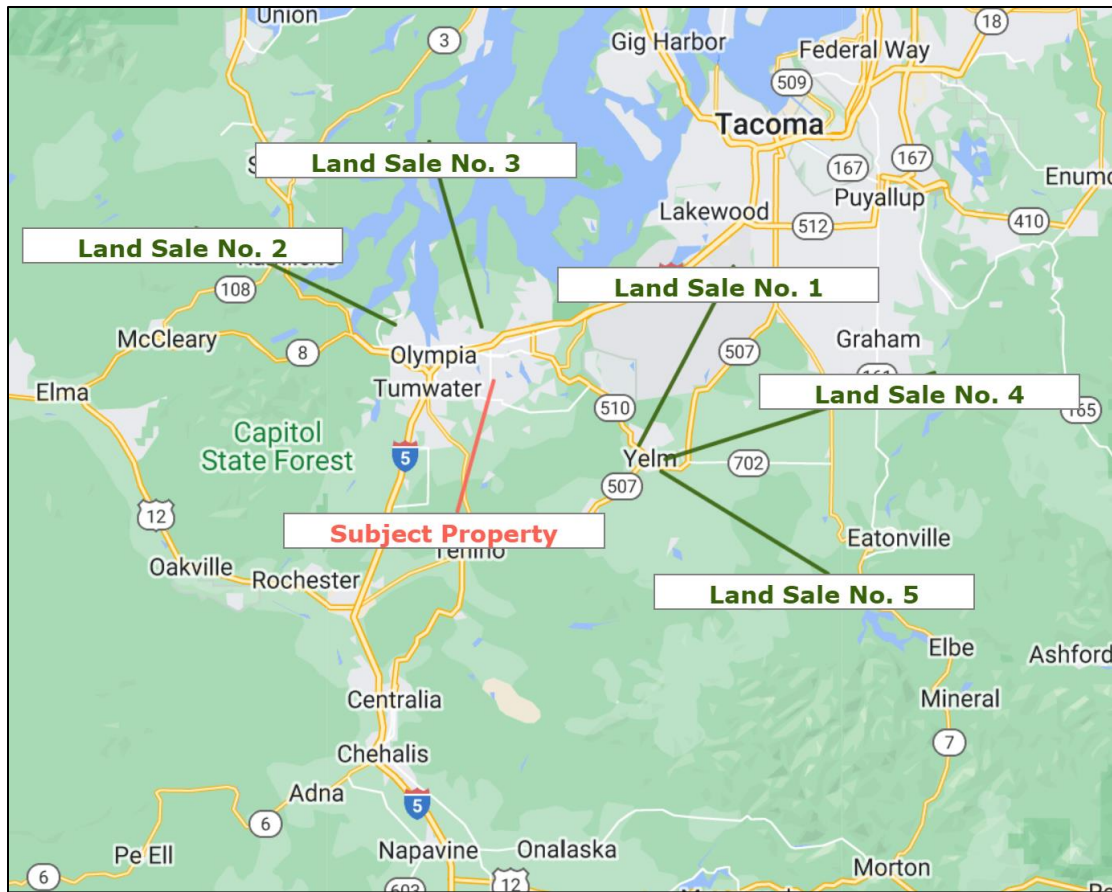
Comparable Sale Search & Selection

The search for comparable sales focused on vacant land capable of residential subdivision within Thurston County. More specifically, sales were selected with similar low density residential zoning. Due to the lack of directly comparable recent data, the search was expanded to include sales that occurred up to three and a half years prior to the date of value and with varying levels of entitlements.

Unit of Comparison

The unit of comparison utilized herein is the price per square foot. Most buyers, sellers, and other market participants in this market generally refer to similar subdivision land properties on a price per square foot or price per unit basis; however, in this case the price per unit is less reliable due to the wide range of units the subject could potentially support and the uncertain amount of units on some of the comparable sales.

A map showing the location of the pertinent sales, is shown below. Confirmation of each sale has been obtained from buyer, seller, broker, or other parties believed to be knowledgeable about the details of the transaction, whenever possible. When direct verification was not possible, we have relied upon public records or similar data sources.



Land Sales						
	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Name	Mullen Rd Land	The Hutch Future Subdivision	Cooper's Knoll	Sleater Landing	Proposed Grove Rd Subdivision	Morris Rd Land
Address	XXXX Mullen Rd SE	9306 Mountain View Rd SE	XXX Cooper Crest Drive NW	2235 Sleater Kinney Rd NE	10143 Grove Rd SE	XXX Morris Rd SE
City	Olympia	Yelm	Olympia	Olympia	Yelm	Yelm
Sale Price	N/A	\$2,100,000	\$200,000	\$600,000	\$750,000	\$275,000
Date of Sale	N/A	10/8/2020	1/6/2022	5/4/2022	12/11/20223	12/11/2023
Adjusted Sale Price	N/A	\$2,100,000	\$200,000	\$1,500,000	\$750,000	\$275,000
Land Sq Ft	231,727	830,254	225,205	614,632	218,275	217,800
\$ / SF of Land	N/A	\$2.63	\$0.89	\$2.44	\$3.44	\$1.26
Land Acres	5.32	19.06	5.17	14.11	5.01	5.00
\$ / Acre	N/A	\$114,376	\$38,685	\$106,308	\$149,674	\$55,000

Adjustments must be made for the following ten elements of comparison, which are listed below:

- Real property rights conveyed
- Financing terms
- Conditions of sale
- Expenditures made immediately after purchase
- Market conditions
- Location
- Physical characteristics
- Economic characteristics
- Use/zoning
- Non-realty components of value

The adjustment process includes the consideration of both quantitative and qualitative factors. Quantitative adjustments involve making numerical adjustments to the sales prices of the comparable sales. Qualitative adjustments account for differences between comparable sales that are not quantified.

Due to the limited amount of data available to establish well supported quantitative adjustments, it is necessary to utilize qualitative adjustments for the elements of comparison.

Real Property Rights Conveyed

The subject's fee simple rights are being appraised. All of the comparable sales were transactions of fee simple properties rights; thus, no adjustment is necessary for real property rights conveyed.

Financing terms

All of the comparable transactions sold based on payment equivalent to cash or financing that was neither superior nor inferior to that which is obtainable in the market; thus, no adjustment for financing is necessary.

Conditions of sale

Conditions of sale is an element of comparison that considers the motivation of the buyer and seller. Sale 2 exhibited seller motivation due to a death of an owner. None of the other sales had buyers or sellers that were noted to be unduly motivated, thus, no additional adjustments are necessary.

Expenditures made immediately after purchase

A buyer that anticipates having to make an expenditure immediately after purchase will consider this expenditure when agreeing on a price to pay. Some of the sales may have required quantitative adjustments for expenditures made immediately after purchase such as for demolition. Those adjustments are included in the analyzed prices shown in the table above.

Market conditions

The comparables sold over a period from October 2020 to December 2023. Market conditions for vacant land similar to the subject increased significantly from 2019. According to the market study, prices began leveling off for vacant land mid 2022 and appear to have remained stable since that time. Thus, Sale 1 requires an upward adjustment for market conditions. Sales 2 through 5 are considered contemporary with no adjustments needed.

Location

There is minor locational differences between the sales and the subject. The sales are in residential areas with proximity to schools, goods, services, and highway linkages.

Physical characteristics

There are a number of physical characteristics that can affect the value of the comparable sales. The primary characteristics analyzed herein are size, topography, critical areas, site work and infrastructure, utilities, and street frontage requirements.

Economic characteristics

Economic characteristics include attributes of a property that directly affect its income. Sale 4 had a leased residence, barn, and pasture that served as an interim use until the entitlement process is complete and the Buyer is ready to build. The economic characteristics of the other sales are the same as the subject and require no adjustment.

Use/zoning

There are minor differences between the zonings of some of the sales and the subject. The zoning of the comparable sales and the subject range from 3 to 6 units or 4 to 8 units per acre. The subject is not yet zoned for low density residential but discussions with the City of Lacey Long Range Planning Department indicated that the rezoned was likely to occur in 2025. Therefore, no adjustment is made for comparables with low density residential zoning. This element of comparison also considers any entitlements or other planning/feasibility work completed.

Non-realty components of value

Non-realty components include personal property, business value, goodwill, and other items that are not considered part of the real property. The comparable sales were reflective of the real property only. Thus, no adjustment for non-realty components of value is necessary.

Sale 1 (\$2.63/SF): is the October 2020 sale of two parcels totaling 19.06-acres located in the northern end of Yelm, approximately 13 miles southeast of the subject. The Yelm market has experienced stronger growth over the last several years than the Lacey or Olympia markets and stronger than the greater Thurston County market. In the past few years, the city approved 5,000 new sewer/water connections and has annexed portions of the UGA into the city to facilitate utility connection and construction activity. Of the 633 homes that have sold in the last 12 months in the Yelm market, 151 of them were built in the last three years. Income and median home price in the market is similar to the subject neighborhood.

The topography is level to mildly sloping. Access is direct off Mountain View Rd SE and Killion Rd SE. Adjacent to the east is a subdivision. City water was not available to the site at time of sale but was expected in 2021 and has since been extended. This did extend the contingency period and lead to a price reduction. The site would need over 600' of road improvements along Mountain View Rd. Site coverage is treed and brush. Zoning allowed up to 6 units per acre and there was an expired approval for a 118-lot subdivision.

Element	Rating	Comment
Market Cond.	Slightly Inferior	Sold almost 4 yrs prior to date of value, but prior to inflation and interest rate increases and as demand for residential land was taking off
Location	Slightly Superior	Sale market has experienced over 2x the growth of subject neighborhood, only slightly higher income and similar median home prices
Size	Inferior	Over 3x the size of subject, which tends to decrease the \$/SF
Topography	Similar	Sale was level to mildly sloping, like subject
Critical Areas	Similar	No gopher habitat or critical areas, similar to subject with extraordinary condition
Infrastructure	Similar	No clearing, grading, or drainage.
Street Frontage	Slightly Inferior	Full street frontage on Killion, would need 600' on Mountain View
Utilities	Similar	Utilities expected within a few months of purchase
Physical	Inferior	
Zoning	Slightly Superior	Densities allowed by zoning are similar, sale had expired approvals for 118 lots
Conclusion	Inferior	Sale is slightly inferior due to the large size, older date of sale, and to a lesser extent, the street front requirements outweighing the location in a market that has experienced some of the highest growth in the region and significant development activity.

Sale 2 (\$0.89/SF): is the January 2022 sale of a 5.17-acre parcel located in west Olympia. The topography is level to rolling. Access is at the terminus of Cooper Crest Drive NW. Adjacent to the east is a subdivision. There are minimal critical areas on the southeast corner. Site coverage is treed and brush. Power, sewer, and water are at the property corner. Zoning is low density single-family 2 to 4 units per acre. Several impact studies had been completed with preliminary approval for 9 lots as of the date of sale.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Sale Cond.	Inferior	Seller more than typically motivated.
Market Cond.	Similar	Sale occurred just as market conditions were slowing but before the fed start raising rates.
Location	Similar	Similar distance to goods, services, schools, amenities
Size	Similar	Sale and subject are both apprx 5 acres
Topography	Similar	Level to gently sloping.
Critical Areas	Inferior	Sale is impacted by wetlands and buffers
Infrastructure	Similar	No clearing, grading, or drainage.
Street Frontage	Similar	Sale has located at end of road, subject has road frontage built out already
Utilities	Similar	Power, city sewer and water, in the street.
Physical	Inferior	
Zoning	Slightly Inferior	Sale has lower allowed density
Conclusion	Inferior	The sale is inferior due to the combination of seller motivation, impact from wetlands, and lower allowed density.

Sale 3 (\$2.44/SF) is the May 2022 sale of two parcels totaling 14.11 acres on Sleater Kinney Road NE approximately 4 miles north of the subject. The neighborhood has lower population, largely because it has more undeveloped land, and similar to slightly lower median income, depending on which portion of the neighborhood is polled. It has had higher existing home sales over the last 6 to 12 months and the median sale price of existing homes is higher than the subject neighborhood and has had higher appreciation over the last 12 months. This sale is in the city of Lacey UGA and is zoned for 3 to 6 single family residential units per acre. This property is part of the Sleater Landing subdivision. This development is a total of 45.55 acres and has 212 units indicating a density of 4.65 units per acre. This is a blended density with nearly half the subdivision zoned 3 to 6 units and the other half 6 to 12 units. The density calculation for this parcel is 2.67 units per acre and is zoned for 3 to 6 units. At the time of sale, the buyer had entitlements in process and likely to be approved.

This parcel was mostly level to mildly sloped topography with wetland covering the north third of the parcel adjacent to 26th Avenue NE. Sewer required extension to connect with the existing gravity sewer on Abernethy Street NE via a utility easement along and through 26th Avenue at approximately 1,700 feet. The water is extended from Sleater Kinney Road approximately 500 feet (in front of the neighboring subdivision parcel) and connecting to the existing water main from the subdivision to the south. Street frontage improvements are required on 26th Avenue NE at 400± feet.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Cond.	Similar	Sold as Fed interest rates began and the land market was flattening
Location	Slightly Superior	North of I-5 in an area of higher investment and development, similar access to goods/services
Size	Inferior	Sale is apprx 3x size of subject, which tends to decrease \$/SF, buildable area 2x ± size of subject
Topography	Similar	Mostly level
Critical Areas	Slightly Inferior	Sale impacted by wetlands
Infrastructure	Similar	Not cleared
Street Frontage	Slightly Inferior	Required 400± feet of street frontage improvements.
Utilities	Inferior	Extension of utilities required
Physical	Inferior	
Zoning	Superior	Sale density allows 3 to 6 units/acre and entitlements were nearly complete as of the date of sale.
Conclusion	Inferior	Sale is inferior due to the combination of physical factors-size, critical area impact, need to extend utilities-outweighing the slightly superior location and nearly complete entitlements.

Sale 4 (\$3.44/SF): is the sale of a 5.01-acre parcel located in Yelm. Yelm market has experienced stronger growth over the last several years than the Lacey or Olympia markets and stronger than the greater Thurston County market. In the past few years, the city approved 5,000 new sewer/water connections and has annexed portions of the UGA into the city to facilitate utility connection and construction activity. Of the 633 homes that have sold in the last 12 months in the Yelm market, 151 of them were built in the last three years. Income and median home price in the market is similar to the subject neighborhood. The sale property is surrounded by established lower density single-family homes, an elementary school and senior center, with two larger residential neighborhoods built in the late 2000s approximately 0.25-0.5 miles north and northwest.

It has approximately 230' of road frontage. The parcel is an irregular, nondetrimental shape. The site was improved with a residence, in fair condition, and a barn at the time of sale. The buyer expected to lease the residence while working through the entitlement process for a 26-lot subdivision. The value contributed by the home was expected to offset some carrying costs during the entitlement process and eventual demolition. A gopher survey did not show any evidence of gophers and there were no other critical areas. Water was available in the street and the property had septic installed at the time of sale but was in the process of being annexed into the Yelm city limits, which, combined with the approval of increased water/sewer connections, would mean sewer would be available in the near future. Sewer was available approximately .25 miles to the north along Grove Rd. Zoning is residential 6 units per acre.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Cond.	Similar	Sold during a time of similar market conditions
Location	Slightly Superior	Significant investment and development in the area, but farther from major retail and employment nodes
Size	Similar	Sale apprx same size as subject
Topography	Similar	Level to gently sloping
Critical Areas	Similar	No wetlands and no evidence of gophers
Infrastructure	Slightly Superior	Sale is cleared, and has fencing
Street Frontage	Slightly Inferior	Will require apprx 230' of frontage
Utilities	Slightly Inferior	Power, water, septic on-site, sewer not yet extended down Grove Rd
Physical	Slightly Inferior	
Econ Char	Slightly Superior	Sale has residence that could be leased during entitlement process
Zoning	Similar	Sale density is 6 units per ac, like subject
Conclusion	Slightly Superior	The sale is slightly superior due the location in market with significant development activity and the slight contribution of the interim use while the buyer waits for sewer to be extended and works through the entitlement process.

Sale 5 (\$1.26/SF): is the December 2023 sale of a 5.00-acre parcel located in Yelm. The strength of the Yelm market has been detailed above. The sale property was located approximately 0.25 miles south of the Yelm Ave and Bald Hill Rd intersection. The parcel was pending for seven months while the buyer arranged a gopher study, got the parcel annexed into the city limits, and completed feasibility for a 20-lot subdivision. The Buyer is the same buyer as Sale 4 and they stated they assigned the purchase contract to a homebuilder for \$800,000 after completing the entitlement process.

The parcel is rectangular and very mildly slopes from west to east. The parcel was vacant and covered with brush and trees. It was not impacted by critical areas and the gopher survey showed no evidence of gophers. The parcel had 330' of frontage along Morris Rd but would reportedly not require major street frontage improvements. The utilities would require a short extension. Zoning is Residential, R-6, 6 units per acre.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Cond.	Similar	Sold during a time of similar market conditions
Location	Slightly Superior	Significant investment and development in the area, but farther from major retail and employment nodes
Size	Similar	Sale apprx same size as subject
Topography	Similar	Level to gently sloping
Critical Areas	Slightly Inferior	No wetlands, buyer had to pay for gopher study
Infrastructure	Similar	Sale is brush and trees, like subject
Street Frontage	Similar	Sale does not require major street front improvements; subject already has them
Utilities	Inferior	Utilities require a short extension
Physical	Inferior	
Zoning	Slightly Inferior	Sale density is 6 units per ac, like subject, Buyer went through time/risk/expense to be sure property was annexed before closing, priced in those costs
Conclusion	Inferior	The sale is inferior due to the need to extend utilities to the parcel. The price negotiated for this sale was due, in part, to the time and expense of the feasibility and entitlement process for the buyer.

Additional Market Data

Comparable Sale 2 sold in January 2022 but was marketed for sale again in February 2023 for \$329,000 (\$1.46/SF) then reduced in June to \$298,500 (\$1.32/SF) and ultimately ended up expiring July 2023 with no sale. It was marketed as having site plan and engineering in process for an 8-unit apartment complex.

In June 2023, a Lacey church sold excess land totaling 2.75 acres to a local home builder that owned and was developing neighboring parcels. The parcel sold for \$298,500, \$2.49/SF, according to Thurston County records. The transaction occurred off-market and parties to the sale did not return calls or could not be reached. The land was just north and west of the Buyer's active development and they had already built a road along the southern edge of the parcel. The parcel was impacted by wetlands in the southwest corner. All utilities were available in the street. The parcel had the same LD zoning as is most likely for the subject.

There is a current listing for a 19-acre parcel approximately 1 mile east of the subject. It is excess land for a cemetery. The parcel has Natural, Open Space, and Cemetery zoning but is expected to be rezoned to LD, Low Density Residential, as part of the 2025 Comprehensive Plan rewrite. The parcel is heavily impacted by steep slopes and is impacted by wetlands. Due to the slopes and wetlands, only a small portion of the 19 acres could be developed, but the actual building envelope is currently unknown and would be the buyer's responsibility. The site has very narrow frontage along 37th Ave SE. All typical utilities are available in the street. It is currently listed at \$700,000, or \$0.84/SF, and has been on the market for just over one month.

Conclusion

The goal of the sales comparison approach is to select the most comparable market sales and then adjust for differences that cannot be eliminated within the selection process. Elements of comparison include property rights conveyed, financing terms, conditions of sale (motivation), expenditures made immediately after purchase, market conditions (time), location, physical characteristics (e.g. size, soils, access, shape, frontage, topography), economic characteristics, use (zoning), and non-realty components.

The actual adjustments may be quantitative, where precise dollar or percentage adjustments can be developed from market evidence, or qualitative, where the adjustments may be simply an acknowledgement of a property's superiority or inferiority. In this appraisal, due to the lack of sufficient market evidence with which to support quantitative adjustments, we have utilized a qualitative adjustment process known as "relative comparison analysis", also referred to as "bracketing analysis".

In the following table is a representation of the qualitative adjustment and comparison process, in an effort to estimate a supportable value range for the subject site. It also represents the sequence in which adjustments are made, if necessary, and applicable. Please note that "plus" or "minus" adjustments shown are relative; for example, a physical adjustment may carry more weight than adjustments made to other elements of comparison.

Adjustments*	Land Sale Adjustment Grid										</>	Price/SF
	A	B	C	D	E	F	G	H	I	J		
Sale 1	0	0	0	0	+	-	+++	0	-	0	>	\$2.63
Sale 2	0	0	++	0	0	0	++	0	+	0	>	\$0.89
Sale 3	0	0	0	0	0	-	+++++	0	--	0	>	\$2.44
Sale 4	0	0	0	0	0	-	+	-	0	0	<	\$3.44
Sale 5	0	0	0	0	0	-	+++	0	+	0	>	\$1.26
*A= Rights Conveyed; B = Financing Terms; C = Sale Conditions; D = Expenditures; E = Market Conditions; F = Location; G = Physical Characteristics; H = Economic Factors; I = Use (Zoning); J = Non-Realty Components												
<i>Note: + Symbol means inferior to the subject, or, upward adjustment; - Symbol means superior to the subject, or, downward adjustment; > Symbol means "greater than"; < Symbol means "less than"</i>												

Following the comparison and adjustment process, a refined value range of approximately \$2.63 to \$3.44 per square foot was indicated.

Sale 2 (\$0.89/SF) is significantly inferior to the subject due to the impact from wetlands, the seller motivation, and the lower allowed density. Sale 5 (\$1.26/SF) is inferior to the subject due to the buyer going to the expense of the gopher study and annexing the property; it is the last parcel along Morris Rd annexed into the city limits. The property is being sold due to deaths in the family and there is some seller motivation due to an impending court date. The Seller's Broker stated she has had a lot of interest until potential buyers talk to the city. The one buyer that started feasibility is a builder. He stated to the Broker that, given the easement at 37th and Appollo, the slope, and the wetlands, it is his opinion the property could only support about 15 lots.

Sale 1 (\$2.63/SF), Sale 4 (\$3.44/SF) and Sale 5 (\$1.26/SF) are all in the Yelm market. The Yelm market has experienced higher growth and residential development investment than many other submarkets in Thurston County. Sale 1 is the oldest sale; however, it occurred as demand for residential land was heating up due to work from home mandates, low interest rates, and low inventory of existing homes. The site was already in the annexation process and utilities were expected to be extended to the area within months. The site also had expired approvals for 118 lots, proving feasibility. Sale 4 was also already in the annexation process and had utilities nearby, but they would require extension. Sale 4, however, was already cleared and was improved with a residence, barn and pasture that was leased and the buyer intended to continue leasing until ready to develop.

Sale 3 (\$2.44/SF) is located just north of I-5 in one of the Lacey neighborhoods experiencing strong residential investment. The site was purchased for the purpose of assemblage for subdivision development. As such, the Buyer had initiated the entitlement process prior to closing and made the offer contingent on feasibility. One to four acres were impacted by wetlands and hydric soils. The density for the planned development worked out to around 3 units per acre of total site area.

Overall, a value near the middle of the refined range is estimated for the subject. A value of \$3.00 per square foot is estimated and the initial value indication is summarized below.

Summary, Land Value Conclusion:

(231,727 SF) (\$3.00 Per SF) = \$695,181

Indication of Value by the Sales Comparison Approach [rounded to] \$700,000

Test of Reasonableness

The prior analysis above was based on price per square foot as the unit of comparison. The price per unit was not used due to the uncertain number of units/lots on the subject and some of the comparable sales. However, when the recently expired, planned, or proposed since closing units are used to analyze each of the above sales, a range of \$13,750 to ~\$35,000 per unit is found. Sale 3 comes in at the top of the range, but that is based on an average using the larger development assemblage of 45.55 acres and then applied to the sale acreage. The Buyer for Sale 4, of a similar size to the subject, with a similar buildable area, planned to develop 26 lots. That works out to almost \$29,000 per lot. But, it also had an interim use. Sale 2, utilizing the 8-unit multifamily development that is in permitting, sold for \$25,000 per unit. The subject, when utilizing a 26 lot potential development and a rounded \$700,000 comes out to almost \$27,000 per lot. This falls well into the range and meets the basic test of reasonableness.

Reconciliation of Value Indications

Three independent approaches to value were considered by the appraisers. The resultant value indications were:

Cost Approach	Not Applicable
Sales Comparison Approach	\$700,000
Income Approach	Not Completed

The Sales Comparison Approach provides a meaningful indication of value when:

- The amount of available market data is adequate.
- The relative advantages and deficiencies of the property being appraised and the comparative sale properties are not too extensive and have been correctly weighed.

The Sales Comparison Approach is utilized in this assignment. All of the sales are from the general Olympia/Lacey/Yelm area, most were within 2 years of the date of value, and most had generally similar low density residential zoning to what the subject will likely be rezoned in 2025. There were some locational differences and in some of the physical elements of comparison and the level of entitlement work completed as of the date of value. The data utilized is reliable to determine a credible opinion of value. Overall, the Sales Comparison Approach best reflects the analysis of the most likely buyer and is given all weight in reconciliation.

As a result of our investigations and analyses, it is our opinion that the market value of the identified interest in the subject real property, as of April 23, 2024, was:

Seven Hundred Thousand Dollars

(\$700,000).

Certification

We certify that, to the best of my knowledge and belief,

- The statement of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved. We have not performed any services regarding the subject property within the three years preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the property that is the subject of this report.
- Alison Anderson Snodgrass, License #21018996, provided significant professional assistance to the person(s) signing this report.
- The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.



Derek R. Jolliff, MAI*

*As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Appraiser's Qualifications

Derek R. Jolliff, MAI

Experience:

- **Appraiser**, Anderson Appraisal, Inc., Olympia, Washington
- **Appraiser**, Capital Valuation Group, Salem, Oregon 1/06 – 10/10

Over a decade of appraising various property types, including office, retail, industrial, multifamily, institutional, vacant land, easements, subdivisions, special use and agricultural properties.

Education:

Western Washington University, Bellingham, Washington (BA - Business Administration)

Appraisal Education:

Successful completion of the following appraisal courses/seminars:

Appraisal Institute Courses:

"Basic Appraisal Procedures"

"Basic Income Capitalization"

"Real Estate Finance Statistics and Valuation"

"Report Writing and Valuation Analysis"

"Evaluating Commercial Construction"

"Litigation Appraising: Specialized Topics and Applications"

"Appraising Convenience Stores"

"Fundamentals of Separating Real Property, Personal Property, & Intangible Assets"

"Advanced Sales Comparison and Cost Approach"

"General Appraiser Report Writing and Case Studies"

"General Appraiser Market Analysis and Highest and Best Use"

"General Appraiser Site Valuation and Cost Approach"

"General Appraiser Sales Comparison Approach"

"Advanced Income Capitalization"

"Advanced Applications"

"Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications"

Matthew Larabee:

"Case Studies in Income Property Appraisal"

McKissock Appraisal Education:

"USPAP - Uniform Standards of Professional Appraisal Practice"

"Appraisal of Assisted Living Facilities"

"Appraisal of Self-Storage Facilities"

International Right of Way Association:

"Appraisal of Partial Acquisitions"

"Easement Valuation"

American Society of Farm Managers and Rural Appraisers

"Advanced Rural Case Studies"

"Introduction to the Valuation of Permanent Plantings"

Business and Professional Organizations:

Member, Appraisal Institute (#468211)

Washington State Certified General Real Estate Appraiser (#1101978)

Appraiser's Qualifications

Alison Snodgrass

Experience:

Appraisal Assistant, Anderson Appraisal, Inc., Olympia, Washington
January 2021- Present

Business Manager, ProBuild Construction, Tacoma, Washington
One year of experience estimating and procuring materials for small scale residential and assisted living remodeling projects in western Washington.

Real Estate Analyst, KLNb, Washington D.C.
One year experience in all aspects of valuation: due diligence, lease abstracting, market analysis, and financial modeling, using Argus DCF and Excel.

Real Estate Analyst Intern, The Equity Group, Colorado Springs, Colorado
Training in all aspects of valuation and development: due diligence, site selection, valuation, market analysis, and financial modeling, entitlements.

Education:

Georgetown University, Washington, D.C. (M.S.- Real Estate Development and Finance)
University of Colorado, Colorado Springs, CO- (B.S.- Finance)

Appraisal Education:

Successful completion of the following appraisal courses/seminars:

Georgetown University:

- "Foundations of Real Estate"
- "Foundations of Real Estate Finance"
- "Foundations of Real Estate Markets"
- "Foundations of Real Estate Law"
- "Foundations of Real Estate Accounting"
- "Construction Estimating and Procurement"
- "Lease and Negotiation"
- "Multi-Family and Affordable Housing"
- "Software for Real Estate Finance"
- "Urban Plan"

Argus:

- "Argus DCF"

Appraisal Institute Courses:

- "15-Hour Equivalent USPAP Course 2020-2021"
- "Basic Appraisal Principles"
- "Basic Appraisal Procedures"
- "Supervisory Appraiser/Trainee Appraiser Course"
- "Appraising Automobile Dealerships"

Business and Professional Organizations:

State Registered Real Estate Appraiser Trainee (#21018996)

Statement of Limiting Conditions and Assumptions

- One (or more) of the signatories of this appraisal report is a Member or Candidate of the Appraisal Institute.
- The legal description furnished the appraisers is assumed to be correct. Title to the property appraised in this report is assumed to be merchantable in the parties stated to be the owners. For the purpose of this report, the property is assumed to be free of liens and encumbrances.
- The information contained in this report, other than facts observable by a physical examination of the property, is from sources considered to be reliable, but such information is in no sense guaranteed.
- No responsibility is assumed because of matters of legal character affecting the property, such as title defects, encroachments, liens, and overlapping property lines. The appraisal is based on the premise that, there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority (local, state, federal and/or private entity or organization) have been or can be obtained or renewed for any use considered in the value estimate.
- In computing values, various figures have been rounded off to the nearest significant amount, for the sake of clarity, in arriving at the valuation. The distribution of the total value between land and improvements applies only under the utilization of the property to its Highest and Best Use.
- Compensation for services is dependent only upon delivery of this report. The values found by the appraiser are in no way contingent upon the compensation to be paid for services.
- The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given third parties without the prior written consent of the signatories of this appraisal report.
- This report is made in accordance with the Uniform Standards of Professional Appraisal Practice, adopted by the Appraisal Standards Board of the Appraisal Foundation.
- Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for the purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to revision upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

- Any drawings and/or diagrams are for illustrative purposes only and are not drawn necessarily to scale and should not be construed as surveys or engineering reports.
- It is called to the reader's attention the fact that this report is delivered subject to the stipulation that neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the appraisers or review appraiser, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute or the MAI designation.
- The opinion of value, as set forth in this report, is based solely upon information available at and prior to the date of valuation, and no responsibility is assumed with respect to facts that may develop subsequent to such date and which might have a bearing on the opinion of value at the date noted as expressed herein.
- The appraisers and/or officers of Anderson Appraisal, Inc. reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there become known to us facts pertinent to the appraisal process that were unknown to us when the report was finished.
- It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super efficient.
- The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.
- The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
- The appraiser assumes no responsibility for hidden or unapparent conditions of the property, which would render it more or less valuable, and further assumes no responsibility for surveys or engineering which might be required to discover such factors.
- The above conditions include soil composition, drainage characteristics, load bearing capacity, seasonal or permanent water table elevation, seismic susceptibility, hazardous materials contamination (including, but not limited to hydrocarbons, PCB's, asbestos, radon, urea-formaldehyde foam insulation, pesticides, mold/mildew), radioactivity, emissions or disruptions caused from high voltage transmission lines, the location of underground facilities, illegal dumping, leaking underground storage tanks, and so forth.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially hazardous

materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on, in or around the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

- The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA.
- It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.
- Federal Government Regulations: The Federal Government has special requirements for appraisals to be utilized for some types of loans, resulting from Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989. This appraisal was not written in accordance with FIRREA guidelines, unless so stated, in the letter of transmittal.
- Additional research, analysis, and report writing may be required because of the variety of standards and interpretations among certain financial institutions, and appraisal reviewers; and will be undertaken upon client request, at additional fees, for time and costs.
- Where the discounted cash flow analysis has been used it has been prepared on the basis of information and assumptions stipulated in this report. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy.
- The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events that cannot be assured. Therefore, the actual results achieved may well vary from the projections and such variation may be material.
- This appraisal was obtained from Anderson Appraisal, Inc. or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552(b)(4). Notify the appraiser(s) signing the report of any request to reproduce this appraisal in whole or in part.
- **APPRAISER LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS, AND IT IS LIMITED TO THE AMOUNT OF FEE RECEIVED BY THE APPRAISER FOR THIS REPORT. ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY IS PRIMA FACIE EVIDENCE THAT THE USER UNDERSTANDS AND AGREES TO THESE CONDITIONS.**

Comparable Market Data

Land Sale No. 1



Property Name	The Hutch Future Subdivision	Comp ID No.	1678
Address	9306 Mountain View Road SE		
City, State Zip	Yelm, Washington 98597		
County	Thurston		
Location	East of Mountain View Rd SE and west of Killion St SE about 800 feet north of State Route 510 in the City Limits of Yelm.		
Tax ID	21713430200, 21713430300		
Property Type	Subdivision-Residential Land		
Zoning Code	R-6, Moderate Density Residential		

Physical Characteristics

Land Size	19.06 acres or 830,254 SF	Topography	Level to mildly sloping
Number of Lots	2	Drainage	Adequate
Shape	Rectangular		
Grade	At street grade		
Landscaping	None, vacant land		
Frontage Desc.	Killion Street SE, paved city street with full frontage improvements. Mountain View Rd SE, paved city street, no frontage improvements.		
Utilities	All typical public and private utilities available.		
Access	Paved access point from Killion Road SE		
Visibility	Average		
Site Comments	This is a sale of 19.06± acres of vacant land for development of a single family residential subdivision. At time of sale it was covered in grass and some shrubs. Property had some expired approvals for a 118-lot subdivision. No gopher habitat or any other critical areas. Will need over 600' of road frontage improvements on Mountain View Rd SE. City water rights not available but expected in 2021.		

Recording Information

Sale Date	10-08-2020	Recording No.	4790636
Contract Price	\$2,100,000		
Adjustments \$	\$80,000		
Adjusted Price	\$2,180,000		
Seller	Barbara Hutchinson		
Buyer	Mitchell Development II LLC		
Property Rights	Fee Simple Estate		
Financing	Considered equivalent to cash sale		
Market Time	See Sale Remarks		
Price/SF	\$2.63		
Price/Acre	\$114,376		
Price/Lot	\$1,090,000		

Sale Comments Property was contingent to sell in January 2018 at about \$2,400,000. Contingency period was long waiting for water rights to be awarded to City of Yelm. Approvals expired while waiting and seller lowered price to \$2,100,000 to cover costs of entitlements. Onset of pandemic was not a significant concern for buyer. Sale price is adjusted upward by \$80,000 for cost of LID (buyer expenditure).

Overall Remarks
Confirmed By Seller's Broker Kristie Unkrur 253-222-5936

Comp ID No. 1678

Land Sale No. 2



Coopers Knoll Wetlands and Buffer area

Property Name Cooper's Knoll
Address XXX Cooper Crest Drive NW
City, State Zip Olympia, Washington 98502
County Thurston
Location At the Terminus of Cooper Crest Drive NW in the City of Olympia.
Tax ID 12808110200
Property Type Residential (Single-Family) Land
Zoning Code RLI, Residential 2 to 4 units per acre

Comp ID No. 2679

Physical Characteristics

Land Size	5.17 acres or 225,205 SF	
Number of Lots	1	
Shape	Rectangular	Topography Level to Hilly
Grade	At street grade	Drainage Adequate
Landscaping	Minimal	
Frontage Desc.	Direct on Walnut Road NW, an asphalt paved and striped collector street	
Utilities	Water, power and sewer all stubbed onto property.	
Access	Direct on Walnut Road NW	
Visibility	Average	
Site Comments	Irregular rectangular shaped parcel with generally level topography. Site coverage is mostly treed with some brush. Density calculations per the preliminary site approval for the low density 2 to 4 units per acre is 1.74 units. Since 2015 the parcel has been rezoned from residential 1 to 5 units to RLI zoning. Studies done prior to sale were wetland, geotech, and traffic impact. Preliminary site approval for 9 lots had been achieved prior to sale.	

Recording Information

Sale Date	01-06-2022	Recording No.	4911172
Contract Price	\$200,000		
Adjusted Price	\$200,000		
Seller	Branbar LLC		
Buyer	TJ Holdings LLC		
Property Rights	Fee Simple Estate		
Financing	Considered equivalent to cash sale		
Market Time	127days on market; list price \$350,000		
Price/SF	\$.89		
Price/Acre	\$38,685		
Price/Lot	\$200,000		
Sale Comments	A pre submission conference was conducted more than one year after sale for a 2 story 8 unit multifamily development. Seller motivation due to a death of an owner.		
Overall Remarks			
Confirmed By	Ron Conard, LAG, 253.677.9999		

Comp ID No. 2679

Land Sale No. 3



Property Name	Sleater Landing	Comp ID No.	2496
Address	2235 Sleater Kinney Road NE		
City, State Zip	Olympia, Washington 98506		
County	Thurston		
Location	Southwest of the intersection of 26th Avenue NE and Sleater Kinney Road NE in the City of Lacey UGA.		
Tax ID	11808210300, 11808210800		
Property Type	Residential (Single-Family) Land		
Zoning Code	R 3-6, Residential 3 to 6 units per acre		

Physical Characteristics

Land Size	14.11 acres or 614,632 SF	Topography	Level to Hilly
Number of Lots	1	Drainage	Adequate
Shape	Rectangular		
Grade	At street grade		
Landscaping	Minimal		
Frontage Desc.	Direct on Sleater Kinney		
Utilities	Power is in the street, water and sewer require extension		
Access	No built access but possibility of access from Sleater Kinney and 26th		
Visibility	Average		
Site Comments	Generally square shaped site, mostly level topography and approximately 1 acre of wetland as mapped on Thurston County GIS, but around 4 acres are impacted by hydric soils. Site coverage is mostly treed with some brush. There was a single-family residence on the property at time of sale that required demolition. Water is located south of the subject approximately 500 feet and adjacent to the subject via the subdivision to the south. Sewer is located on Abernethy Street NE and requires extension of approximately 1,700 feet. Street frontage improvements are required, measuring approximately 575 feet. Density calculations per the preliminary site approval for the low density 3 to 6 units per acre is 3 units.		

Recording Information

Sale Date	05-04-2022	Recording No.	4929876
Contract Price	\$1,500,000		
Adjusted Price	\$1,500,000		
Seller	Brenda L Curtis, Rodney D Russell, & Linda M Russell		
Buyer	Pacific Northwest Development and Land Company LLC		
Property Rights	Fee Simple Estate		
Financing	Considered equivalent to cash sale		
Market Time	203 on market; list price \$1,500,000		
Price/SF	\$2.44		
Price/Acre	\$106,308		
Price/Lot	\$1,500,000		

Sale Comments The property was purchased by a developer to assemble with surrounding parcels for subdivision development. The property was originally listed May 2019. The buyers made an offer contingent upon feasibility February 2020, status changed to pending July 2020. An application for Sleater Landing subdivision for 212 lots on 45.55 acres was submitted April 2021. The sale closed May 2022. The application for Sleater Landing Subdivision was approved December 2022. Entitlements were in process by the buyer on the date of sale with likely approval.

Overall Remarks

Confirmed By JR Poulsen, LAG, 253.380.5533

Comp ID No. 2496

Land Sale No. 4



Property Name	Proposed Grove Road Subdivision	Comp ID No.	2733
Address	10143 Grove Road SE		
City, State Zip	Yelm, Washington 98597		
County	Thurston		
Location	West side of Grove Road SE approximately 500' north of 103rd Ave SE in an area of single family residences and a school in Yelm.		
Tax ID	51540302700		
Property Type	Subdivision-Residential Land		
Zoning Code	R-6, Residential 6 units per acre		

Physical Characteristics

Land Size	5.01 acres or 218,275 SF		
Number of Lots	1		
Shape	Rectangular	Topography	Level to mildly sloping
Grade	At street grade	Drainage	Adequate
Landscaping	None, vacant land		
Frontage Desc.	Typical rural residential frontage		
Utilities	All typical public and private utilities available.		
Access	Paved drive off Grove Rd		
Visibility	Average		
Site Comments	This is a sale of 5.01± acres improved with a residence and outbuildings for development of a single-family residential subdivision. At time of sale there was a 1,720 SF residence in fair condition constructed in 1967 along with a barn. The rest of the property was an open field with fencing. The parcel was non-detrimental irregular in shape and level. At the time the buyer made an offer, the property was nearing completion of annexation into the Yelm City Limits. There was a gopher survey finding no gopher habitat, nor were there any other critical areas. Will need about 230' of road frontage improvements on Grove Road SE but all utilities were available on the property or in the street.		

Recording Information

Sale Date	12-11-2023	Recording No.	5000559
Contract Price	\$750,000		
Adjusted Price	\$750,000		
Seller	Jolin Brenda		
Buyer	Copper Ridge LLC		
Property Rights	Fee Simple Estate		
Financing	Considered equivalent to cash sale		
Market Time	175 days, original listing price \$750,000		
Price/SF	\$3.44		
Price/Acre	\$149,674		
Price/Lot	\$375,000		

Sale Comments Property was in annexation process when buyer made an offer and by the time it closed it had been completed. Buyer plans to rent the residence for one to two years while proceeding through the entitlement phase for a 26-lot subdivision. Home and improvements will then be demolished. Home is estimated to contribute value to offset eventual demolition.

Overall Remarks 6468-24A, NWMLS 1978569

Confirmed By Seller's Broker Lida Cozzetti 360-789-1562

Comp ID No. 2733

Land Sale No. 5



Property Name	Morris Road SE Site	Comp ID No.	2741
Address	XXX Morris Road SE		
City, State Zip	Yelm, Washington 98597		
County	Thurston		
Location	West of Morris Rd SE approximately 650' south of the intersection with Bald Hill Road SE, in Yelm UGA in an area of low and moderate density single family residential.		
Tax ID	22730410000		
Property Type	Subdivision-Residential Land		
Zoning Code	R-6, Residential, 6 Units per Acre		

Physical Characteristics

Land Size	5.00 acres or 217,800 SF		
Number of Lots	1		
Shape	Rectangular	Topography	Level to Sloping
Landscaping	None.		
Frontage Desc.	No direct frontage on developed road; access via road easement		
Utilities	Electricity available; public water and sewer required a short extension		
Access	Road easement		
Visibility	Average		
Site Comments	The site is rectangular shaped and is level to mildly sloped. At the time of sale it was unimproved and covered in grass, brush and trees (some minimal timber value). No flood zone or wetlands but gopher indicator soils and so required a gopher study. No street frontage improvements and utilities reportedly needed a short extension. At time of sale it was in UGA, not yet annexed.		

Recording Information

Sale Date	12-11-2023	Recording No.	5000015
Contract Price	\$275,000		
Adjusted Price	\$275,000		
Seller	Alexander JR Howard		
Buyer	Copper Ridge LLC		
Property Rights	Fee Simple Estate		
Financing	Conventional		
Market Time	17 days on market, see remarks		
Price/SF	\$1.26		
Price/Acre	\$55,000		
Price/Lot	\$275,000		
Sale Comments	The property was pending sale for seven months while buyer got the gopher study (clear), got the property annexed into the City Limits, and completed other feasibility for a 20-lot residential subdivision. Buyer was local who assigned the purchase contract to a homebuilder after getting through the entitlement process for \$800,000 (stated).		
Confirmed By	Seller's Broker Chrissy DeHan 360-789-4093		

Comp ID No. 2741

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF LACEY AND HOUSING AUTHORITY OF THURSTON
COUNTY**

**REGARDING A PURCHASE AND SALE AGREEMENT FOR MULLEN ROAD
PROPERTY**

This Memorandum of Understanding (“MOU”) is made and entered into as of the date of the last signature below by and between the City of Lacey (“City”) and the Housing Authority of Thurston County (“HATC”), a corporate body public and politic, referred to collectively as “Parties” or “the Parties.”

WITNESSETH

I. Recitals

WHEREAS, the regional housing crisis has shown the need for additional affordable housing in the City; and

WHEREAS, the City has land it intends to transfer to an affordable housing entity for the development of affordable low-income housing; and

WHEREAS, Lacey Municipal Code 2.74.040 requires that Lacey place a restrictive covenant on the property when transferred to an affordable housing entity; and

WHEREAS, RCW 39.33.015 and Lacey Municipal Code Chapter 2.74 allows Lacey to transfer the property at less than market value when the use serves a public policy purpose including the development of affordable housing; and

WHEREAS, Lacey intends to transfer the property to the Housing Authority of Thurston County “Housing Authority” with the same intention; and

WHEREAS, On the subject site, the Housing Authority will develop and maintain affordable low-income housing occupied by households whose income at time of initial occupancy when adjusted for size, is at or below eighty percent (80%) of the area median income, as annually adjusted by the U.S. Department of Housing and Urban Development.

WHEREAS, HATC has conditional public funding commitments to develop senior housing for this project, a portion of project will be dedicated for senior housing, and

WHEREAS, HATC will coordinate multi-generational housing priorities and service relationships with North Thurston Public Schools; and

WHEREAS, HB 1695: Affordable Housing and Surplus Property, amended RCW 39.33.015 and LMC Chapter 2.74, which allows public agencies to transfer, lease, or dispose of surplus real property at low or no cost to a public, private, or nongovernmental body if this

action is for a “public benefit” described in the state statute as affordable housing proposed to be provided by HATC; and

WHEREAS, the Parties intend by this document to memorialize steps to be taken in preparation for potentially transferring the property and their understanding concerning the general conditions necessary for the transfer as further set forth below.

NOW, THEREFORE, the Parties agree as follows:

II. Steps to be taken on determining feasibility of a potential transfer

- a. The Parties will continue due diligence regarding the potential transfer and the benefits provided therein.
- b. Upon request, the City shall make available to the HATC copies of any existing studies, reports, surveys, soils tests, reviews, correspondence with all governmental entities, environmental checklists and reports, plans, and other printed or written material (all of which are collectively referred to as “Studies”) prepared or received by, or on behalf of, LOTT and the City with respect to the Property.
- c. The Parties agree to advance internal evaluation and discussion of a possible transfer with staff and their respective governing bodies and determine the desire to move forward with a transfer.
- d. The Parties will work together in good faith with the mutual goal of defining consideration acceptable to both Parties, as a basis for a potential transfer of the Property.
- e. This MOU is confirmation of HATC’s interest in acquiring the Property at a price not to exceed the purchase price of \$450,000; however, strongly urging the City to exercise the low or no cost opportunity provided by the aforementioned legislation.
- f. The Parties will work together in good faith with the mutual goal of ensuring confirmation of appropriate Comprehensive Plan Land Use Designations and Zoning amendments are completed as promptly as possible for the project.

III. Proposed general conditions for transfer

- a. Term and Amendment. If a transfer of the Property is not completed on or before September 30, 2025, this MOU will terminate. The Parties may mutually agree to extend any deadline contained in this MOU. Any amendment to this MOU must be in writing and mutually agreed to by both Parties.
- b. Legal and Regulatory Requirements. The Parties agree that any transfer arising from this Memorandum must be in accordance with all applicable laws and regulations, including those from the Washington State Auditor’s Office.
- c. Consideration. The Parties will work together to determine the form and timing of consideration to be received by the City for the Property. This consideration could involve both cash and non-cash consideration and could be transferred to the City at any point from the date a potential purchase and sale agreement is executed up to the maximum allowed by state law thereafter, subject to legal and regulatory requirements within the context of affordable housing development. Any consideration that is exchanged after the date of any purchase and sale (or similar)

agreement shall also include applicable interest, interest at a rate sufficient to ensure compliance with relevant state law.

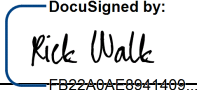
- d. Limitations. During the term of this MOU, the City shall not dispose of the Property to any entity other than HATC without the written consent of HATC, except as otherwise provided herein. The City may enter into a secondary agreement with another entity should the agreement with the HATC not be consummated.
- e. Authority. Each Party and each individual signing on behalf of each Party, hereby represents and warrants to the other that it has full power and authority to enter into this MOU and that its execution, delivery, and performance of this MOU has been fully authorized and approved, and that no further approvals or consents are required by either Party to enter into this MOU.
- f. Non-Binding Understanding. This MOU is intended only as a memorandum of understanding that will guide the transfer of the Property by the Parties. Except for Section III (D), Limitations, it does not create a legally enforceable agreement. This MOU is not in itself an offer to transfer or a Commitment to purchase the Property. Rather, it is an expression of the Parties' intent to enter into negotiations for such a transfer.

IV. Community Meeting

- a. HATC Agrees to hold a public meeting within 300 feet of the project site with the surrounding community, providing notification to all addresses within 500 feet of the site, including the Southpark Div. 5 HOA, and the City's interested parties list to collect feedback and comment on their proposed development project. Community feedback shall be considered in project design prior to formal permit application to the City of Lacey.

IN WITNESS WHEREOF, the Parties hereto have entered into this Memorandum of Understanding as of the date of the last signature below.

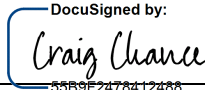
CITY OF LACEY

By:  _____
FB22A0AE8941469...

Rick Walk, City Manager

Date: 8/6/2025

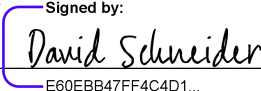
HOUSING AUTHORITY OF THURSTON COUNTY

By:  _____
55B9F2478412468...

Craig Chance, Executive Director

Date: 8/7/2025

Approved as to form:

 _____
E60EBB47FF4C4D1...

David Schneider, City Attorney

City of Lacey
Attn: City Clerk
420 College Street SE
Lacey, WA 98503

Document Title:	Restrictive Covenant
Grantor:	Housing Authority of Thurston County
Grantee:	City of Lacey
Abbreviated Legal Description:	Section 28 Township 18 Range 1W Quarter SW SW DAF: COM SW COR SEC 28 THENCE N01-38-58E 1319.22F TO NORTH LINE SW SW, THENCE S87-59-28E 660.01F TO EAST LINE SW SW, THENCE S01-38-58W 108.85F TO X S
Assessor's Tax Parcel Number:	11828320203

RESTRICTIVE COVENANT

RECITALS

WHEREAS, City of Lacey “Lacey” acquired the subject parcel from the LOTT Clean Water Alliance “LOTT” for a price less than market value; and

WHEREAS, Lacey acquired the property with the open intention of transferring it to an affordable housing entity for the development of affordable low-income housing; and

WHEREAS, RCW 39.33.015 and LMC 2.74 allows Lacey to transfer the property at less than market value when the use serves a public purpose including the development of affordable housing; and

WHEREAS, Lacey will transfer the property to the Housing Authority of Thurston County “Housing Authority,” and

WHEREAS, On the subject site, the Housing Authority will develop and maintain affordable low-income housing occupied by households whose income at time of initial occupancy, when adjusted for size, is at or below eighty percent (80%) of the area median income, as annually adjusted by the U.S. Department of Housing and Urban Development.

RESTRICTIVE COVENANT

The legal description for the real property and appurtenances to which this Restrictive Covenant applies is as follows:

Section 28 Township 18 Range 1W Quarter SW SW DAF: COM SW COR SEC 28 THENCE N01-38-58E 1319.22F TO NORTH LINE SW SW, THENCE S87-59-28E 660.01F TO EAST LINE SW SW, THENCE S01-38-58W 108.85F TO X S

For consideration mutually exchanged, Grantor and Grantee agree that the above described real property and its appurtenances ("the Property") shall be held, transferred, sold, conveyed, leased, used and occupied subject to the following covenants, conditions and restrictions:

1. The Recitals set forth above are hereby incorporated and made part of this Restrictive Covenant as if fully set forth herein.
2. The Property shall be used for low-income housing occupied by households whose income at time of initial occupancy, when adjusted for size, is at or below eighty percent (80%) of the area median income, as annually adjusted by the U.S. Department of Housing and Urban Development or its successors, or in the event of no successor than an appropriate substitute entity as mutually agreed by Lacey and Housing Authority.
3. In consideration for gaining title to the Property at less than market value, the Grantor agrees to use the Property solely for low-income housing as defined in paragraph two above.
4. In the event the Grantor or its successors or assigns fails to use the property for low-income housing as defined herein, the property shall immediately revert back to Grantee or Grantor shall pay the Grantee the Grantor \$700,000, which amount shall be escalated at 3% per annum, compounded annually, with any partial year counting as a full year, from the date of transfer to the date Grantor notifies Grantee the property will no longer be used solely for affordable housing purposes. Payment shall be made within 30 days of said notice. If the property is subdivided at any time in the future, all parcels will be bound to the conditions of this Restrictive Covenant, and any parcel that fails to be used for low income housing as defined herein, will be bound to the preceding remedies which shall be applied to the subject parcel at a pro rata value as determined by its percentage of the original property land area.
5. It is the express intent of the Grantor and Grantee that the provisions of this Restrictive Covenant shall be deemed to run with the land and shall pass to and be binding upon Grantor's successors in title, including any subsequent purchaser, grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and appurtenances and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein. The terms of this Restrictive Covenant may be enforced by injunctive relief or other remedies at law. Jurisdiction and venue shall be in Thurston County Superior Court for the State of Washington.

GRANTOR, HOUSING AUTHORITY OF THURSTON COUNTY:

Date _____

Craig Chance, Executive Director,
Housing Authority of Thurston County,
a public body corporate and politic of
the state of Washington

[illegible]

I certify that I know or have satisfactory evidence that **Craig Chance**, Executive Director, Housing Authority of Thurston County, a public body corporate and politic of the state of Washington, appeared before me, and that said person acknowledged that he signed this instrument, and on oath stated that he is authorized to execute this instrument, and acknowledged it as his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____ 2025

Signature _____
Name (typed or printed) _____
NOTARY PUBLIC in and for the state of Washington
Residing at _____
My appointment expires _____

GRANTEE, CITY OF LACEY:

Rick Walk, City Manager,
City of Lacey, a Washington municipal corporation

Date: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that **Rick Walk**, City Manager for the City of Lacey, a Washington municipal corporation, appeared before me, and that said person acknowledged that he signed this instrument, and on oath stated that he is authorized to execute this instrument, and acknowledged it as his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this ____ day of _____, 2025

Signature
Name (typed or printed): _____
NOTARY PUBLIC in and for the State of Washington
Residing at _____
My appointment expires: _____

Approved as to legal form:

David Schneider, City Attorney



LACEY CITY COUNCIL MEETING

August 19, 2025

SUBJECT: Amendment to Lacey Municipal Code 5.12.010 Business Registration. Business License Code Amendment.

RECOMMENDATION: Motion: Adopt Ordinance 1681 amending the minimum licensing threshold for out-of-city businesses specific in LMC 5.12.010.

STAFF CONTACT: Rick Walk, City Manager
Shannon Kelley-Fong, Assistant City Manager (Acting City Manager) *SKF*
Troy Woo, Finance Director *TW*
Chelsea Yarwood, Accounting Manager *CY*

ORIGINATED BY: Finance Department

ATTACHMENTS: Ordinance No. 1681

FISCAL NOTE: None

**WORK PLAN GOAL
AND STRATEGY:** None

PRIOR REVIEW: Council Worksession on August 12, 2025

BACKGROUND:

Since 2004, RCW 35.90 has required cities that impose a general business license and business and occupation (B&O) tax to adopt and maintain a model ordinance to ensure consistency across jurisdictions. The B&O tax cities will implement two separate amendments to the model ordinance effective January 1, 2026:

1. Update classification definitions to align with recent changes adopted by the State for service and retail classifications under the State B&O tax
2. Increase the out-of-city licensing threshold, reducing administrative burdens for small businesses operating across jurisdictions.

An Association of Washington Cities/City task force is currently reviewing and revising the classification definitions, with work anticipated to conclude by September 2025. All affected

cities will be required to formally adopt these changes by the end of the year to meet the January 1, 2026, implementation deadline. The proposed amendments will be presented to the City Council later in 2025 for consideration and adoption.

Along with the classification amendment, staff will be bringing forward further information based on direction from the January City Council retreat to examine the City's existing B&O tax structure. This review is aimed at identifying opportunities to enhance or expand revenue capacity in order to address ongoing expenditure growth and long-term fiscal sustainability.

The Association of Washington Cities collaborated with municipalities and incorporated input from the business community to propose an updated minimum licensing threshold for out-of-city businesses.

The proposed changes will impact Lacey Municipal Code (LMC) 5.12.010. The proposed changes to the model ordinance are as follows:

Existing language:

To the extent set forth in this section, the following persons and businesses shall be exempt from the registration, license and/or license fee requirements as outlined in this chapter: (1) Any person or business whose annual value of products, gross proceeds of sales, or gross income of the business in the city is equal to or less than \$2,000 and who does not maintain a place of business within the city shall be exempt from the general business license requirements in this chapter. The exemption does not apply to regulatory license requirements or activities that require a specialized permit.

Proposed language:

Beginning January 1, 2026, the threshold amount is \$10,000. The threshold amount will be adjusted every forty-eight months on January 1, by an amount equal to the increase in the Consumer Price Index ("CPI") for "West Urban, All Urban Consumers" (CPI-U) for each 12-month period ending on June 30 as published by the United States Department of Labor Bureau of Labor Statistics or successor agency. To calculate this adjustment, the current rate will be multiplied by one plus the cumulative four-year (forty-eight month) CPI increase using each 12-month period ending on June 30 of each prior year, and rounded to the nearest \$100. However, if any of the annual CPI increases are more than five (5) percent, a five (5) percent increase will be used in computing the annual basis and if any of the annual CPI decreased during the forty-eight-month period, a zero (0) percent increase will be used in computing the annual basis.

RCW 35.90.080(1)(c) requires that all of the participating cities adopt any amendments to the model ordinance with the same effective date. An effective date of January 1, 2026, has been agreed upon by the impacted cities.

Due to system upgrades planned later this year, cities that use the Business License Service for license administration are encouraged to adopt and notify Department of Revenue of the

changes by August 26, 2025. This factor has accelerated the typical timeline for a January 1 effective date.

It is recommended the City Council adopt the proposed ordinance updating the business registration code provisions to be consistent with the model ordinance as required by State code.

NEXT STEPS:

Staff recommends the Lacey City Council take action by proceeding with Option 1.

Option 1: Approve motion to adopt Ordinance 1681 amending the City's minimum licensing to \$10,000 for out-of-city businesses based on recent legislation and council discussion at the August 12, 2025 Worksession.

Option 2: Approve an amended Ordinance 1681 amending the City's minimum licensing and adjusting the out-of-city minimum licensing threshold to a different amount (with a minimum of \$4,000 based on the model ordinance).

Option 3: Some other option not contemplated in the above options.

ORDINANCE NO. 1681

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY RELATED TO BUSINESS LICENSING, AMENDING SECTION 5.12.010 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the City of Lacey is required to remain in compliance with the State of Washington's model ordinance for business licensing, originally adopted in 2018; and

WHEREAS, the State has amended the model ordinance, effective January 1, 2026, to raise the business license threshold for out-of-city businesses to a minimum of \$4,000 and to establish an automatic adjustment every four years based on cumulative inflation; and

WHEREAS, the cumulative inflation adjustment will be based on the Consumer Price Index for All Urban Consumers (CPI-U), Western Region, using June-to-June data, and will be capped at 5% per year or 20% over four years, with negative inflation years counted as zero, and rounded to the nearest \$100 for administrative ease; and

WHEREAS, the City Council finds and determines adoption of this ordinance to be in the public interest and in the best interest of the City and its residents;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:

Section 1. LMC 5.12.010 is hereby amended to read as follows:

5.12.010 Definitions—Application—Registration fee.

A. *Definitions.*

1. *Business.*

a. Whenever the word "business" is used herein, it applies to any person, firm or corporation which engages in business within the corporate limits of the city, on a temporary or permanent basis. Each such store or place shall be considered a separate business even though more than one such store or place is owned by the same person, firm or corporation.

b. "Business," as used solely in this chapter, shall not apply to the temporary sale activities of nonprofit, religious, educational or charitable organizations where such activities are incidental or customary to the charitable, educational or religious purpose of the organization and such organization has notified the city in writing of the dates upon which the activities will be conducted, nor shall "business," as used solely in this chapter, apply to the temporary sale activities of other persons, firms or corporations

conducted on premises or in facilities furnished by a person, firm or corporation holding a master business registration certificate for temporary sales pursuant to LMC 5.12.015 nor to the sales activities of persons, firms or corporations conducted on premises or in facilities furnished by a person, firm or corporation holding a business registration certificate for a “farmers’ market.”

2. *Engaging in Business.*

a. The term “engaging in business” means commencing, conducting, or continuing in business, and also the exercise of corporate or franchise powers, as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business.

b. This section sets forth examples of activities that constitute engaging in business in the city, and establishes safe harbors for certain of those activities so that a person who meets the criteria may engage in de minimis business activities in the city without having to pay a business license fee. The activities listed in this section are illustrative only and are not intended to narrow the definition of “engaging in business” in subsection (A)(2)(a) of this section. If an activity is not listed, whether it constitutes engaging in business in the city shall be determined by considering all the facts and circumstances and applicable law.

c. Without being all inclusive, any one of the following activities conducted within the city by a person, or its employee, agent, representative, independent contractor, broker or another acting on its behalf, constitutes engaging in business and requires a person to register and obtain a business license:

(1) Owning, renting, leasing, maintaining, or having the right to use, or using, tangible personal property, intangible personal property, or real property permanently or temporarily located in the city.

(2) Owning, renting, leasing, using, or maintaining an office, place of business, or other establishment in the city.

(3) Soliciting sales.

(4) Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance.

(5) Providing technical assistance or service, including quality control, product inspections, warranty work, or similar services on or in connection with tangible personal property sold by the person or on its behalf.

(6) Installing, constructing, or supervising installation or construction of real or tangible personal property.

(7) Soliciting, negotiating, or approving franchise, license, or other similar agreements.

(8) Collecting current or delinquent accounts.

(9) Picking up and transporting tangible personal property, solid waste, construction debris, or excavated materials.

(10) Providing disinfecting and pest control services, employment and labor pool services, home nursing care, janitorial services, appraising, landscape architectural services, security system services, and real estate services including the listing of homes and managing real property.

(11) Rendering professional services such as those provided by accountants, architects, attorneys, auctioneers, consultants, engineers, professional athletes, barbers, baseball clubs and other sports organizations, chemists, consultants, psychologists, court reporters, dentists, doctors, detectives, laboratory operators, teachers, veterinarians.

(12) Meeting with customers or potential customers, even when no sales or orders are solicited at the meetings.

(13) Training or recruiting agents, representatives, independent contractors, brokers or others, domiciled or operating on a job in the city, acting on its behalf, or for customers or potential customers.

(14) Investigating, resolving, or otherwise assisting in resolving customer complaints.

(15) In-store stocking or manipulating products or goods, sold to and owned by a customer, regardless of where sale and delivery of the goods took place.

(16) Delivering goods in vehicles owned, rented, leased, used, or maintained by the person or another acting on its behalf.

d. If a person, or its employee, agent, representative, independent contractor, broker or another acting on the person's behalf, engages in no other activities in or with the city but the following, it need not register and obtain a business license:

(1) Meeting with suppliers of goods and services as a customer.

(2) Meeting with government representatives in their official capacity, other than those performing contracting or purchasing functions.

(3) Attending meetings, such as board meetings, retreats, seminars, and conferences, or other meetings wherein the person does not provide training in connection with tangible personal property sold by the person or on its behalf. This provision does not apply to any board of directors member or attendee engaging in business such as a member of a board of directors who attends a board meeting.

(4) Renting tangible or intangible property as a customer when the property is not used in the city.

(5) Attending but not participating in a “trade show” or “multiple vendor events.” Persons participating at a trade show shall review the city’s trade show or multiple vendor event ordinances.

(6) Conducting advertising through the mail.

(7) Soliciting sales by phone from a location outside the city.

e. A seller located outside the city merely delivering goods into the city by means of a common carrier is not required to register and obtain a business license; provided, that it engages in no other business activities in the city. Such activities do not include those in subsection (A)(2)(d) of this section.

f. The city expressly intends that “engaging in business” includes any activity sufficient to establish nexus for the purposes of applying the license fee under the law and the constitutions of the United States and the state of Washington. Nexus is presumed to continue as long as the taxpayer benefits from the activity that constituted the original nexus generating contact or subsequent contacts.

3. “Temporary,” as used solely in this chapter, shall be any business operated for thirty consecutive days or less within the corporate limits of the city or which may be located in a mobile unit; provided, however, that the term “temporary” shall not apply to the direct sales of agricultural products grown in Thurston County by the grower or the grower’s employees.

4. “Farmers’ market,” as used solely in this chapter, means an organization of local growers and handcrafters formed for the purpose of selling goods grown or made by said members where the normal requirement for participation is that those members selling have either grown or crafted seventy-five percent of their product.

B. Any proposed new business, and any business which changes its state tax number or moves its location, shall make application for registration to the city. Such application shall be accompanied by the fee established by resolution of the city council; provided, however, that until such time as the council passes a resolution establishing the fee for a “farmers’ market,” the annual application fee for such organization shall be \$60.00; provided further, that until the city council passes a resolution establishing the fee for the direct sales of agricultural products

grown in Thurston County by a grower or a grower's employee, the fee shall be \$50.00 for each location for a period of ninety days and an additional fee of \$10.00 for each thirty days thereafter to a maximum of an additional sixty days. The application shall be reviewed by the building official, who shall review the application for compliance with the building codes adopted in LMC Title 14; the planner who shall review the application for compliance with the zoning codes as adopted in LMC Title 16; and the fire marshal who shall review the application for compliance with the requirements of the fire code as adopted in Chapter 14.07 LMC. In addition, the police department shall review the type of business proposed and the products to be sold in order to prevent the potential sale of stolen goods or the practice of fraud upon the public, in addition to reviewing the location of the business for the prevention of a safety hazard to the public. In addition, all applicants for businesses dealing in food services shall provide a copy of the certificate issued by the county health department prior to the business registration certificate being issued. The city shall notify the applicant of the results of such review within ten working days after the application is submitted. If the proposed business location is in compliance with the city's zoning and building code requirements as detailed in LMC Titles 14 and 16, if the health certificate, when appropriate, has been furnished, and if the police department finds that a public safety hazard will not be created by the business and there shall not be a likelihood of stolen property being sold by the business or fraud upon the public being perpetrated, or if the city fails to notify the applicant of the results of the investigation and inspection within ten working days after the application is submitted, a business registration certificate shall be issued to the applicant. Provided, however, if subsequent investigation and inspection by the city determines that the information provided in the application is either inaccurate or misleading, the registration certificate issued shall be considered temporary in nature and may be revoked by the city based upon the results of such further investigation or inspection.

C. *Threshold Exemption.* To the extent set forth in this section, the following persons and businesses shall be exempt from the registration, license and/or license fee requirements as outlined in this chapter:

1. Any person or business whose annual value of products, gross proceeds of sales, or gross income of the business in the city is equal to or less than \$2,000.00 and who does not maintain a place of business within the city shall be exempt from the general business license requirements of this chapter. The exemption does not apply to regulatory license requirements or activities that require a specialized permit. Beginning January 1, 2026, the threshold amount is \$10,000. The threshold amount will be adjusted every forty-eight (48) months on January 1, by an amount equal to the increase in the Consumer Price Index ("CPI") for "West Urban, All Urban Consumers" (CPI-U) for each 12-month period ending on June 30 as published by the United States Department of Labor Bureau of Labor Statistics or successor agency. To calculate this adjustment, the current rate will be multiplied by one (1) plus the cumulative four-year (forty-eight month) CPI increase using each 12-month period ending on June 30 of each prior year, and rounded to the nearest \$100. However, if any of the annual CPI increases are more than five (5) percent, a five (5) percent increase will be used in computing the annual basis and if any of the annual CPI

decreased during the forty-eight-month period, a zero (0) percent increase will be used in computing the annual basis.

D. No business registration application shall be approved or registration certificate issued for any business to occupy space in a building requiring a certificate of occupancy as required in Chapter 14.03 LMC, until such certificate of occupancy has been issued.

E. Subject to the provisions of subsection B of this section, a registration certificate will be valid for the period of time for which the fee is paid pursuant to this section and resolution of the city council.

F. All appeals from actions or decisions of the city pursuant to this section shall be to the city's hearing examiner pursuant to Section 1D of the city's Development Guidelines and Public Works Standards.

Section 2. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a regularly called meeting thereof, held this ____ day of _____, 2025.

CITY COUNCIL

By: _____
Mayor

Approved as to form:

City Attorney

Attest:

City Clerk

SUMMARY FOR PUBLICATION
ORDINANCE NO 1681
CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on _____, 2025, Ordinance No. 1681, entitled “AN ORDINANCE OF THE CITY OF LACEY RELATED TO BUSINESS LICENSING, AMENDING SECTION 5.12.010 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.”

The main points of the Ordinance are described as follows:

1. The Ordinance Amends Section 5.12.010 of the Lacey Municipal Code by raising the threshold exemption for certain businesses who do not maintain a place of business in the City of Lacey.
2. The Ordinance approves this Summary for Publication.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: _____, 2025.

2025 LTAC Rep Application

Row 1

First Name	Shinhyoung (Annie)
Last Name	Reinhardt
Email address	annie@candlewoodnw.com
Phone Number	3608886879
Address	
Which position are you applying for?	Business Representative
What activities are you a representative for?	
Which business are you a representative of?	Candlewood Suites Lacey
Interest	We have been collecting TPA for years and I am interested in learning and being a part of the process of allocating the funds to local events. I do my best to support and contribute to the local economy when I can and I feel like this is a great opportunity to help serve the community.
Experience	I have been in the hospitality industry in Lacey for about 15 years and have grown up in Lacey/Olympia.
Created	07/24/25 3:42 PM
Certification	☒



LACEY CITY COUNCIL MEETING

August 19, 2025

SUBJECT: Opioid Litigation Settlements

RECOMMENDATION: **Motion:** Authorize the City Manager to execute all documents necessary to participate in settlements with Purdue Pharma, Sackler Family and various other generic opioid manufacturers.

STAFF CONTACT: Rick Walk, City Manager 
David Schneider, City Attorney 

ORIGINATED BY: City Attorney's Office

ATTACHMENTS: 1. Settlement Participation Form
2. Allocation Agreement IV

FISCAL NOTE: None.

WORK PLAN GOAL AND STRATEGY: A Safe and Secure Community - (H)(12)
Ongoing Services

PRIOR REVIEW: April 28, 2022 Council Worksession and Retreat
September 15, 2022 Council Meeting
March 16, 2023 Council Meeting
July 6, 2023 Council Meeting
May 7, 2024 Council Meeting
July 16, 2024 Council Meeting

BACKGROUND: The opioid crisis has been an ongoing epidemic in our nation for several years. The State of Washington, and the communities and families throughout it, have not avoided the devastation this crisis has caused.

On September 15, 2022, the Lacey City Council authorized the City Manager to enter into a settlement the Washington Attorney General obtained for \$518 million dollars against the three largest opioid distributors – McKesson, AmerisourceBergen, and Cardinal Health. That distributor settlement agreement became effective at the end of last year and the disbursement of payments has begun.

On March 16, 2023, the Lacey City Council authorized the City Manager to execute the Allocation Agreement II and all documents necessary to participate in the settlements with the major pharmacies/dispensers (Walgreens, CVS, Walmart) and manufacturers (Teva and Allergan). The total share of this settlement for Washington State was \$434 million dollars,

to be divided evenly between the state and cities, and payable over the next 15 years. Payments began in 2023.

On May 7, 2024, the Lacey City Council authorized the City Manager to execute and submit the participation form and all documents necessary to participate in the settlement with Johnson and Johnson. The total share of this settlement for Washington State was \$493.87 million, cities and counties will receive \$61.7M.

On July 16, 2024, the Lacey City Council authorized the City Manager to execute and submit the participation form and all documents necessary to participate in the settlement with Kroger Co. The total share of this settlement for Washington State was \$47.5 million, cities and counties will receive \$23.7 M. The settlement amount is to be payable over 11 years.

Most recently, on July 24, 2025, the Washington Attorney General's Office entered into a \$105.6 million settlement with Purdue Pharma and the Sackler Family, payable over 15 years. Additionally, Washington separately reached settlement agreements with eight manufacturers of generic opioids, totaling up to \$16.7 million, with payment timelines ranging from one to ten years.

If all eligible cities and counties in Washington join each of these nine new settlements, as they did in prior agreements, cities and counties are expected to receive a combined total of approximately \$61.1 million over 15 years. As with the previous distributor, manufacturer and pharmacy settlements, this new settlement is contingent on eligible cities and counties joining the settlement. If not enough cities and counties join, the settlement is void. As with previous settlements, this amount must be spent on opioid remediation to abate the opioid crisis in their communities.

To join the settlement, the city must sign and return the Participation Form document and the Allocation Agreement IV by September 30, 2025. The deadline to join the generic opioid manufacturer settlements has not yet been announced but is expected to follow several weeks later. Staff recommends the City Council authorize the City Manager to execute and return the necessary documents so that Lacey will be joined in the settlements.

NEXT STEPS:

Option 1: Authorize the City Manager to execute all documents necessary to participate in settlements with Purdue Pharma, Sackler Family and various other generic opioid manufacturers.

Option 2: No change. Continue as is.

Option 3: Provide direction to City staff on other elements to consider in regards to this issue. After further diligence on these elements, City Staff would then return to the Lacey City Council to review.

Option 4: Some other option not contemplated in the above options.