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KING COUNTY, WA

Return Address:
Davis Wright Tremaine, LLP
Attention: Larry C. Martin
777 108th Avenue NE, Suite 2300
Bellevue, WA 98004-5149

Please print or type information **WASHINGTON STATE RECORDER'S Cover Sheet** (RCW 65.04)

Document Title(s) (or transactions contained therein): (all areas applicable to your document must be filled in)

- 1. Settlement Agreement (Including Easements and Options)
- 2. Addendum to Settlement Agreement

Reference Number(s) of Documents assigned or released: N/A

Grantor(s) Exactly as name(s) appear on document

- 1. GRIER FAMILY HOLDINGS, LLC, a Washington limited liability company
- 2. CREST AIRPARK, INC., a Washington corporation
- 3. NORMAN C. GRIER

Grantee(s) Exactly as name(s) appear on document

FLYING ACRES HOMEOWNERS ASSOCIATION, a Washington nonprofit corporation

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

Portion of the Southeast ¼ of the Southeast ¼ of Section 1, Township 21 North, Range 5 East, W.M., in King County, Washington

Portion of Plat of Flying Acres Division No. Two, as per plat recorded in Volume 87 of Plats, pages 94 through 96, records of King County, which lies within Government Lot 5 of Section 6, Township 21 North, Range 6 East, W.M.;

Portion of East ¼ of Section 1, Township 21 North, Range 5 East, W.M

Portion of Section 1, Township 21 North, Range 5 East W.M. and Government Lot 5, Section 6, Township 21 North, Range 6 East W.M.

Additional complete legals are on Exhibits D and F of document.

Assessor's Property Tax Parcel/Account Number Assessor Tax # not yet assigned.

012105-9001 and 012105-9066 and 062106-9175 and 012105-9009

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

SETTLEMENT AGREEMENT
(INCLUDING EASEMENTS AND OPTIONS)

This Settlement Agreement ("Settlement Agreement"), effective as of February 25, 2008, is made by and among the following parties: on the one hand, FLYING ACRES HOMEOWNERS ASSOCIATION, a Washington nonprofit corporation ("FAHA"); and, on the other hand, NORMAN C. GRIER ("Grier"); GRIER FAMILY HOLDINGS, LLC, a Washington limited liability company ("Grier Family Holdings" or "Owner"); and CREST AIRPARK, INC., a Washington corporation ("Crest Airpark" or "Airpark Manager") (Grier, Grier Family Holdings and Crest Airpark, all together, the "Grier Parties").

RECITALS

A. On February 28, 2006, FAHA filed the action Crest AERO, et al. vs. Norman C. Grier, et al., King County Superior Court No. 06-2-07149-2 KNT ("Prescriptive Easement Lawsuit").

B. The parties fully and finally settled all claims and counterclaims made in the Prescriptive Easement Lawsuit by means of that certain Settlement Term Sheet Agreement, signed on February 25, 2008 and recorded with the King County Department of Records and Elections under recording number 20080620000901. As recited in the Settlement Term Sheet, and as here reaffirmed, it was and is the intention and desire of the parties that the Settlement Term Sheet Agreement constitute a full and final settlement, but that for the convenience of the parties there subsequently would be prepared and executed a Settlement Agreement that expresses more completely all terms and conditions of the parties' settlement. This Settlement Agreement constitutes that more complete expression of the parties' settlement.

C. FAHA agrees and acknowledges that the walking and jogging and similar uses of the Airpark property, as claimed in the Prescriptive Easement Lawsuit, have at all times in the past and through the date of the Settlement Agreement Term Sheet occurred with the express permission of Owner.

D. FAHA expressly represents that it has been designated the agent by the homeowners listed on attached Exhibits "A" and "B" and has

the express authority to enter into this agreement on behalf of all homeowners listed on attached Exhibits "A" and "B" and to bind such homeowners to the terms and conditions stated herein.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and the mutual benefits and covenants as set forth herein, the parties hereto hereby agree and consent as follows:

TERMS

1. **Affirmation of Recitals.** The parties hereto agree, affirm and acknowledge that all facts set forth in the Recitals of this Settlement Agreement are true and correct.
2. **Settlement Agreement As Controlling Expression of Settlement Terms.** Upon signature by all parties hereto, this Settlement Agreement shall be the final expression of the terms and conditions of the parties' settlement but it is understood and agreed that this Settlement Agreement is deemed effective as of February 25, 2008.
3. **No Change to Nesland Easement or Judgment in Nesland Easement Lawsuit.** Nothing herein modifies, limits or expands, whether to the benefit or prejudice of any party, the grant of the easement made under the Nesland Easement, memorialized in that certain instrument recorded under Recorder's No. 7512160233, King County, Washington. Further, the parties expressly acknowledge that nothing herein modifies, limits or expands, whether to the benefit or prejudice of any party, the final judgment, or any other relief, including the Special Master's Findings of Fact and Conclusions of Law in Arbitration, made in that action styled CREST A.E.R.O., Inc, et al. v. Crest Airpark, Inc., et al., King County Superior Court, No. 01-2-33022-5-KNT ("Nesland Easement Lawsuit")
4. **Grant of Permissive Easement and Taxiway J Corridor Easements; Terms and Conditions of Easements.** Subject to the limitations stated, Grier Family Holdings does hereby grant an easement ("Permissive Easement") and Grier does hereby grant the easements ("Taxiway J Corridor Easements"), as defined below, each as an easement running with the land to and in favor of, and for the use and enjoyment of, respectively, the Permissive Easement Grantees and the Taxiway J Corridor Easement Grantees, each as defined below.

(a) Permissive Easement.

(i) Grantor and Grant of Permissive Easement. The Grantor of the Permissive Easement is Grier Family Holdings. Grier Family Holdings hereby grants a Permissive Easement to those certain real property FAHA lot owners which own the lots located in Flying Acres Subdivisions 1, 2, 3 and 4 that are listed on Exhibit A hereto, as an easement running with the land, for the use and enjoyment of the current and future owners (and including their lessees, if any there be) of such benefited lots (collectively, "Permissive Easement Grantees"). The Permissive Easement shall benefit the properties of the Permissive Easement Grantees, and shall burden the property of the Grantor, only to the extent and as described herein.

(ii) Term of Permissive Easement. The Permissive Easement shall run from February 25, 2008 through December 31, 2025. Thereafter, the Permissive Easement shall automatically terminate.

(iii) Description of Permissive Easement Area. The area of the Grantor's property (the Airpark Property, as legally described on Exhibit D) burdened by the Permissive Easement comprises three connected components (Area 1, Area 2 and Area 3) described as follows:

a. Area 1: A generally rectangular area:

- i. The Western Edge of which is the continuous easterly property line of the Flying Acres Subdivisions 1, 3 and 4 (that is, those subdivisions lying to the West of the runway);
- ii. The Eastern Edge of which is a line parallel to, and 60 feet to the east of, that Western Edge;
- iii. The Northern Edge of which is the easterly extension (through the area between the Western Edge and Eastern Edge) of a line parallel to, and 20 feet to the south of, the northern boundary of the three lots at the

extreme north end of Flying Acres Subdivision I, which lots abut SE 288th Place; and

iv. The Southern Edge of which is a line running due east from the point of where the Northwest corner of Parcel No. 0121059009 touches Parcel No. 2587920140.

b. Area 2: A 20 feet wide corridor, running easterly from the northernmost 20 feet of the Eastern Edge of Area 1, curving in a southerly direction (more or less along the existing tree line) around the northern end of the property that is to the extreme north of the runway, connecting with and running along the existing path that runs near the airplane tie-down area (with the existing path as its centerline), and thence curving in an easterly direction along the existing path, to the point at which the path and corridor connect with the road that runs behind the hangar area (179th PL SE); all such that a walker may walk from Area 1 along the corridor to 179th PL SE, the road behind the hangar area by walking along the extreme northern end of Owner's property and as far east as possible along the path, to the road (179th PL SE). In the event that the topography prevents the 20 feet corridor identified herein from being located on the northern end of the property, the parties agree to use their best efforts to locate such a path as far north as possible, but to the south and inside the line of heavy vegetation, that will connect Area 1 to the North end of Area 3 (where the gate is located on 179th PL SE).

c. Area 3: A 20 feet wide corridor beginning at the southernmost part of the Eastern Edge of Area 1, running more or less easterly and then curving in a northerly direction, connecting with and then running in a generally northeasterly direction along the existing worn path to connect with 179th PL SE. Permissive Easement Holders acknowledge

that they will stay on the paved roadway of 179th PL SE until the point where the existing gate exists and then will head west into the area described as Area 2 above.)

(iv) Permissive Easement to Form Continuous Loop for Walking and Jogging. It is agreed that the intention of the parties is that the connection of Area 1, Area 2 and Area 3, plus 179th Pl. SE, plus other established paved walkways and streets, shall form a continuous loop around the perimeter of the airport property, such that a person entitled to exercise the easement rights can walk or jog continuously around the airport property, provided that such persons shall stay on the paved roadway of 179th PL SE until the point where the dirt road starts. Once on the gravel/dirt/grass portion of the airport property (Area 2) they are to stay to the outside of the survey markers that are installed on the airport property. The survey markers will delineate the inside edge of the path around the airport property.

Permissive Easement Not Located on Grier Parcel. As of the date of this agreement, except as provided herein, no part of the Permissive Easement area shall be situated on Parcel No. 0121059009 (Grier); *however*, for the avoidance of doubt, it is acknowledged that the Taxiway J Corridor Easement is located on Parcel No. 0121059009 (Grier).

(v) Uses of Permissive Easement. The Permissive Easement shall be for the use of the Permissive Easement Grantees and their families and guests. The Permissive Easement use shall be for walking (including dog walking, but dogs must be on leash) and jogging. Picnicking shall be allowed on the western boundary of Area 1 so long as picnic tables, if any are used, shall be placed within 15 feet of a homeowner taxiway. Homeowners agree to give reasonable advance notice to Airpark Manager of picnics with attendance in excess of 20 people. The

Permissive Easement use shall not include any use of motorized vehicles, equestrian activity, firearms, kite flying, or sports involving projectiles that may escape the area of the Permissive Easement. Permissive Easement Grantees shall be responsible for supervising use by family members and guests. Children must be properly supervised.

(b) Taxiway J Corridor Easements.

(i) Grantor and Grant of Taxiway J Corridor Walking/Jogging Easement. The Grantor of the Taxiway J Corridor Walking/Jogging Easement is Grier. Grier hereby grants such Taxiway J Corridor Walking/Jogging Easement to the Taxiway J Corridor Easement Grantees (as defined below) for the sole purpose of walking (including dog walking, but dogs must be on leash) and jogging to allow such persons access to the Permissive Easement. The Taxiway J Corridor Walking/Jogging Easement is for the sole purpose of access to the Permissive Easement for those FAHA lot owners situated on Taxiway J ("Taxiway J Corridor Easement Grantees") (see Exhibit B hereto).

(ii) Term of Taxiway J Corridor Walking/Jogging Easement. The Taxiway J Corridor Walking/Jogging Easement shall run from February 25, 2008 through December 31, 2025; thereafter, the Taxiway J Corridor Walking/Jogging Easement shall automatically terminate, *provided that* if the Purchase Option Holder purchases the Airpark Property Subject to Option, then the Taxiway J Corridor Easement shall become perpetual.

(iii) Description of Taxiway J Walking/Jogging Corridor Easement Area.

The Taxiway J Corridor Walking/Jogging Easement runs across Parcel No. 0121059009 legally described on Exhibit F (Grier Parcel), and is a 60 foot wide corridor beginning at a line extended eastward from the southern side of Taxiway J, and then running generally northerly and adjacent the easterly boundaries of King County Parcel Nos. 2587920150 (Stuth) and 2587920140 (Berkell), to the point of intersection with

Area 1 of the Permissive Easement ("Taxiway J Corridor Walking/Jogging Easement").

(iv) Grantor and Grant of Taxiway J Corridor Airplane Taxi Easement. The Grantor of the Taxiway J Corridor Airplane Taxi Easement is Grier. Grier hereby grants such Taxiway J Corridor Airplane Taxi Easement to the Taxiway J Corridor Easement Grantees (as defined above) for the sole purpose of taxiing airplanes to and from the Airpark. The Taxiway J Corridor Airplane Taxi Easement is for the sole purpose of taxiing airplanes to and from the Airpark for those FAHA lot owners situated on Taxiway J. (see Exhibit B hereto)

(v) Term of Taxiway J Corridor Airplane Taxi Easement. The Taxiway J Corridor Airplane Taxi Easement shall run from February 25, 2008 through December 31, 2025; thereafter, the Taxiway J Corridor Airplane Taxi Easement shall automatically terminate, *provided that* if the Purchase Option Holder purchases the Airpark Property Subject to Option, then the Taxiway J Corridor Airplane Taxi Easement shall become perpetual.

(vi) Description of Taxiway J Corridor Airplane Taxi Easement Area.

The Taxiway J Corridor Airplane Taxi Easement runs across Parcel No. 0121059009, legally described on Exhibit F (Grier Parcel), and is a 60 foot wide corridor beginning at a line extended eastward from the centerline of Taxiway J, and then running generally northerly following the existing paved taxiway across Parcel No. 0121059009, legally described on Exhibit F (Grier Parcel), to the point of intersection with Area 1 and Area 3 of the Permissive Easement ("Taxiway J Corridor Airplane Taxiway Easement").

(c) Terms and Conditions Applicable to Both Permissive Easement and Taxiway J Corridor Easements.

(i) General Public Not An Easement Holder Except as provided Below. The general public shall not be a beneficiary of the Permissive Easement or of the

Taxiway J Corridor Easements. To the extent that the Owner or Airpark Manager in their sole and complete discretion find it necessary to exclude members of the general public from portions of the Permissive Easement Area, then Owner, Airpark Manager, FAHA and FAHA members shall cooperate in efforts to exclude the general public from such areas located on Crest Airpark property. However, nothing herein shall prevent the Owner or Airpark Manager from allowing the general public to utilize the areas covered by the Permissive Easement or the Taxiway J Corridor Easements.

(ii) Condition on Exercise of Easements. No Permissive Easement Grantee, nor any family member or guest of such Permissive Grantee, nor any Taxiway J Corridor Easement Grantee, nor any family member or guest of such Taxiway J Corridor Grantee, shall be entitled to exercise any right under the Permissive Easement or the Taxiway J Corridor Easements unless all of such Grantee's FAHA membership dues are paid current and no assessment levied by FAHA against such Grantee or Grantees' real property is past due. However, it shall be the responsibility of FAHA to regulate such payment and usage, not Owner or the Airpark Manager. Use of an Easement Area in violation of this subsection shall be subject to subsection 4(c)(iii) and (ix), below.

(iii) Determination and Consequences of Violations of Uses of Permissive Easement or Taxiway J Corridor Easement. Any Person entitled to exercise rights under the Permissive Easement or a Taxiway J Corridor Easement who materially violates the use or area restrictions of the Permissive Easement or either Taxiway J Corridor Easement, or any rules adopted relating thereto by Owner, Airpark Manager and the FAHA Board, after receiving written notice to cease such violation shall forfeit his or her personal rights to exercise the Permissive Easement or the Taxiway J Corridor Easement, as the case may be. Any such loss of rights shall occur upon repeated violations, following

written notice of the violation delivered by Grantor to the violator in a reasonable manner. In the event of such notice, the offending person shall have the right to contest the forfeiture pursuant to a procedure identified in the arbitration provision below. Any use of an Easement Area after forfeiture of the right to do so as provided in this subsection shall be subject to subsection 4(c) (ix), below.

(iv) Marking. The Parties have placed markers to designate the location of these Easement Areas on the land and have had a surveyor Prepare a survey showing the locations of the markers. The survey is attached and incorporated herein as Exhibit C and has been recorded under King County recording number 2010118900001, (or will be recorded following execution of this Settlement Agreement and such recording number shall be inserted in this section by the Party who recorded the Agreement.)

(v) In the case of the Permissive Easement, the markers identify the inside edge of the loop formed by the Easement Area

(vi) In the case of the Corridor J Walking/Jogging Easement the markers identify the eastern boundary of the Easement Area.

(vii) In the case of the Corridor J Airplane Taxi Easement, the markers identify the centerline of the Easement Area.

(viii) FAHA shall be entitled to maintain and replace such markers at the locations shown on the survey as needed, provided all costs of such work shall be borne by FAHA.

(ix) No Claim of Adverse Use in Case of Discrepancy. Any use of land by FAHA, or any of its individual members or their successor owners that is not expressly authorized by this Settlement Agreement shall not give

rise to any legal right or claim of adverse use or possession by any such person or entity. FAHA, its individual members and their successor owners do hereby irrevocably and unconditionally waive any claims or further claims of rights to use and/or adverse use of such greater or different area or type of use. Further, FAHA and its individual members, guests and their successor owners do hereby represent that any use of any Easement Area as defined hereunder, or any real property located adjacent thereto is with the express permission of Grier.

(x) Release and Indemnification of Grantors by the Permissive Easement Grantees and Taxiway J Corridor Easement Grantees. As a continuous condition of use of the respective easements granted herein, severally each of the Permissive Easement Grantees and severally each of the Taxiway J Corridor Easement Grantees does agree to release, acquit, hold harmless, indemnify and defend the Owner and Airpark Manager and their successors, agents and employees, from any claims, actions, damages or losses suffered by that Permissive Easement Grantee (or by his family or guests) or that Taxiway J Corridor Easement Grantee (or by his family or guest) in the course of that Permissive Easement Grantee's or Taxiway J Corridor Easement grantee's use of the respective easement.

(xi) Process for Establishing Rules and Regulations for Permissive Easement and Taxiway J Corridor Easement. For the duration of, respectively, the Permissive Easement and the Taxiway J Corridor Easement, the FAHA board of directors and the Owner and Airpark Manager shall consult and cooperate regarding the drafting and enforcement of rules and regulations relating to the use of the respective easements. FAHA agrees that its members will abide by reasonable rules and regulations adopted by Airpark Manager.

5 Security. Should the Airpark Manager determine that a security service should be employed to protect the airpark from damage or trespassers, FAHA will favorably consider accepting the reasonable cost of same relative to that portion of the airport facilities used by FAHA members as an operating expense to be shared under the Nesland Easement.

6 Purchase Option

a) Grant of Purchase Option, Grantor and Grantee. Owner hereby grants to FAHA an option and right to purchase the Airpark Property Subject to Option as defined below in subsection 6(b), on the terms and conditions as set forth below.

b) Property Subject to Purchase Option. The "Airpark Property Subject to Option" is commonly known as King County Parcel Nos. 0121059066, 0121059001 and 0621069175, and includes all improvements thereon. The legal description of the Airpark Property Subject to Option is set forth in Exhibit D. For the avoidance of doubt, the Airpark Property Subject to Option does not include King County Parcel No. 0121059009 (Grier), except that that Parcel shall be burdened with the Taxiway J Corridor Easement, according to the terms and conditions of this Settlement Agreement.

c) 2008-2024 Put Purchase Option and 2025 Purchase Option. The Purchase Option comprises a 2008-2024 Put Purchase Option and a 2025 Purchase Option.

(i) The terms of the 2008-2024 Put Purchase Option are as follows:

a. The Owner may, but is not required to, give written notice to the FAHA of Owner's willingness to sell ("Willingness to Sell Notice") the Airpark Property Subject to Option. That Willingness to Sell Notice may be given at any time between the date of this Settlement Agreement and December 31, 2024.

b. The Airport Property Subject to Option may not be sold or transferred by Owner to any third party unless the Willingness to Sell Notice shall have been timely given by Owner to the FAHA, and the FAHA

has been duly provided with opportunity to enjoy its Purchase Option rights.

c. If Willingness to Sell Notice is timely delivered to the FAHA, then the FAHA shall have 30 days to deliver to Owner a written notice ("FAHA's Notice of Exercise of Purchase Option"). If FAHA's Notice of Exercise of Purchase Option is timely given, thereafter, the parties shall proceed in accord with the procedures applicable to the Purchase Option, as described in Section 6(c)(iii) below.

d. In the event that the FAHA, after timely receipt of a Willingness to Sell Notice, does not timely deliver to Owner its Notice of Exercise of Purchase Option, then: (i) the FAHA shall have no further rights under the 2008-2024 Put Purchase Option, and Owner accordingly shall not be required to give any further Willingness to Sell Notices; and (ii) FAHA's 2025 Purchase Option shall be null and void.

(ii) The terms of the 2025 Purchase Option are as follows:

a. At any time between January 1, 2025 through December 31, 2025, FAHA shall have the option to purchase the Airpark Property Subject to Option. The 2025 Purchase Option is exercisable by FAHA regardless of Owner's willingness to sell.

b. The FAHA's exercise of the 2025 Purchase Option shall be made by FAHA delivering to Owner a written notice of FAHA's Notice of Exercise of Purchase Option.

c. Unless FAHA has on or before December 31, 2025, delivered to Owner a written Notice of Exercise of Purchase Option, then the 2025 Purchase Option shall expire and shall be null and void.

(iii) The terms of the Purchase Options are as follows:

a. The Purchase Options identified above are not assignable to a third party by FAHA. However, if

is acknowledged that FAHA, as a corporate nonprofit association, may be obligated or otherwise find it convenient to restructure its corporate form or amend its bylaws so that it is able to hold and execute the Purchase Option efficiently for the benefit of its homeowner members.

- b. The Purchase Options identified above shall give FAHA the right but not the obligation to purchase the Airpark Property Subject to Option for fair market value.
- c. Fair market value shall be determined: (i) as the highest and best use value of the real property subject to the Options identified herein; (ii) as of the date of the FAHA's delivery of its Notice of Exercise of Purchase Option; and (iii) assuming termination of the Nesland Easement and the Permissive Easement on December 31, 2025. "Fair market value" is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.
- d. FAHA's election not to deliver a Notice of Exercise of Purchase Option (whether relative to the 2008-2024 Put Purchase Option or the 2025 Purchase Option) shall have no effect on, and shall be without prejudice to, the rights of the easement holders under the Nesland Easement, and the use rights of the Permissive Easement Grantees and the Taxiway J Corridor Easement Grantees as established under this Settlement Agreement.
- e. The fair market value of the Airpark Property Subject to Option, unless otherwise agreed by the parties, shall be determined by an arbitration panel of three MAI qualified Seattle/King County appraisers sitting as arbitrators. At such arbitration hearing, each side shall be entitled to offer

evidence as to all factors materially relevant to fair market value. The Owner shall designate one appraiser; FAHA shall designate one appraiser; and the two appraisers together shall designate a third appraiser. The cost of such arbitration shall be split equally between the parties and no award of fees and/or costs will be made.

- f. Owner shall provide and facilitate, on a reasonable basis, the provision and determination of such information and reports as may be necessary to inform the appraisal panel of facts relevant to the fair market value of the property, including, for example, the provision of documents regarding title and use, and allowing access to property for survey, environmental inspection, and inspection of improvements.
- g. The purchase of the Airpark Property Subject to Option under the Purchase Option shall be for all cash at closing. The sale shall close within 90 days of the determination of fair market value.
- h. The Owner shall convey the property by statutory warranty deed, free of liens but excepting ordinary and reasonable encumbrances such as utility and public access easements, the Permissive Easement and the Nesland Easement to the extent the purchase occurs prior to the expiration of the Permissive Easement and the Nesland Easement.
- i. The purchaser shall bear the cost of title insurance. Owner reasonably shall cooperate so as to allow the issuance of a then current form ALTA (or successor or equivalent entity) Owner's Standard or at FAHA's election, Extended Coverage Policy of Title Insurance, insuring title vested free of liens but excepting ordinary and reasonable encumbrances such as utility and public access easements. FAHA shall pay the cost of a survey, if required to obtain extended coverage.

- j. All other terms and conditions of the sale pursuant to exercise of one of the Purchase Options shall be as set forth in the form of Purchase and Sale Agreement set forth in Exhibit E. The Parties Agree to sign the Purchase and Sale Agreement attached hereto as Exhibit E within three days of the determination of the fair market value as set out under section 6 c) iii above [whether such value is agreed upon between the parties or arrived at by arbitration], and the agreement shall be dated as effective the date the value was set under the aforementioned provision. In the event of any conflict between the terms and conditions set forth in this Section 6 of this Agreement above and Exhibit E, the terms and conditions set forth in this Section 6 above shall control.

7. Dismissal. Pursuant to the terms of the Settlement Agreement Term Sheet, the parties have caused the Prescriptive Easement Lawsuit to be dismissed with prejudice and without award of fees or costs to any party, which order of dismissal has included a provision exonerating the personal safety restraining ruling made by Judge North.

8. Arbitration.

- (a) The parties desire and agree to resolve all future disputes, if any there be, by final and binding arbitration.
- (b) Except as provided above relative to determination of fair market value, the parties agree that such arbitration shall be conducted by a single arbitrator. The arbitrator shall be as agreed by the parties; or failing such agreement, as appointed by the King County Superior Court.
- (c) Except as provided above, the arbitrator shall award attorneys fees and costs to the party prevailing in any matters he or she determines; except that if there be a matter relative to which the arbitrator determines that no party has prevailed, as in the case of a good faith dispute over an ambiguous point, then no fees shall be awarded.

- (d) In case of any breach of this Settlement Agreement (and including the Permissive Easement, the Taxiway J Corridor Easement and the Purchase Option), the arbitrator shall be empowered but not obligated to award consequential damages and specific performance, consistent with the principles of Washington law, in all matters coming before him or her. The party(ies) awarded relief by the arbitrator may petition the King County Superior Court for enforcement of such award.
- (e) The parties agree that any disputes as to any terms of this Settlement Agreement (and including the Permissive Easement, the Taxiway J Corridor Easement and the Purchase Option), or determination of any obligations of the parties each to the other in the context of implementing this settlement, shall be decided by arbitration. The parties agree that it is their mutual intention, and their mutual instruction to the arbitrator should any such matters require arbitration, that this settlement is to proceed expeditiously, fairly and in accordance with commercially reasonable terms and conditions, consistent with the specific terms of this Settlement Agreement (and including the Permissive Easement, the Taxiway J Corridor Easement and the Purchase Option). The parties agree that this Settlement Agreement (and including the Permissive Easement, the Taxiway J Corridor Easement and the Purchase Option) has been drafted by both parties and any ambiguities or uncertainties in the language hereof are not to be construed against either party. The scope of arbitration intended hereunder shall include any disputes as to the empanelling or qualifications of the three appraisers; but shall not include the determination of the fair market value of the Airpark Property Subject to Option, which shall be reserved to the appraisers.
- (f) As provided above, any claim for loss of rights of the Permissive Easement or the Taxiway J Corridor Easement by an Easement Holder because of alleged

violations of the terms and conditions of the respective easement shall be decided by arbitration.

9. Representation and Warranty of Ownership. Norman C. Grier and Grier Family Holdings LLC represent and warrant to FAHA and its members that the Airpark Property Subject to Option is owned by Grier Family Holdings LLC, and that Grier Family Holdings LLC is presently controlled by Norman C. Grier. Norman Grier further represents that he is the sole owner of the real property over which the Taxiway J Corridor Easement is situated, and that such property is not community property.

10. Warranty of Authority. FAHA expressly represents and warrants to Norman C. Grier, Grier Family Holdings LLC, and Crest Airpark, Inc. that FAHA has the authority to act on behalf of, and bind its members with, the benefits and detriments of this Settlement Agreement (and including the Permissive Easement, the Taxiway J Corridor Easements and the Purchase Option) running to such members. FAHA further agrees to provide Owner and Airpark Manager a list annually of FAHA members and such members must be beneficiaries of the Nesland Easement (through December 31, 2025).

11. No Contact. In any instance where the Owner or Airpark Manager wishes to communicate with the FAHA or any of its members regarding matters of airport security or operations, such communications shall come only from designated employees at the airport office or from Rikki Birge, but not from Norman C. Grier. In any instance where the FAHA or any of its members wishes to communicate with the Owner or Airpark Manager regarding matters of airport security or operations, such communications shall be made only to designated employees at the airport office or to Rikki Birge, but not to Norman C. Grier.

12. Construction. This Settlement Agreement has been jointly drafted by the parties following negotiation between them. It shall be construed according to the fair intent of the language as a whole, and not for or against any party.

13. Counterparts and Signatures. This Settlement Agreement or the signature pages hereto may be executed in any number of counterparts for the convenience of the parties, all of which, when taken together and after execution by all parties hereto, shall constitute one and the same agreement.

Signatures transmitted by facsimile shall be accepted as binding absent reasonable question as to authenticity.

14. Notices. All notices hereunder will be in writing as will be deemed to have been duly given when personally served or deposited in the United States Mail, postage prepaid, certified return receipt requested, addressed as follows:

If To Flying Acres: Flying Acres Homeowners Association
Attn: President
With such address as is the address of the then-current President of FAHA

With a copy to: Davis Wright Tremaine LLP
Attn: Larry Martin
777 108th Avenue NE, Suite 2300
Bellevue, WA 98004-5149
Phone: (425) 646-6153
Fax: (425) 646-6199

If to Grier: Norman C. Grier
c/o 29300 179th PL SE
Kent, Washington 98042
Phone: 253-631-7100

With a copy to: Paul A. Spencer
Spencer Law Offices, PLLC
11100 NE 8th Street, Suite 350
Bellevue, WA 98004
Phone: (206) 464-1001
Fax: (425) 283-5885

If to Grier Family Holdings: Norman C. Grier
c/o 29300 179th PL SE
Kent, Washington 98042
Phone: 253-631-7100

With a copy to: Paul A. Spencer
Spencer Law Offices, PLLC
11100 NE 8th Street, Suite 350
Bellevue, WA 98004
Phone: (206) 464-1001
Fax: (425) 283-5885

If to Crest Airpark:
Crest Airpark, Inc.
Att: Rikki Birge
29300 179th PL SE
Kent, Washington 98042
Phone: 253-631-7100

With a copy to: Paul A. Spencer
Spencer Law Offices, PLLC
11100 NE 8th Street, Suite 350
Bellevue, WA 98004
Phone: (206) 464-1001
Fax: (425) 283-5885

Or to such other addresses as the party to whom notice is to be given may have previously furnished the other in writing in the manner set forth above. Notices are deemed effective upon dispatch.

15. Exhibits. The following exhibits attached hereto are incorporated into this Settlement Agreement as if set forth in full:

Exhibit A.

List of real property lots in Flying Acres Subdivisions 1, 2, 3 and 4 benefited by the Permissive Easement and the owners of which are Permissive Easement Grantees

Exhibit B

List of real property lots in Flying Acres Subdivision 4 benefited by the Taxiway J Corridor Easements and the owners of which are Taxiway J Corridor Easement Grantees

Exhibit C

Survey Showing Easement Markers

Exhibit D

Legal Description of Airpark Property Subject to Option

Exhibit E

Form Of Purchase And Sale Agreement

Exhibit F

Legal Description of Grier Parcel

IN WITNESS WHEREOF, the parties have executed this
SETTLEMENT AGREEMENT as of the date first written above.

Dated: May 3rd 2010

Norman C. Grier
NORMAN C. GRIER

GRIER FAMILY HOLDINGS, L.L.C.,
a Washington limited liability company

Dated: May 3rd 2010

By: *Norman C. Grier*
(print name) Norman C. Grier
Its: Managing Member

CREST AIRPARK, INC., a
Washington corporation

Dated: May 3rd 2010

By: *Norman C. Grier*
(print name) Norman C. Grier
Its: Vice President

FLYING ACRES HOMEOWNERS
ASSOCIATION, a Washington non-
profit corporation

Dated: 05/07/2010

By: [Signature]

(print name) Eric L. Eversole

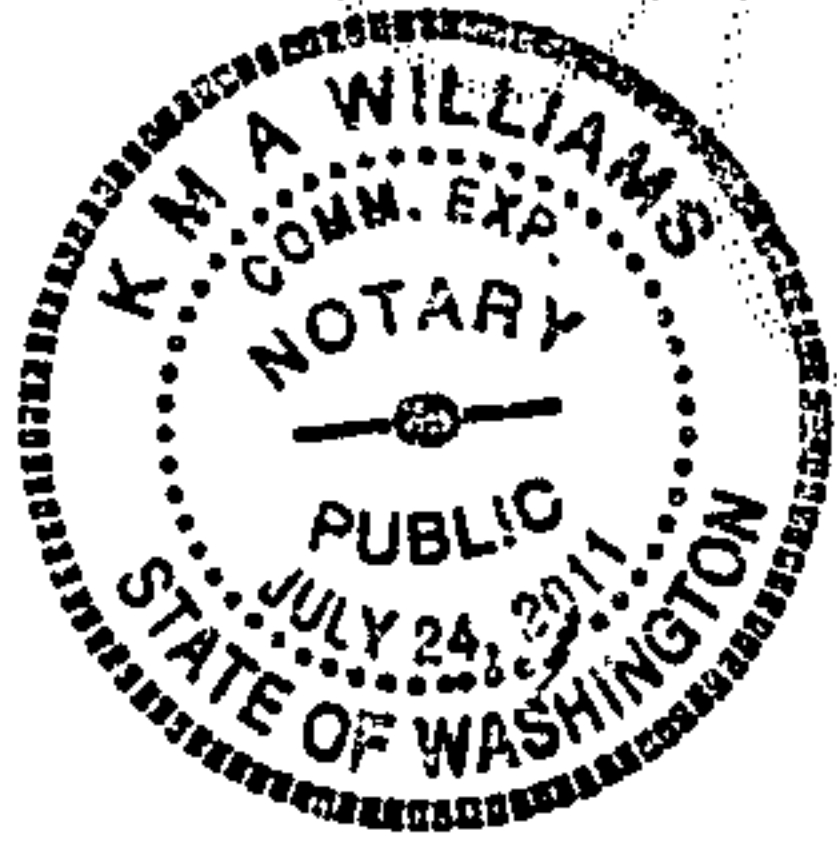
Its: President

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this 7th day of May, 2010, before me, a Notary Public in and for the State of Washington, personally appeared Eric Eversole, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who signed this Settlement Agreement (and including the Permissive Easement, the Taxiway J Corridor Easements and the Purchase Option contained therein) on behalf of Flying Acres Homeowners Association, a Washington nonprofit corporation; on oath stated that he was authorized to execute the instrument as President of Flying Acres Homeowners Association, a Washington nonprofit corporation; and acknowledged said instrument to be the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

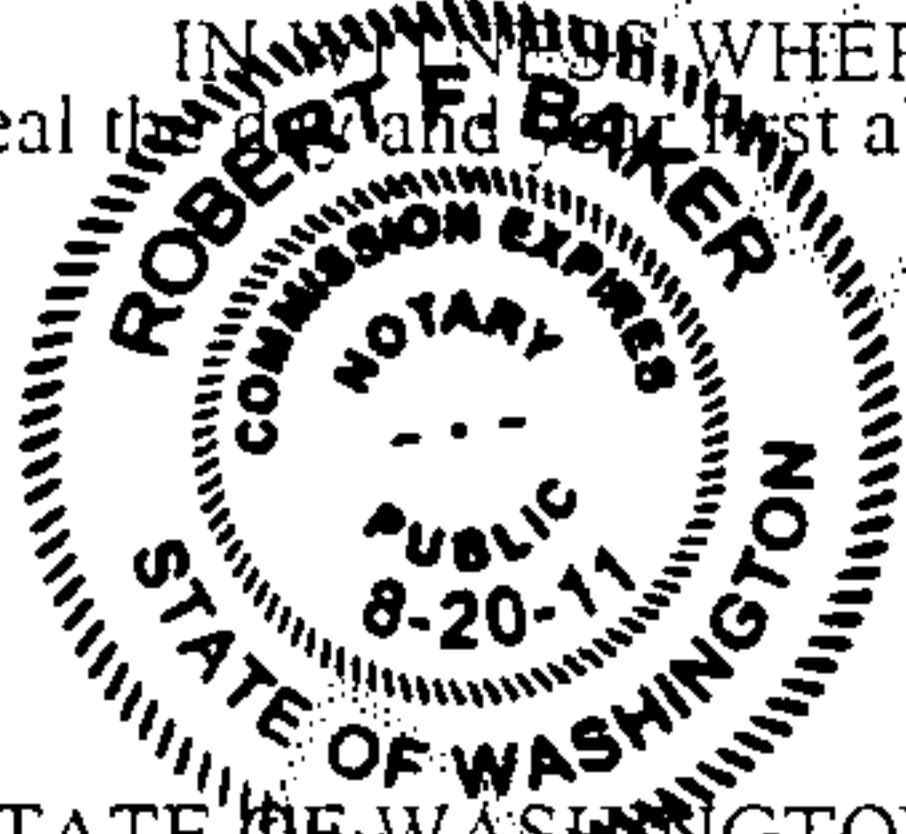
[Signature]
NOTARY PUBLIC in and for the
State of Washington, residing
at Tukwila
My appointment expires 7/24/2011
Print Name Kathleen Williams



STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 3rd day of May, 2010, before me, a Notary Public in and for the State of Washington, personally appeared Norman C. Grier, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who signed this Settlement Agreement (and including the Permissive Easement, the Taxiway J Corridor Easements and the Purchase Option contained therein) on behalf of Grier Family Holdings, LLC, a Washington limited liability company; on oath stated that he/she was authorized to execute the instrument as a Managing Member of Grier Family Holdings, LLC, a Washington limited liability company; and acknowledged said instrument to be the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 3rd day of May, 2010.



[Signature]
NOTARY PUBLIC in and for the
State of Washington, residing
at Bainbridge Island
My appointment expires 8/20/11
Print Name Robert F. Baker

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 3rd day of May, 2010, before me, a Notary Public in and for the State of Washington, personally appeared Norman C. Grier, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who signed this Settlement Agreement (and including the Permissive Easements, the Taxiway J Corridor Easement and the Purchase Option contained therein) on behalf of Crest Airpark, Inc., a Washington corporation; on oath stated that he was authorized to execute the instrument as an officer of Crest Airpark, Inc., a Washington corporation; and acknowledged said instrument to be the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

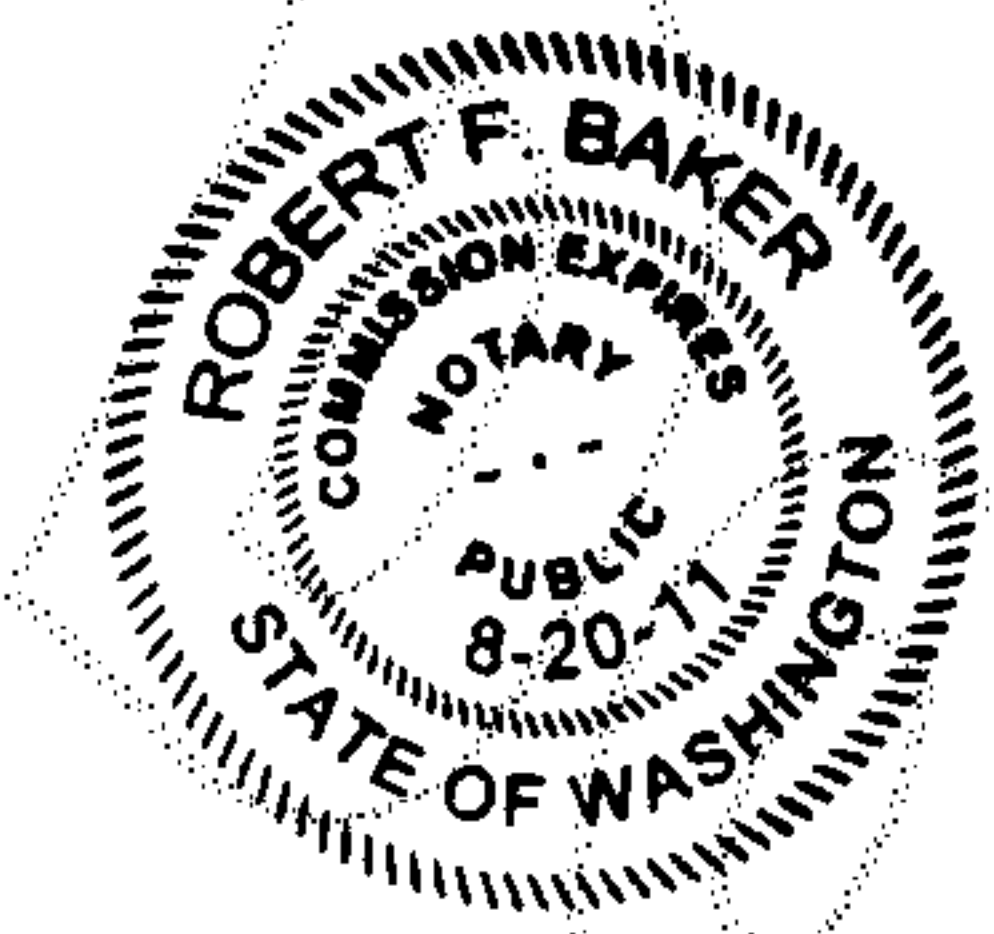


[Signature]
NOTARY PUBLIC in and for the
State of Washington, residing
at Bainbridge Island
My appointment expires 8/20/11
Print Name Robert F. Baker

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this 3rd day of May, 2010, before me, a Notary Public in and for the State of Washington, personally appeared Norman C. Grier, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this Settlement Agreement (and including the Permissive Easement, the Taxiway J Corridor Easements and the Purchase Option contained therein) and acknowledged it to be his free and voluntary act and deed for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



[Signature]
NOTARY PUBLIC in and for the
State of Washington, residing
at Bainbridge Island
My appointment expires 8/20/11
Print Name Robert F. Baker

Settlement

EXHIBIT A.

LIST OF REAL PROPERTY LOTS IN FLYING ACRES SUBDIVISIONS
1, 2, 3 AND 4 BENEFITED BY THE PERMISSIVE EASEMENT AND
THE OWNERS OF WHICH ARE PERMISSIVE EASEMENT
GRANTEES

Tax Parcel Number	Lot No	Last Name	First Names	Address
2587890010	1-01	Nickson	Theodore & Maris	17660 SE 296th St Kent, WA 98042
2587890020	1-03	Lee	Mark & Brenda	17636 SE 296th St Kent, WA 98042
2587890040	1-04	Mitchell	Janet	619 Santa Fe Augusta, KS 67010
2587890050	1-05	Swickard	William & Katie	17610 SE 296th St Kent, WA 98042
2587890060	1-06	Juranich	William & Karen	17602 SE 296th ST Kent, WA 98042
2587890070	1-07	Poschwatta	Jeffrey & Kim	17603 SE 295th St Kent, WA 98042
2587890080	1-08	Parr	Russell & Lisa	17619 SE 295th St Kent, WA 98042
2587890090	1-09	Gish	Joseph & Ramona	17631 SE 295th St Kent, WA 98042
2587890100	1-10	Garswell	Chris	17641 SE 295th St Kent, WA 98042
2587890130	1-13	Garcia	Kale Garcia & Angela Keeling Garcia	17640 SE 295th St Kent, WA 98042
2587890140	1-15	Poschwatta	Carl & Carol	17620 SE 295th St Kent, WA 98042
2587890160	1-16	LaRaux	Charles	17604 SE 295th St Kent, WA 98042

Tax Parcel Number	Lot No	Last Name	First Names	Address
2587890190	1-19	Regan	Robert & Brenda	17629 SE 293rd PL Kent, WA 98042
2587890200	1-20	Bartlett	Jeffrey & Krista	17639 SE 293rd PL Kent, WA 98042
2587890210	1-21	Thompson	Doris	17649 SE 293rd PL Kent, WA 98042
2587890220	1-22	Lunday	Robert & Barbara	17644 SE 293rd PL Kent, WA 98042
2587890230	1-23	Simon	Michael	17630 SE 293rd PL Kent, WA 98042
2587890240	1-24	Bonar	William & Patti	17618 SE 293rd PL Kent, WA 98042
2587890250	1-25	Smithhart	Robert & Priscilla	29226 176th AVE SE Kent, WA 98042
2587890260	1-26	Burghardt	Richard	17603 SE 292nd PL Kent, WA 98042
2587890270	1-27	Brown	James Brown & Gail Hill	17615 SE 292nd PL Kent, WA 98042
2587890280	1-28	Gundlach	Janet	17627 SE 292nd PL Kent, WA 98042
2587890290	1-29	Chay	James & Andrea	17639 SE 292nd PL Kent, WA 98042
2587890300	1-30	Catlin	Erma c/o Suzanne Schumitz	45919 Riverwoods Dr Macomb, MI 48044
2587890310	1-31	Jogtich	George	17628 SE 292nd PL Kent, WA 98042
2587890320	1-32	Wyzenbeek	Robert & Lyn	17616 SE 292nd PL Kent, WA 98042
2587890330	1-33	Craine	Keith & Roxanne	17604 SE 292nd PL Kent, WA 98042

Tax Parcel Number	Lot No	Last Name	First Names	Address
2587890340	1-34	Hanson	Mike Hanson & Karen Kronlund	17601 SE 291st ST Kent, WA 98042
2587890350	1-35	Penwell	Ronald & Sharon	17613 SE 291st ST Kent, WA 98042
2587890360	1-36	Wells	Charles & LeNoire	17625 SE 291st ST Kent, WA 98042
2587890370	1-37	Bordeau	Dale	17637 SE 291st ST Kent, WA 98042
2587890380	1-38	Hendrickson	Keith	1603 Pierce Ave SE Renton, WA 98058
2587890390	1-39	Weir	Dale & Marilee	17626 SE 291st ST Kent, WA 98042
2587890400	1-40	McMullen	George & Paula	17614 SE 291st ST Kent, WA 98042
2587890410	1-41	Raichie	Robert & Patty	29028 176th Ave SE Kent, WA 98042
2587890430	1-43	Davenport	Howard & Sharon	17615 SE 290th ST Kent, WA 98042
2587890440	1-44	Herald	Michael	17629 SE 290th ST Kent, WA 98042
2587890450	1-45	Janes	Merle & Margarita	17618 SE 290th ST Kent, WA 98042
2587890460	1-46	Dotson	David & Diane	17616 SE 290th ST Kent, WA 98042
2587890470	1-47	Hernke	Bradley	17604 SE 290th ST Kent, WA 98042
2587890480	1-48	Mellema	Verla	17605 SE 288th PL Kent, WA 98042
2587890490	1-49	Johnson	Robert & Candace	17619 SE 288th PL Kent, WA 98042

Tax Parcel Number	Lot No	Last Name	First Names	Address
2587890500	1-50	Hernke	Debra (B)	17631 SE 288th PL Kent, WA 98042
2587890510	1-51	Grindstaff	Duane	17628 SE 288th PL Kent, WA 98042
2587890520	1-53	Bryant	Neil & Martha	17606 SE 288th PL Kent, WA 98042
2587900020	2-02	Endres	Richard & Melinda	29844 179th PL SE Kent, WA 98042
2587900040	2-04	Endres	Robert (estate)	29814 179th PL SE Kent, WA 98042
2587900060	2-06	Alentiev	Timothy	29804 179th PL SE Kent, WA 98042
2587900070	2-07	Bailey	Mark & Rebecca	29656 179th PL SE Kent, WA 98042
2587900080	2-08	Huber	James	29648 179th PL SE Kent, WA 98042
2587900090	2-09	Sanford	Joseph	29638 179th PL E Kent, WA 98042
2587900100	2-10	Claus	Rodney & Jill Temmel	29630 179th PL SE Kent, WA 98042
2587900130	2-13	Birse	Gordon & Connie	29604 179th PL SE Kent, WA 98042
2587900140	2-14	Miller	Steve & Alice	29528 179th PL SE Kent, WA 98042
2587900150	2-15	Shelden	John & Ellen	29518 179th PL SE Kent, WA 98042
2587900160	2-16	Bryant	Kenneth	29508 179th PL SE Kent, WA 98042
2587900170	2-17	Parke	Helen	29500 179th PL SE Kent, WA 98042

