

After recording, return to:

Van Ness Feldman GordonDerr  
2025 First Avenue, Suite 500  
Seattle, WA 98121-3140  
Attn: Joel M. Gordon



**20120426001484**

CHICAGO TITLE MEMO 78.00  
PAGE-001 OF 017  
04/26/2012 13:48  
KING COUNTY, WA

DOCUMENT TITLE(S) (or transactions contained therein):  <b>Memorandum of Right of First Offer Agreement</b>
REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED: <b>N/A</b>
GRANTOR(S) (Last name first, then first name and initials) <b>1. CLISE PROPERTIES, INC., a Washington corporation;</b> <b>2. 2213 EIGHTH AVENUE, LLC, a Washington limited liability company;</b> <b>3. SEVENTH AT BLANCHARD LLC, a Washington limited liability company;</b> <b>4. BANK of AMERICA, N.A., Trustee under Agreement with Rosalind Clise - A. H. Clise Fund</b> <b>5. BANK of AMERICA, N.A., Trustee under Agreement with Rosalind Clise-Jocelyn Fund</b> <b>6. BANK of AMERICA, N.A., Trustee under Agreement with Rosalind Clise - Sylvia Fund</b> <b>7. CLISE, WILLIAM E.</b> <b>8. CLISE, ROBERT ERIC</b> <b>9. CLISE-KERR, DEBORAH R.</b> <b>10. BANK of AMERICA, N.A., Trustee of the Living Trust of Jocelyn Clise</b> <b>11. BEEBE REALTY, INC., a Washington corporation; and</b> <b>12. SEVENTH &amp; BATTERY LLC, a Washington limited liability company</b>
GRANTEE(S) (Last name first, then first name and initials)  <b>ACORN DEVELOPMENT LLC, a Delaware limited liability company</b>
LEGAL DESCRIPTION (abbreviated: i.e., lot, block, plat or section, township, range)  <b>PORTION OF LOTS 7-12, BLOCK 18, AND PORTION OF LOTS 1&amp;2 AND LOTS 4-12, BLOCK 21, VOLUME 1 OF PLATS, PAGE 121</b> <b>PORTIONS OF LOTS 7-12, BLOCK V, AND PORTIONS OF LOTS 1-12, BLOCK Z, VOLUME 2 OF PLATS, PAGE 20.</b>
<input checked="" type="checkbox"/> Additional legal is on Exhibit A of document
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBERS  <b>Block 18 -- Lots 7-8: 066000-0130-04; Lots 9-12: 066000-0150-09;</b> <b>Block 21 -- Lots 1-2: 066000-0325-09; Lot 4: 066000-0340-00; Lots 5-6: 66000-0345-05;</b> <b>Lots 7-10 plus N 16' of Lot 11: 066000-0355-02 (Taxable Portion); Lots 7-10 plus N 16' of Lot 11: 066000-0355-93 (Exempt Portion); Remainder of Lots 11 &amp; 12: 066000-0375-08</b> <b>Block V -- Parcel A (Lots 7-8): 069700-0295-02; Parcel B (Lots 9-12): 069700-0305-00</b> <b>Block Z -- Lots 1-6: 069700-0400-04; Lots 7-12: 069700-0435-03</b>

## MEMORANDUM OF RIGHT OF FIRST OFFER AGREEMENT

THIS MEMORANDUM OF RIGHT OF FIRST OFFER AGREEMENT is dated for reference purposes as of this 20 day of April, 2012, between and among **CLISE PROPERTIES, INC.**, a Washington corporation; **2213 EIGHTH AVENUE, LLC**, a Washington limited liability company; **SEVENTH AT BLANCHARD LLC**, a Washington limited liability company; **BANK OF AMERICA, N.A., TRUSTEE UNDER AGREEMENT WITH ROSALIND CLISE - A. H. CLISE FUND**; **BANK OF AMERICA, N.A., TRUSTEE UNDER AGREEMENT WITH ROSALIND CLISE - JOCELYN FUND**; **BANK OF AMERICA, N.A., TRUSTEE UNDER AGREEMENT WITH ROSALIND CLISE - SYLVIA FUND**; **WILLIAM E. CLISE**; **ROBERT ERIC CLISE**; **DEBORAH R. CLISE-KERR**; **BANK OF AMERICA, N.A., TRUSTEE OF THE LIVING TRUST OF JOCELYN CLISE**; **BEEBE REALTY, INC.**, a Washington corporation; and **SEVENTH & BATTERY LLC**, a Washington limited liability company (individually and collectively, "Owner"; and **ACORN DEVELOPMENT LLC**, a Delaware limited liability company ("Purchaser").

### RECITALS:

Owner and Purchaser have entered into that certain Right of First Offer Agreement (the "ROFO Agreement") of even date herewith, the terms, provisions and conditions of which are incorporated herein by reference to the same extent as if recited in their entirety herein, whereby Owner has granted to Purchaser a right of first offer to purchase and to obtain construction easements over certain real property (the "ROFO Parcels") located in the City of Seattle, County of King, State of Washington. The ROFO Parcels are legally described in Exhibit A attached hereto. The ROFO Agreement shall remain in effect for a period of ten (10) years following its Commencement Date, and by its terms inures to the benefit of and is binding upon the Owner and Purchaser and their respective successors and assigns.

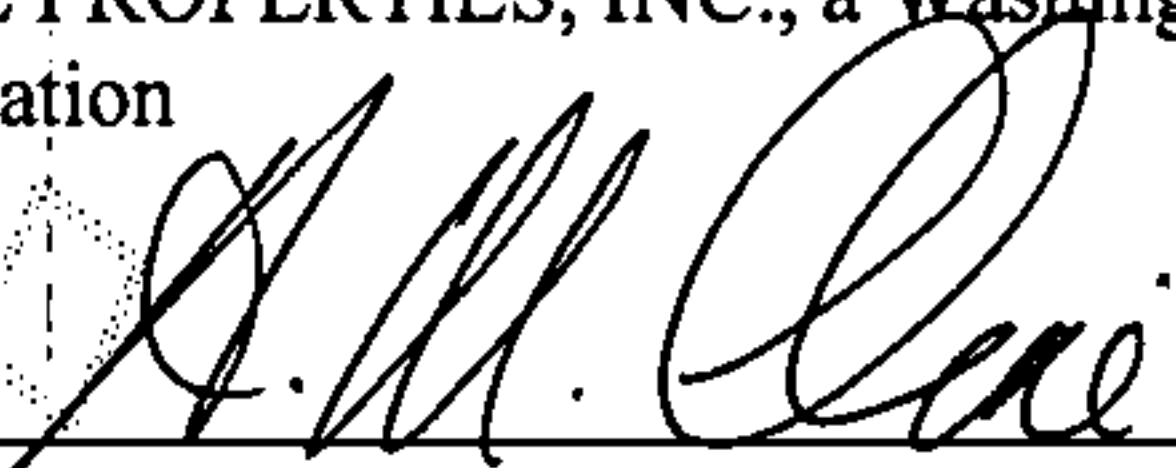
This Memorandum is executed for the purpose of recordation in the Official Records of King County, Washington, in order to give constructive notice of the ROFO Agreement, and shall not be construed to define, limit or modify the terms of the ROFO Agreement. This Memorandum may be executed in counterparts.

[SIGNATURES ON FOLLOWING PAGES]

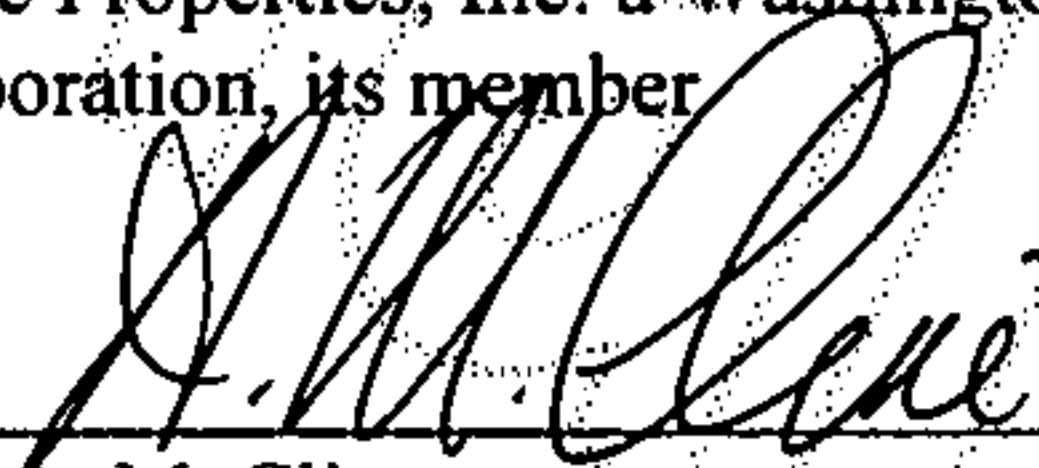
IN WITNESS WHEREOF, each Party has caused this Memorandum to be executed and delivered in its name by a duly authorized officer or representative.

OWNER:

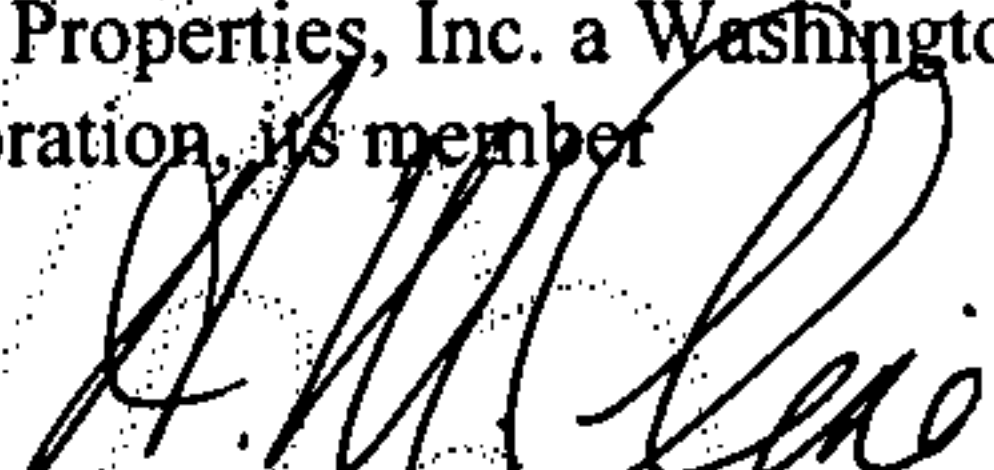
CLISE PROPERTIES, INC., a Washington corporation

By:   
A. M. Clise  
Chairman and CEO  
Date: March 30, 2012

2213 EIGHTH AVENUE, LLC, a Washington limited liability company

By: Clise Properties, Inc. a Washington corporation, its member  
By:   
A. M. Clise  
Chairman and CEO  
Date: March 30, 2012

SEVENTH AT BLANCHARD LLC, a Washington limited liability company

By: Clise Properties, Inc. a Washington corporation, its member  
By:   
A. M. Clise  
Chairman and CEO  
Date: March 30, 2012



BANK OF AMERICA, N.A., in its capacity as  
Trustee under Agreement with Rosalind Clise -  
A. H. Clise Fund

By: [Signature]  
Name: JAMES A. GALLAGHER  
Title: SENIOR VICE PRESIDENT  
Date: 3/30/2012

By: [Signature]  
Name: JOHN T. MARGESON  
Title: VICE PRESIDENT  
Date: 3/30/2012

BANK OF AMERICA, N.A., in its capacity as  
Trustee under Agreement with Rosalind Clise -  
Jocelyn Fund

By: [Signature]  
Name: JAMES A. GALLAGHER  
Title: SENIOR VICE PRESIDENT  
Date: 3/30/2012

By: [Signature]  
Name: JOHN T. MARGESON  
Title: VICE PRESIDENT  
Date: 3/30/2012

BANK OF AMERICA, N.A., in its capacity as  
Trustee under Agreement with Rosalind Clise -  
Sylvia Fund

By: [Signature]  
Name: JAMES A. GALLAGHER  
Title: SENIOR VICE PRESIDENT  
Date: 3/30/2012

By: [Signature]  
Name: JOHN T. MARGESON  
Title: VICE PRESIDENT  
Date: 3/30/2012

William E. Clise

WILLIAM E. CLISE, as his separate property

Date: 4/15/12

Mr. E. Clise

ROBERT ERIC CLISE, as his separate property

Date: 4-2-2012

DEBORAH R. CLISE-KERR, as her separate property

Date: \_\_\_\_\_

BANK OF AMERICA, N.A., in its capacity as  
Trustee of the Living Trust of Jocelyn Clise

By: [Signature]

Name: JAMES R. GALLAGHER

Title: SENIOR VICE PRESIDENT

Date: 3/30/2012

By: [Signature]

Name: JAMES R. GALLAGHER

Title: VICE PRESIDENT

Date: 3/30/2012

BEEBE REALTY, INC., a Washington corporation

By: [Signature]

A. M. Clise

Chairman and CEO

Date: March 30, 2012

WILLIAM E. CLISE, as his separate property

Date: \_\_\_\_\_

ROBERT ERIC CLISE, as his separate property

Date: \_\_\_\_\_



DEBORAH R. CLISE-KERR, as her separate property

Date: 3-30-2012

BANK OF AMERICA, N.A., in its capacity as  
Trustee of the Living Trust of Jocelyn Clise

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

BEEBE REALTY, INC., a Washington corporation

By: \_\_\_\_\_

A. M. Clise  
Chairman and CEO

Date: \_\_\_\_\_

SEVENTH & BATTERY LLC, a Washington  
limited liability company

By: Clise Properties, Inc. a Washington  
corporation, its member

By: 

A. M. Clise

Chairman and CEO

Date: March 30, 2012

PURCHASER:

ACORN DEVELOPMENT LLC, a Delaware  
limited liability company

By: 

Name: John Schmitt

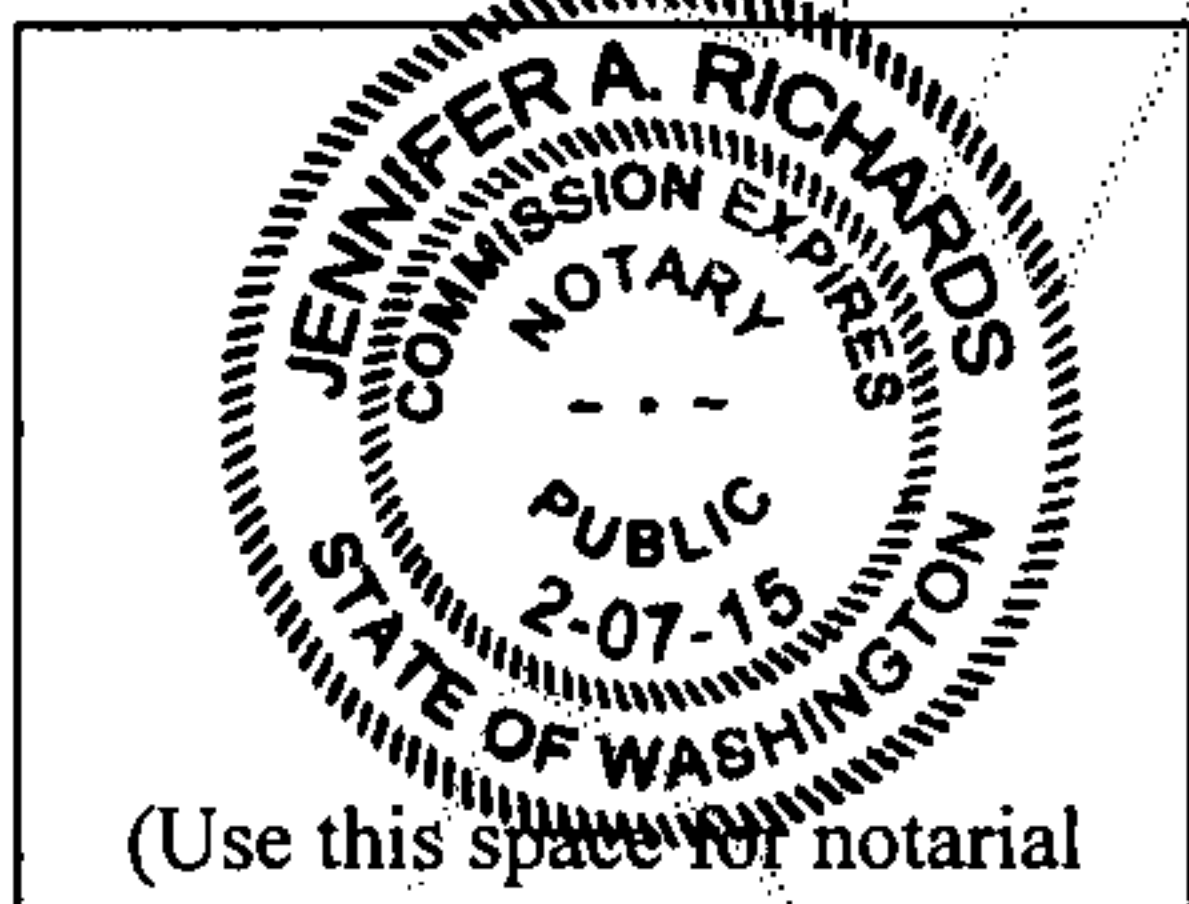
Title: Vice President

Date: 4.20.12

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that A. M. Clise is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chairman and CEO of CLISE PROPERTIES, INC., a Washington corporation, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 3.30.12

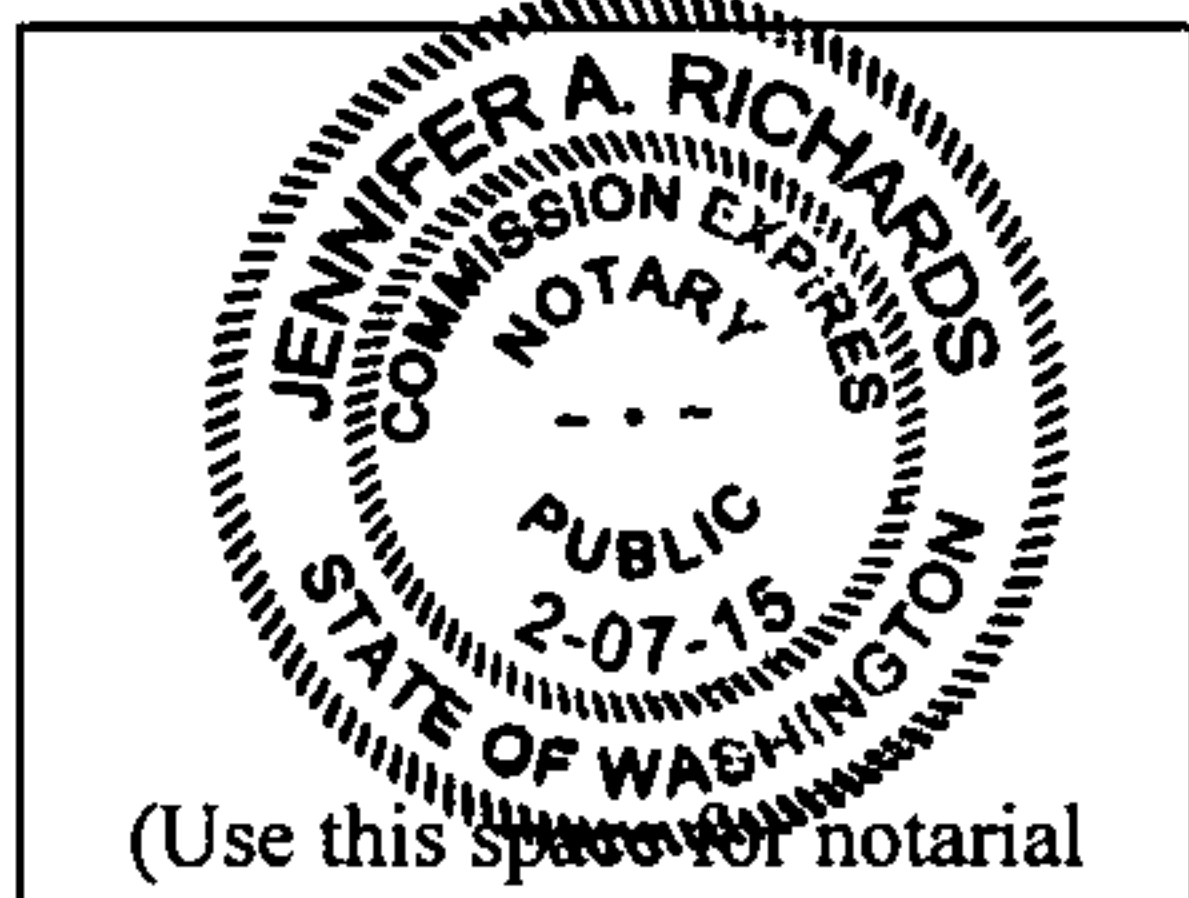


Jennifer A. Richards  
Name: JENNIFER A. RICHARDS  
NOTARY PUBLIC, State of Washington  
My appointment expires 2.7.15

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that A. M. Clise is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chairman and CEO of CLISE PROPERTIES, INC., a Washington corporation, acting in its capacity as member of 2213 EIGHTH AVENUE, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 3.30.12



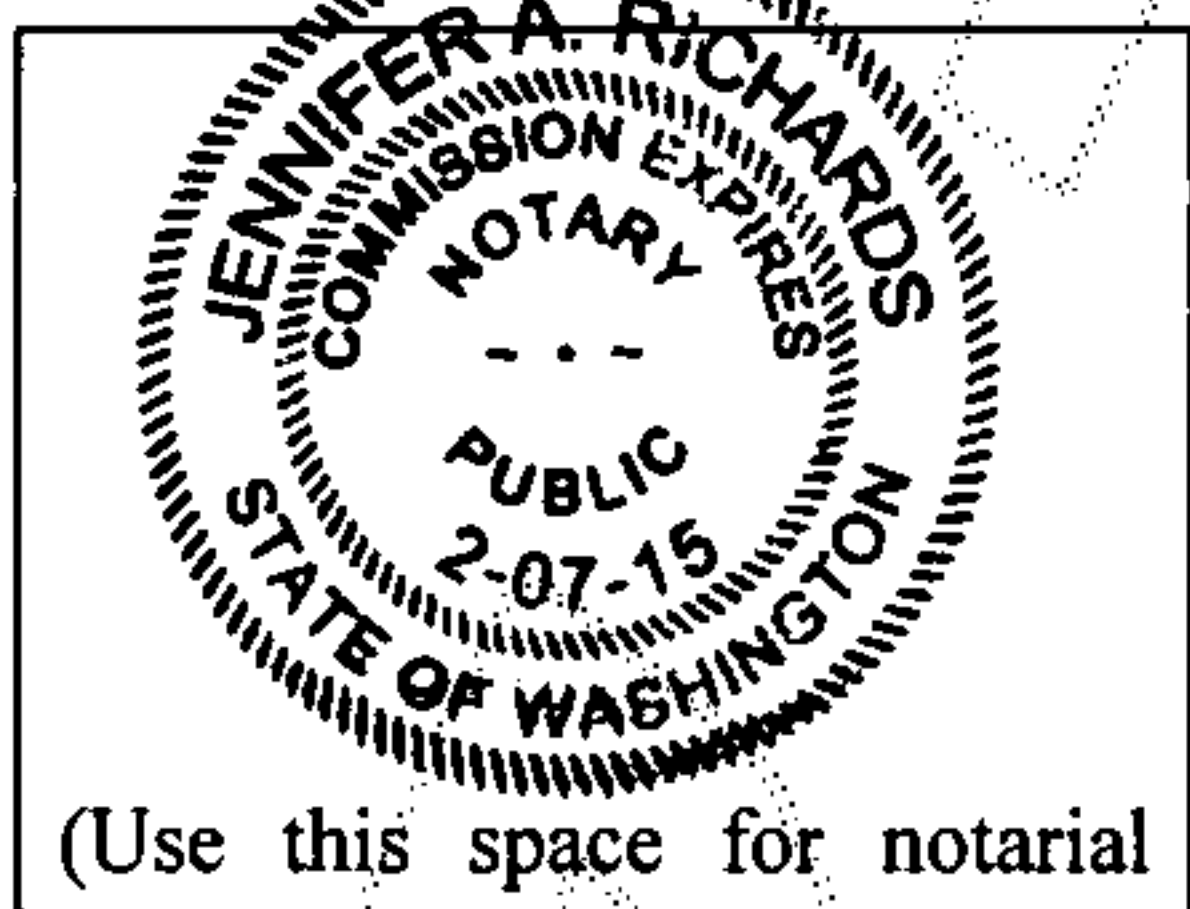
Jennifer A. Richards  
Name: JENNIFER A. RICHARDS  
NOTARY PUBLIC, State of Washington  
My appointment expires 2.7.15



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that A. M. Clise is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chairman and CEO of CLISE PROPERTIES, INC., a Washington corporation, acting in its capacity as member of SEVENTH AT BLANCHARD LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 3.30.12

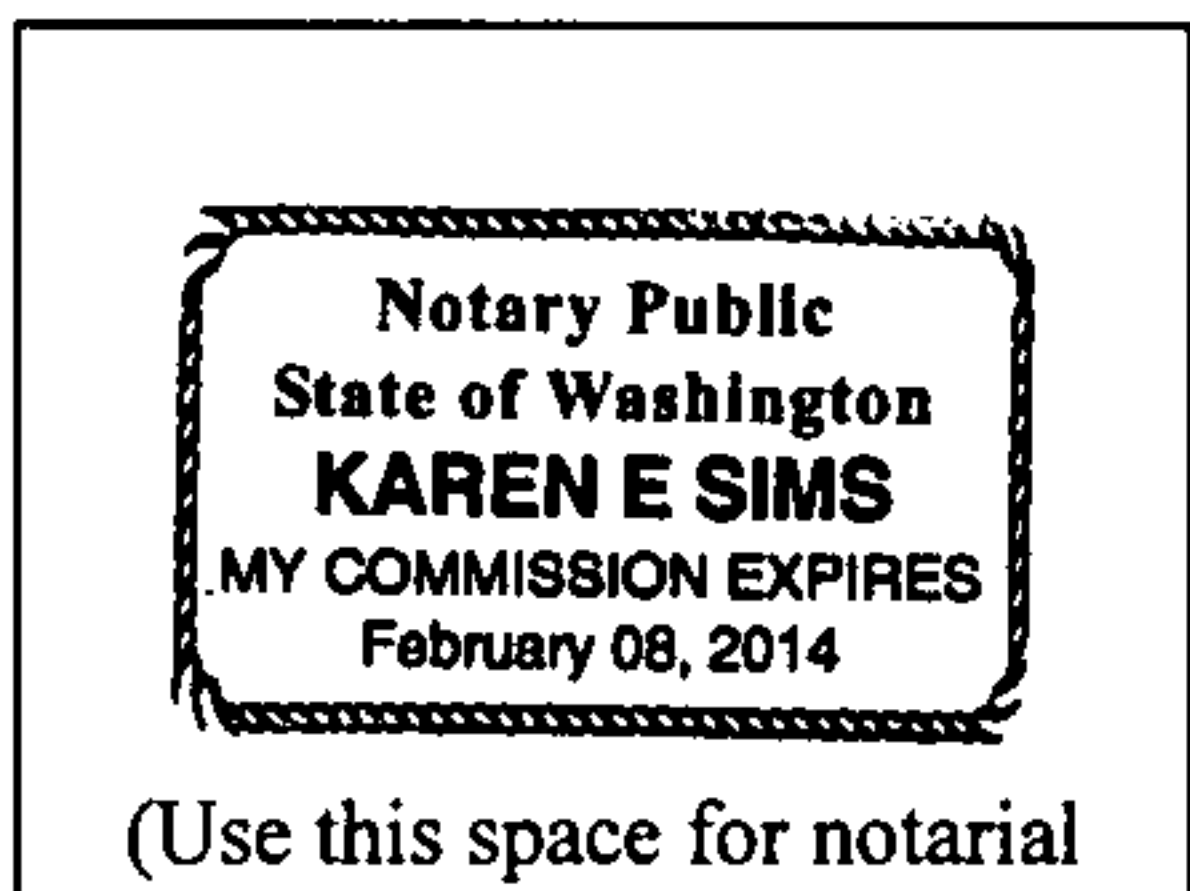


Jennifer A. Richards  
Name: JENNIFER A. RICHARDS  
NOTARY PUBLIC, State of Washington  
My appointment expires 2.7.15

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that James K. Gallagher and John T. Maryeson are the persons who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Senior Vice President and Vice President, respectively, of BANK OF AMERICA, N.A., in its capacity as Trustee under Agreement with Rosalind Clise - A. H. Clise Fund, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated March 30, 2012

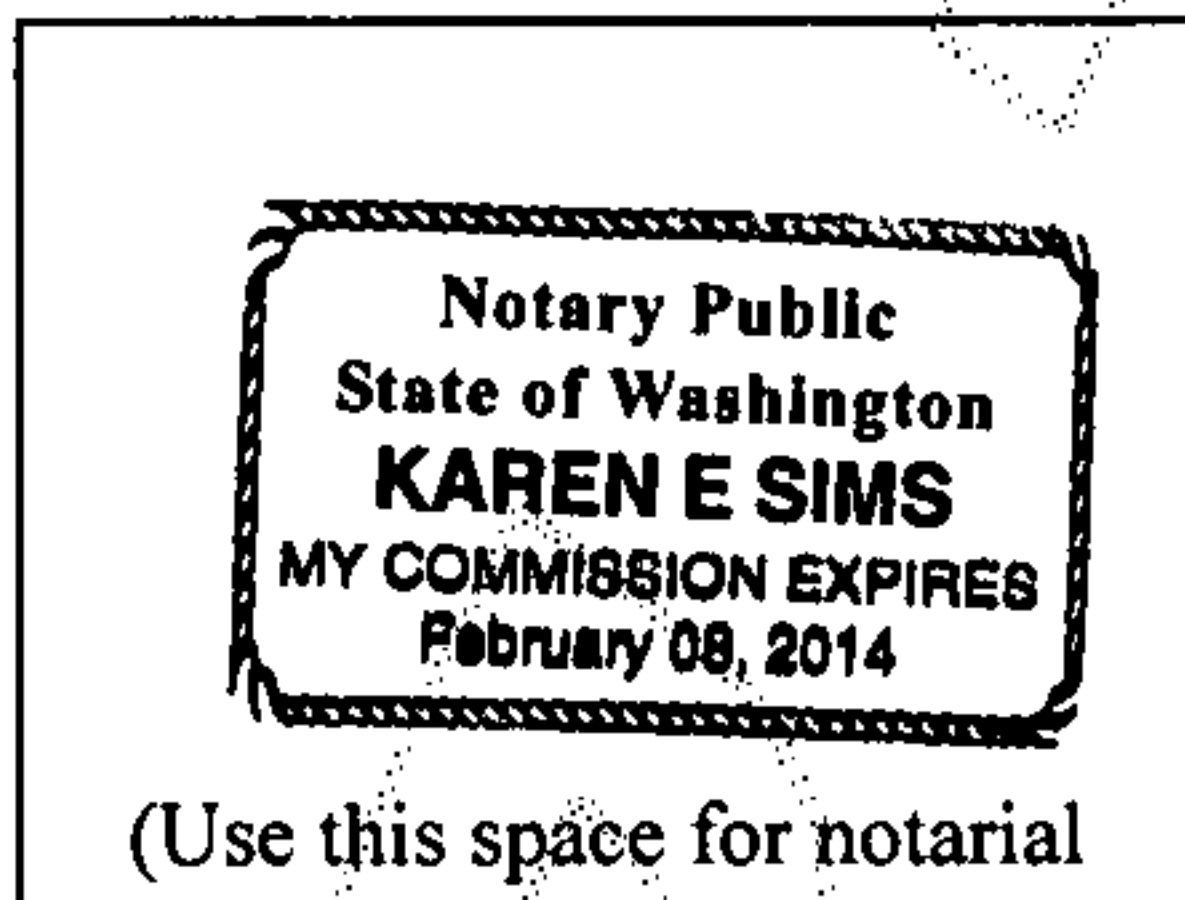


Karen E. Sims  
Name: Karen E. Sims  
NOTARY PUBLIC, State of Washington  
My appointment expires 02-08-2014

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that James K. Gallagher and John T. Margeson are the persons who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Senior Vice President and Vice President, respectively, of BANK OF AMERICA, N.A., in its capacity as Trustee under Agreement with Rosalind Clise – Jocelyn Fund, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated March 30, 2012.

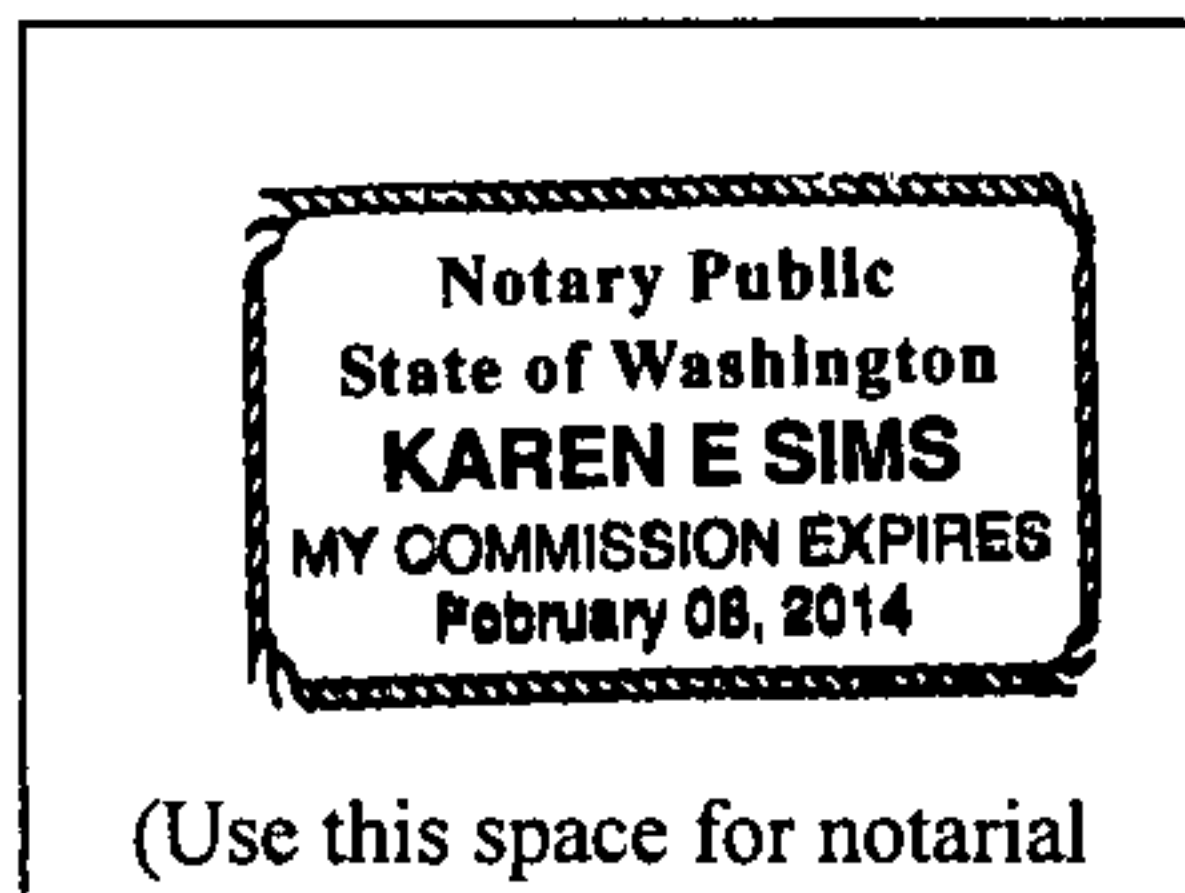


Karen E. Sims  
Name: Karen E. Sims  
NOTARY PUBLIC, State of Washington  
My appointment expires 02-08-2014

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that James K. Gallagher and John T. Margeson are the persons who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Senior Vice President and Vice President, respectively, of BANK OF AMERICA, N.A., in its capacity as Trustee under Agreement with Rosalind Clise – Sylvia Fund, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated March 30, 2012.

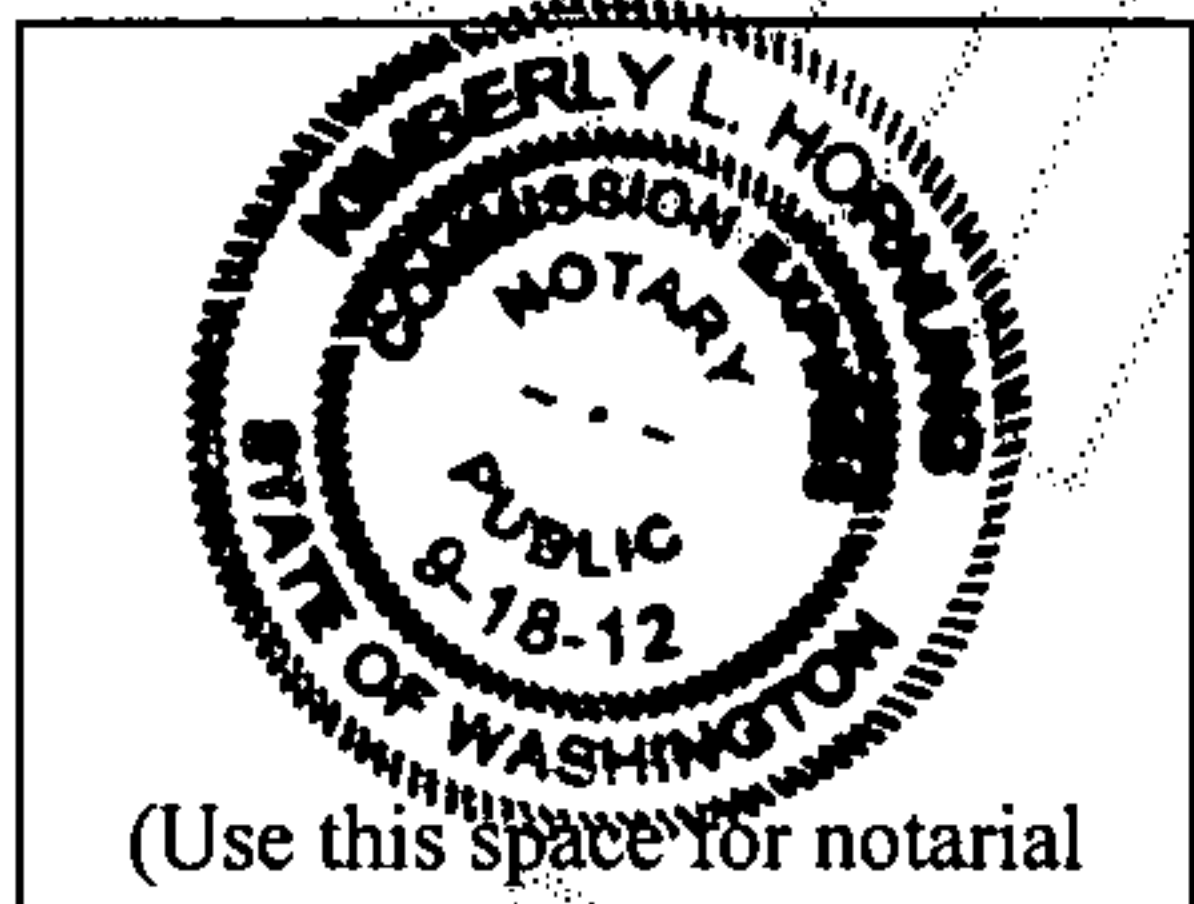


Karen E. Sims  
Name: Karen E. Sims  
NOTARY PUBLIC, State of Washington  
My appointment expires 02-08-2014

STATE OF WA )  
 ) ss.  
COUNTY OF King )

I certify that I know or have satisfactory evidence that WILLIAM E. CLISE is the person who appeared before me, and said person acknowledged that he signed this instrument, and acknowledged it to be his free and voluntary act for the uses and purposes stated therein.

Dated April 5, 2012

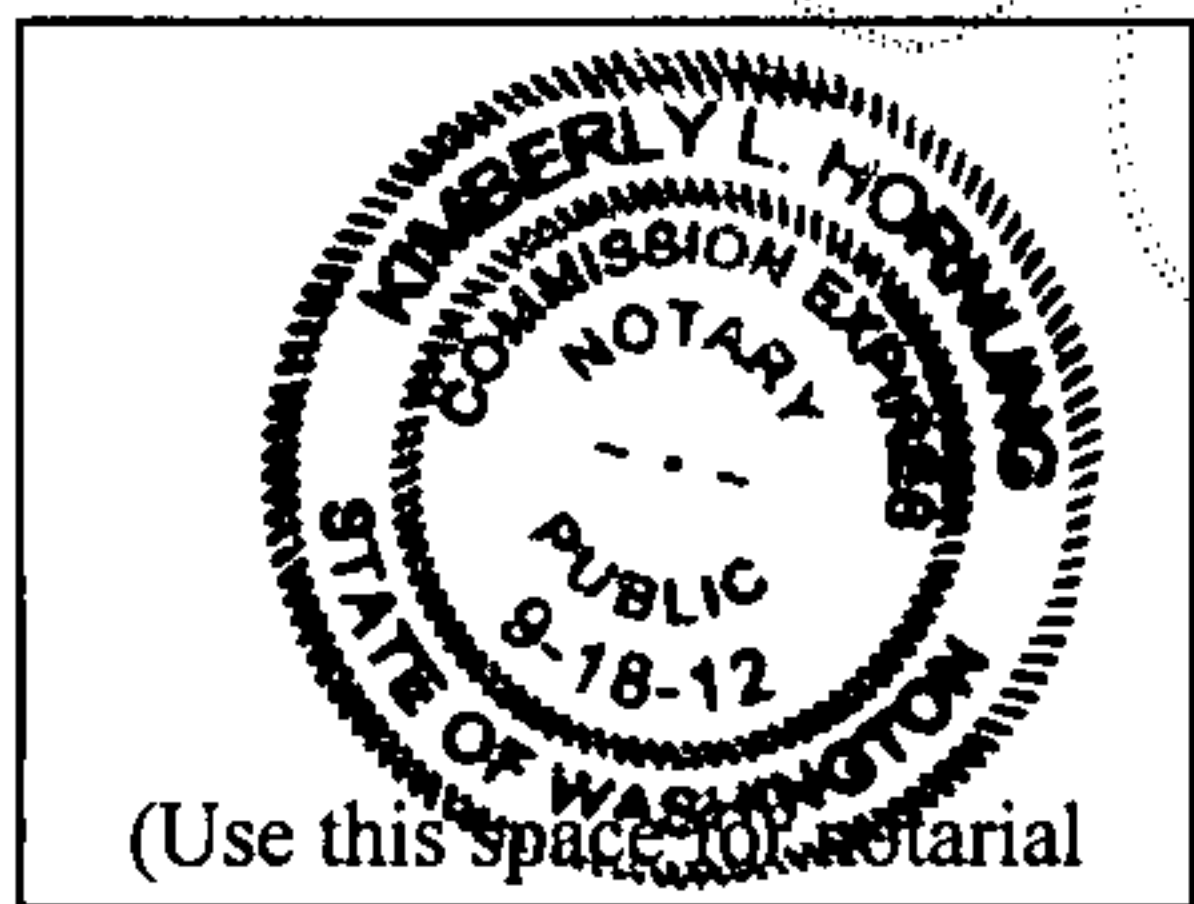


Kimberly L. Hornung  
Name: Kimberly L. Hornung  
NOTARY PUBLIC, State of WA  
My appointment expires 9-18-12

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that ROBERT ERIC CLISE is the person who appeared before me, and said person acknowledged that he signed this instrument, and acknowledged it to be his free and voluntary act for the uses and purposes stated therein.

Dated April 2, 2012



Kimberly L. Hornung  
Name: Kimberly L. Hornung  
NOTARY PUBLIC, State of Washington  
My appointment expires 9-18-12

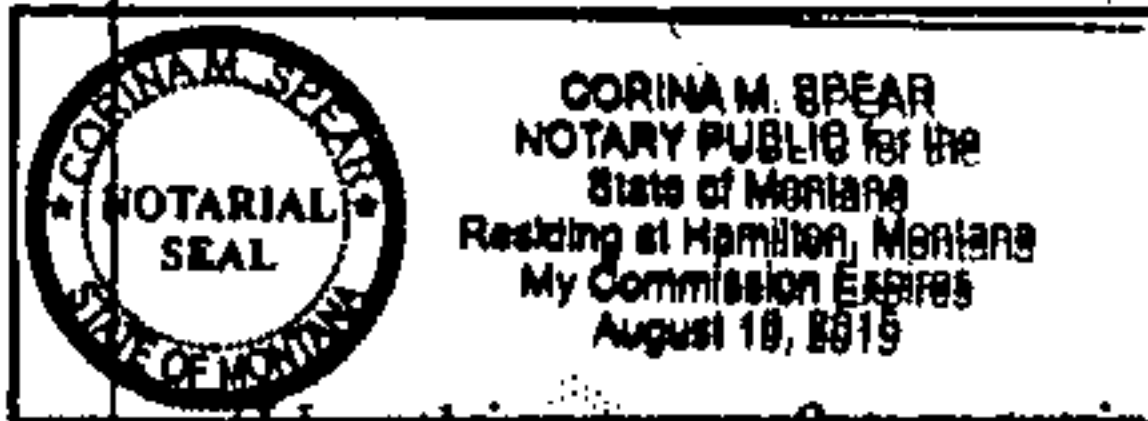


STATE OF MONTANA )  
COUNTY OF Ravalli ) ss.

I certify that I know or have satisfactory evidence that DEBORAH R. CLISE-KERR is the person who appeared before me, and said person acknowledged that she signed this instrument, and acknowledged it to be her free and voluntary act for the uses and purposes stated therein.

Dated

3-30-12



(Use this space for notarial

Name: Corina M. Spear

NOTARY PUBLIC, State of Montana

Residing at Hamilton

My commission expires August 18, 2015

STATE OF WASHINGTON )  
COUNTY OF KING ) ss.

I certify that I know or have satisfactory evidence that \_\_\_\_\_ and \_\_\_\_\_ are the persons who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ and \_\_\_\_\_, respectively, of BANK OF AMERICA, N.A., in its capacity as Trustee of the Living Trust of Jocelyn Clise, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated \_\_\_\_\_

(Use this space for notarial

Name: \_\_\_\_\_

NOTARY PUBLIC, State of Washington

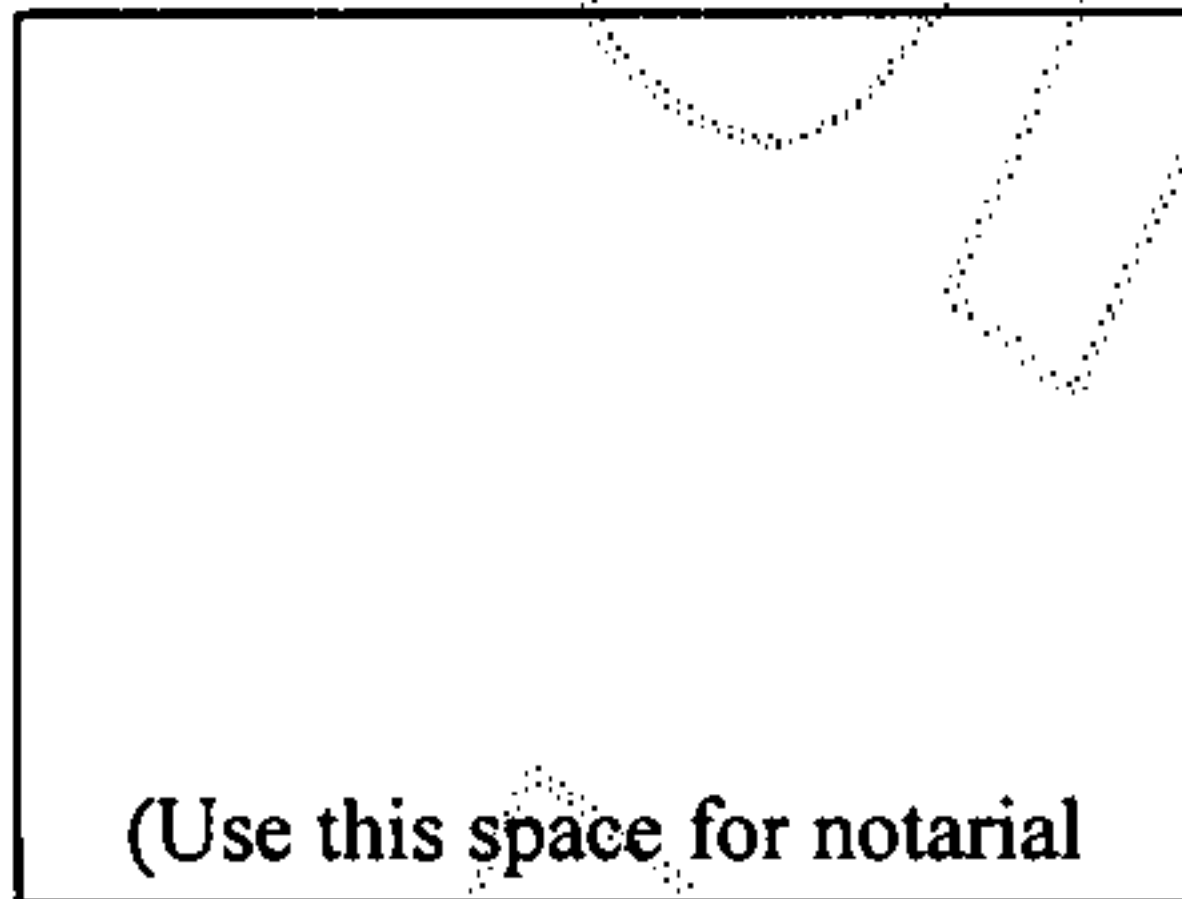
My appointment expires \_\_\_\_\_



STATE OF MONTANA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

I certify that I know or have satisfactory evidence that DEBORAH R. CLISE-KERR is the person who appeared before me, and said person acknowledged that she signed this instrument, and acknowledged it to be her free and voluntary act for the uses and purposes stated therein.

Dated \_\_\_\_\_.

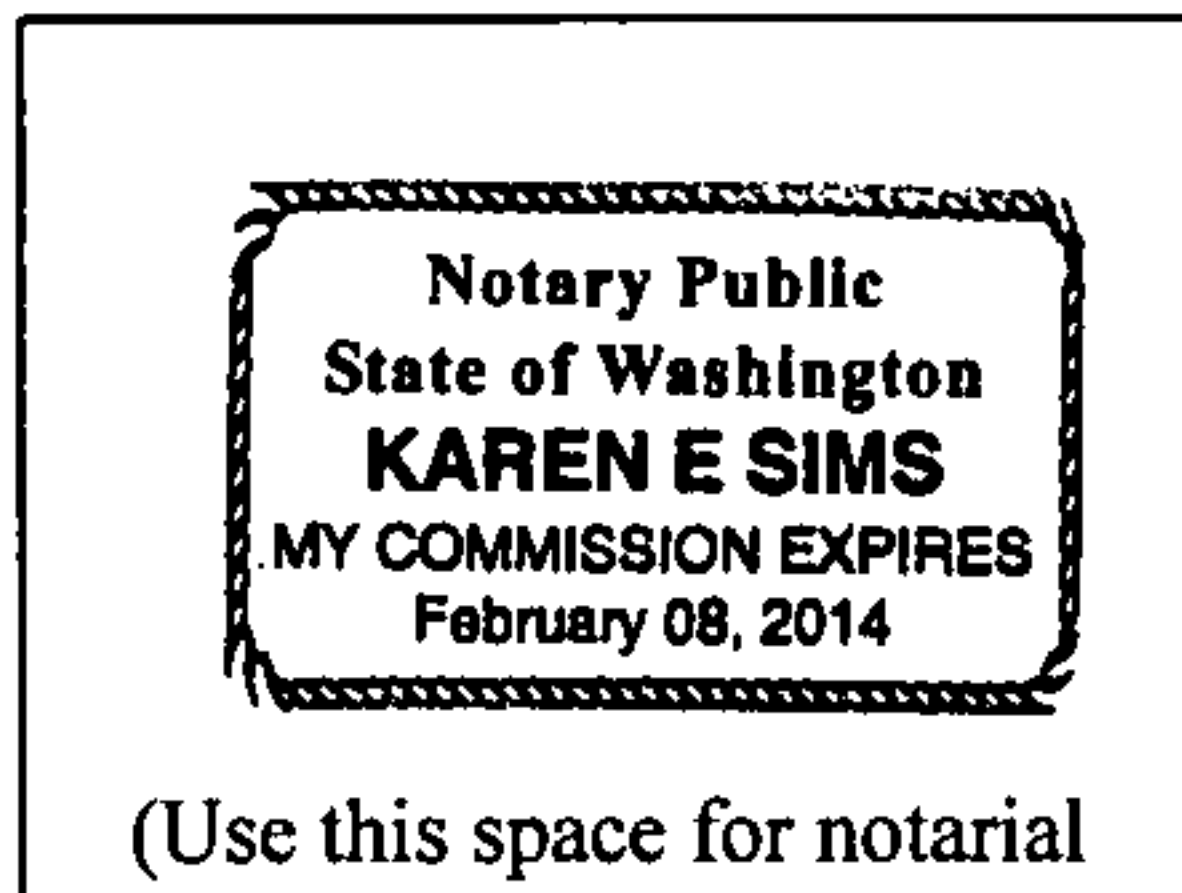


\_\_\_\_\_  
Name: \_\_\_\_\_  
NOTARY PUBLIC, State of Montana  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that James K. Gallagher and John T. Morgan are the persons who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Senior Vice President and Vice President, respectively, of BANK OF AMERICA, N.A., in its capacity as Trustee of the Living Trust of Jocelyn Clise, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated March 30, 2012.

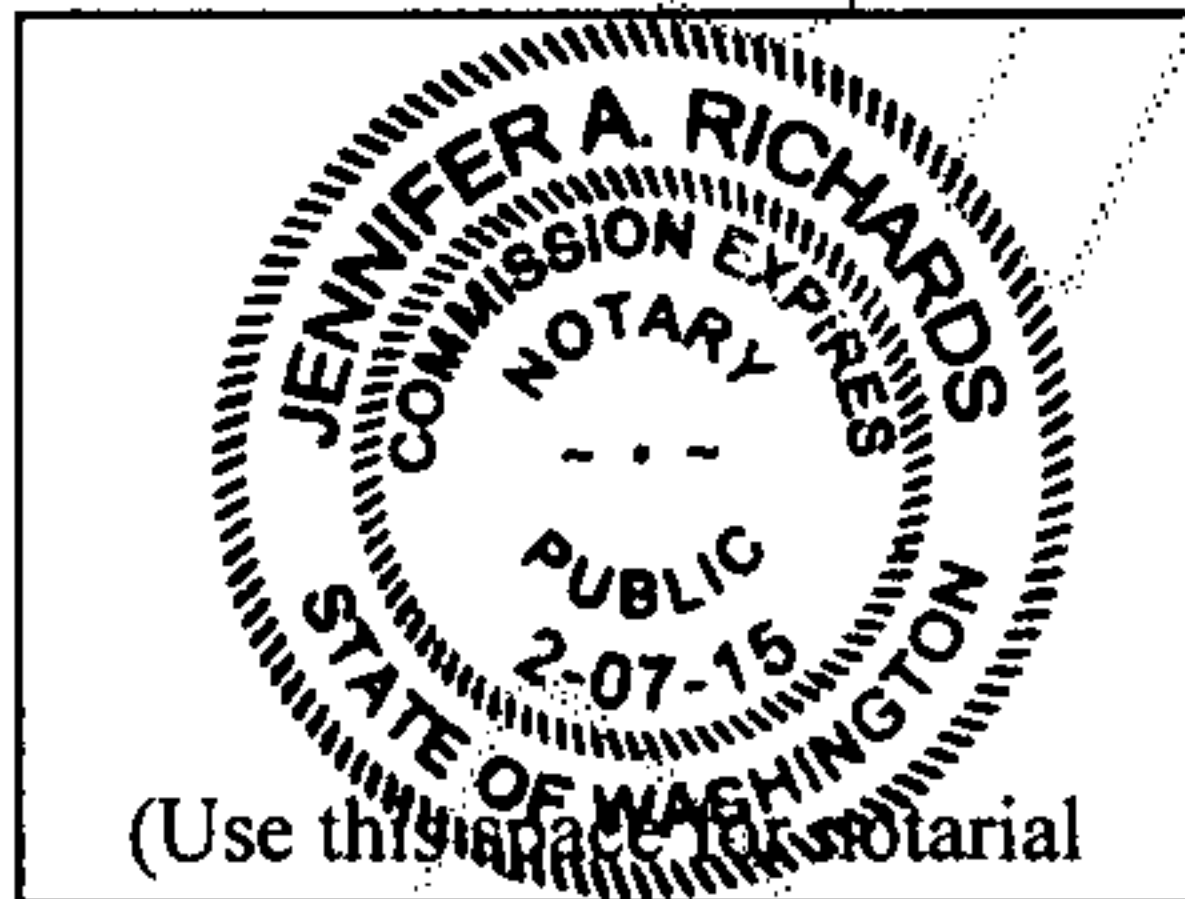


Karen E. Sims  
Name: Karen E. Sims  
NOTARY PUBLIC, State of Washington  
My appointment expires 02-08-2014

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that A. M. CLISE is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chairman and CEO of BEEBE REALTY, INC., a Washington corporation, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 3.30.12

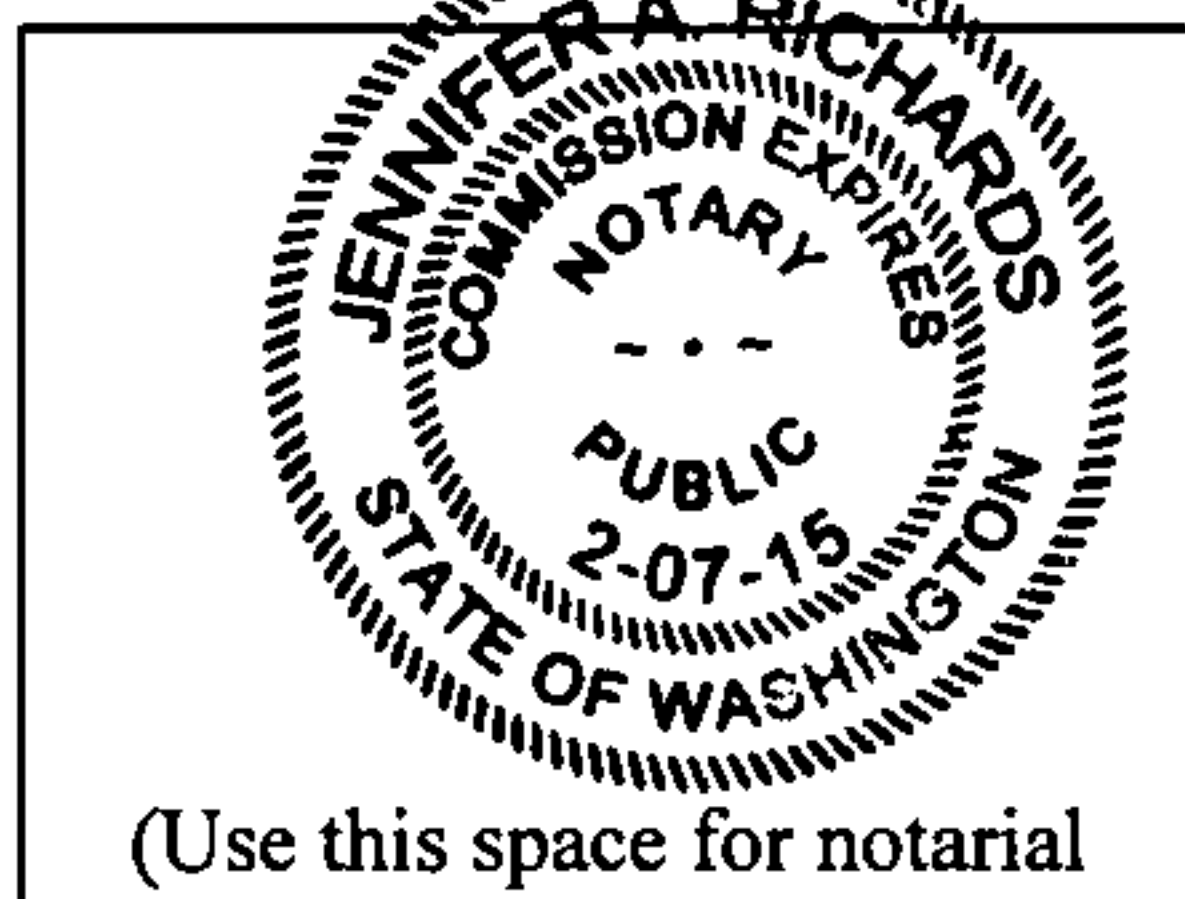


Jennifer A Richards  
Name: JENNIFER A. RICHARDS  
NOTARY PUBLIC, State of Washington  
My appointment expires 2.7.15

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that A. M. Clise is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chairman and CEO of CLISE PROPERTIES, INC., a Washington corporation, acting in its capacity as member of SEVENTH & BATTERY LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 3.30.12

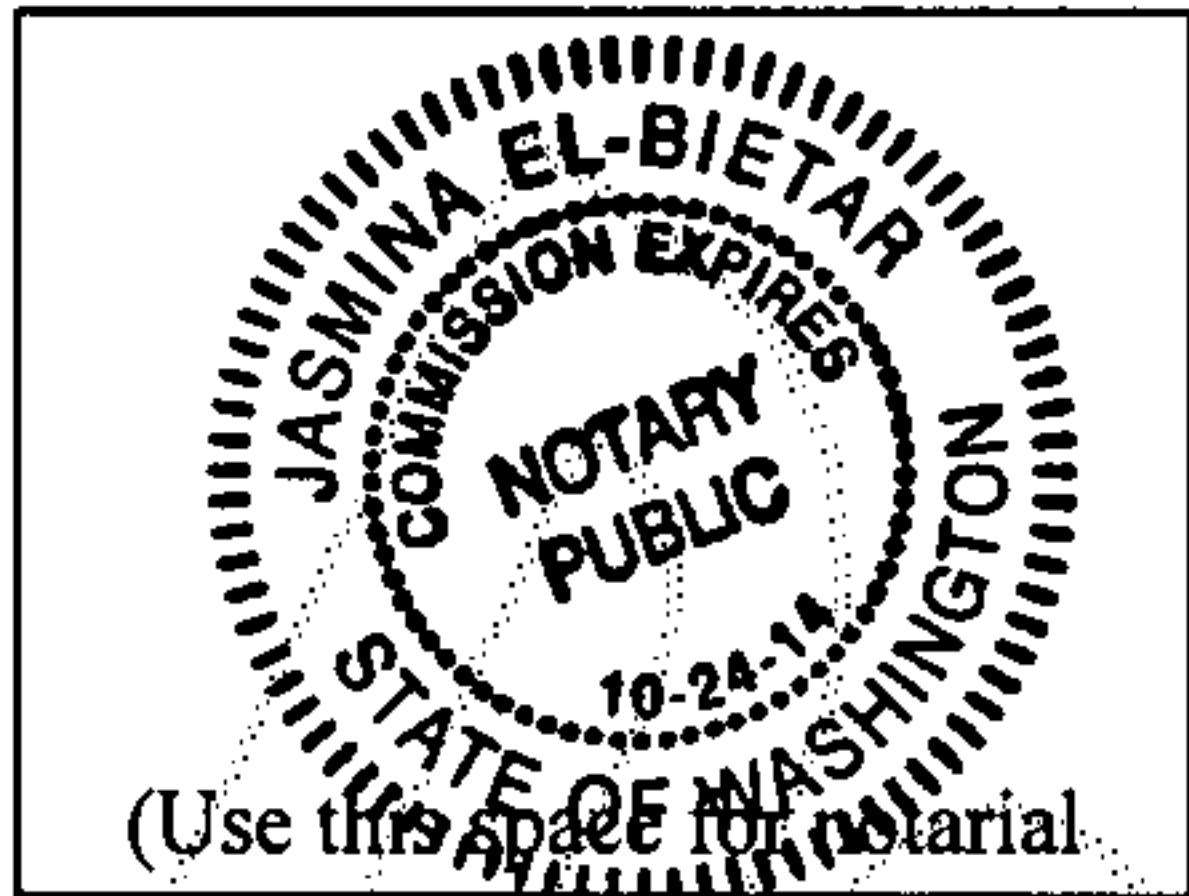


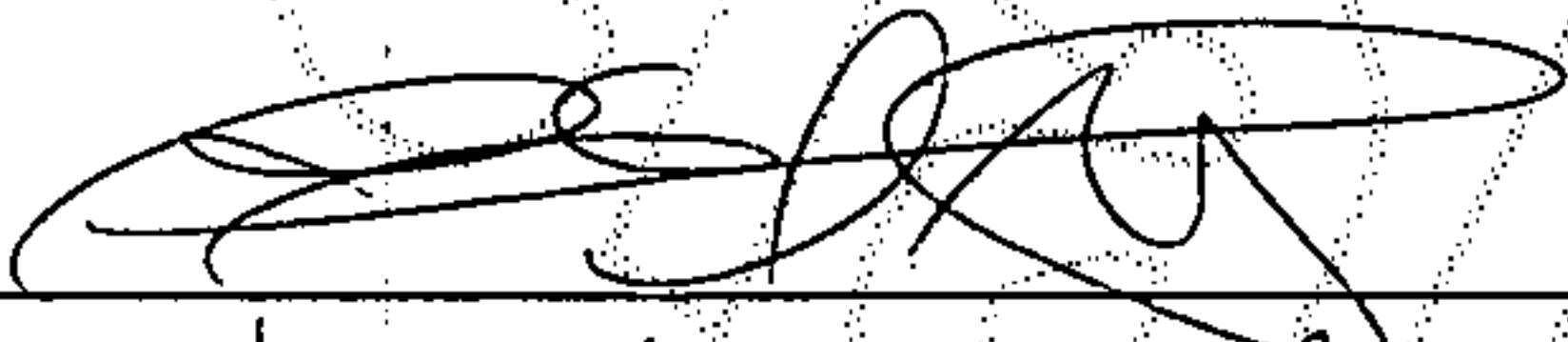
Jennifer A Richards  
Name: JENNIFER A. RICHARDS  
NOTARY PUBLIC, State of Washington  
My appointment expires 2.7.15

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that JOHN SCHOETTLER is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the VICE PRESIDENT of **ACORN DEVELOPMENT LLC**, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated APRIL 20, 2012.



  
Name: JASMINA EL-BIETAR  
NOTARY PUBLIC, State of Washington  
My appointment expires 10-24-2014

## **EXHIBIT A**

### **Legal Description of ROFO Parcels**

#### **Block 18 – East Half**

LOTS 7, 8, 9, 10, 11 AND 12, BLOCK 18, SECOND ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S SECOND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 121, IN KING COUNTY, WASHINGTON;

EXCEPT THE NORTHEASTERLY 12 FEET THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 193437 FOR WIDENING OF 7TH AVENUE, AS PROVIDED BY CITY OF SEATTLE ORDINANCE NUMBER 50890.

#### **Block 21 – Except Lot 3**

LOTS 1, 2, 4, 5, 6, 7, 8, 9, 10, 11 AND 12, BLOCK 21, SECOND ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S SECOND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 121, IN KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 193437 FOR THE WIDENING OF 7TH AVENUE AND 8TH AVENUE, AS PROVIDED BY ORDINANCE NUMBER 50890 OF THE CITY OF SEATTLE.

#### **Block V:**

##### **PARCEL A:**

LOTS 7 AND 8, BLOCK V BELL'S 6<sup>TH</sup> ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE(S) 20, IN KING COUNTY, WASHINGTON;

EXCEPT THE NORTHEASTERLY 12 FEET THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 193437 FOR WIDENING OF 7<sup>TH</sup> AVENUE, AS PROVIDED BY ORDINANCE NUMBER 50890 OF THE CITY OF SEATTLE.



**PARCEL B:**

LOTS 9, 10, 11 AND 12, BLOCK V, BELL'S 6<sup>TH</sup> ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE(S) 20, IN KING COUNTY, WASHINGTON;

EXCEPT THE NORTHEASTERLY 12 FEET THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 193437 FOR WIDENING OF 7<sup>TH</sup> AVENUE, AS PROVIDED BY ORDINANCE NUMBER 50890 OF THE CITY OF SEATTLE.

**Block Z:**

LOTS 1 THROUGH 12, INCLUSIVE, BLOCK Z, BELL'S 6TH ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE(S) 20, IN KING COUNTY WASHINGTON;

EXCEPT THOSE PORTIONS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 193437 FOR STREET PURPOSES, AS PROVIDED BY ORDINANCE NUMBER 50890 OF THE CITY OF SEATTLE