

SETTLEMENT AGREEMENT

This settlement agreement ("Agreement") is made and entered into by and between Sundquist Homes, a Limited Liability Corporation, and Belton Homes, a Limited Liability Corporation (collectively, "Sundquist"), Land Development Consultants, Inc. ("LDC") and the City of Shoreline, a Washington Municipal Corporation ("City").

Sundquist has received from the City a site development permit, Permit No. 124106, to construct a residential project in the City known as Arden View ("Project"). LDC is the Civil Engineering consultant for the Project.

On August 9, 2016, the City issued a Notice of Violation and Order to Correct ("NOV"). The NOV asserted that Sundquist and LDC had engaged in clearing work and tree removal outside of the scope of work authorized by Permit No. 124106. The NOV instructed Sundquist and LDC to correct the violations asserted by the City, and sought the sum of \$452,000 in civil penalties. The City issued a stop work order ("Stop Work Order") with respect to Permit No. 124106 on August 12, 2016.

Sundquist and LDC have contested the allegations set forth in the NOV, asserting Sundquist has complied with the terms and conditions of Permit No. 124106 and applicable City regulations. On August 22, 2016, Sundquist and LDC filed timely appeals, to that effect, of the NOV and Stop Work Order to the City's Hearing Examiner ("Appeals").

Since the time of the filing of the Appeals, in response to the NOV, Sundquist has submitted to the City an application and supporting documentation for an additional site development permit, Permit No. 126385, for the Project site. The City approved this permit on November 22, 2016. Upon City approval of Permit No. 126385, the City lifted the Stop Work Order.

Following the lifting of the Stop Work Order, the parties have engaged in discussions to resolve the Appeals. The parties have determined that by resolving the disputed issues through this Agreement, the parties will each derive substantial benefits from forgoing the costs and uncertainty of litigation.

Accordingly, the parties agree as follows:

- 1. Resolution of NOV Penalties.** In full satisfaction of all claims of the City relating to the NOV, Sundquist will pay the City the sum of \$200,000.00. Sundquist will pay this sum to the City within twenty (20) calendar days of the date of execution of this Agreement by all parties.
- 2. Dismissal of Appeal.** Within five (5) calendar days of the date of execution of this Agreement by all parties, Sundquist and LDC will move to dismiss the Appeals with prejudice.
- 3. Release, Discharge, and Warranty.** In consideration of the covenants contained herein, the City hereby releases and forever discharges Sundquist and LDC, and Sundquist and LDC hereby release and forever discharge the City, from any and all past, present, or future

claims, demands, obligations, actions, causes of action, claims, rights, damages, costs, attorneys' fees, consultants' fees, experts' fees, losses of services, expenses and compensation of any nature whatsoever, which they may have as of the date of this Agreement associated with the violations set forth in the NOV in relationship to Permit No. 124106. The City further represents and warrants that it is currently unaware of any facts, claims or assertions that Sundquist or LDC have engaged in any work relating to Permit No. 124106 outside the scope of the work permitted by Permit No. 124106. However, nothing in this Settlement Agreement is intended or shall be construed to limit the exercise by the City of its regulatory powers in accordance with applicable law. Nor, shall this Agreement be construed so as to grant a waiver of any applicable law.

4. Denial of Liability. The parties acknowledge and agree that this Agreement is a compromise of disputed claims, and the covenants contained herein are not to be construed as an admission of liability on the part of Sundquist or Belton or LDC, by whom liability is expressly denied, or on the part of the City, by whom liability is expressly denied. No concession or release made by either party in this Agreement shall be construed or asserted as an admission of liability, wrongdoing, or fault by any party.

5. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any action arising out of or relating to this Agreement shall lie in King County Superior Court.

6. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the Parties, their respective successors, transferees and assigns.


7. Authority to Execute. Each person executing this Agreement on behalf of another person, corporation, partnership, company, or other organization or entity, represents and warrants that he or she is fully authorized to execute and deliver this Agreement on behalf of the entity or Party for which he or she is signing. The Parties hereby warrant to each other that each has full power and authority to enter into this Agreement and to undertake the actions contemplated herein, and that this Agreement is enforceable in accordance with its terms.

8. Entire Agreement. This Agreement contains the entire understanding between the Parties with respect to the subject matter hereof. No amendment or modification to this Agreement shall be valid or effective unless made in writing and executed by the Parties after the effective date of this Agreement.

9. Counterpart Originals. This Agreement may be executed in any number of counterpart originals, each of which shall be deemed to constitute an original agreement, and all of which shall constitute one agreement. The execution of one counterpart by a Party shall have the same force and effect as if that Party had signed all other counterparts.


Dated this __ day of December, 2016.

SUNDQUIST HOMES, LLC

By: 
Its: _____

Dated this 19 day of December, 2016.

BELTON HOMES, LLC

By: 
Its: _____

Larry J. Sundquist,
President, Dilar Management, LLC
Manager, Belton Homes, LLC

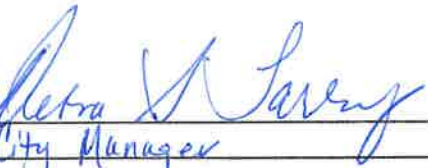
Dated this 19 day of December, 2016.

LAND DEVELOPMENT CONSULTANTS, INC.

By: 
Its: Mark Villwock LDC Inc V.P.

Dated this 19 day of December, 2016.

CITY OF SHORELINE

By: 
Its: City Manager