



200709070108

Skagit County Auditor

9/7/2007 Page

1 of

5 2:13PM

September 7, 2007

TO WHOM IT MAY CONCERN:

**NOTICE OF FINANCIAL INTEREST AS PER ATTACHED DOCUMENT TITLED
*BOHACEK (COMPANY) / SANDER - UNDERSTANDING OF BUSINESS
RELATIONSHIP* - DATED APRIL 5TH, 2007**

RECORDED BY: SCOTT W. SANDER

P117983

COMPENSATION TO THE PARTIES:

5/34/4

(see attached for legal)

- A. I, Scott W. Sander, despite hardship, have verbally agreed to defer, but accrue, all fees owed relating to paragraph 1, under Compensation to the Parties, until the formal Start Up / Formation of "The Company" or until closing of the Property commonly known as the "Pier One Property" referenced on page 2 of this recorded agreement between the parties, whichever occurs first.

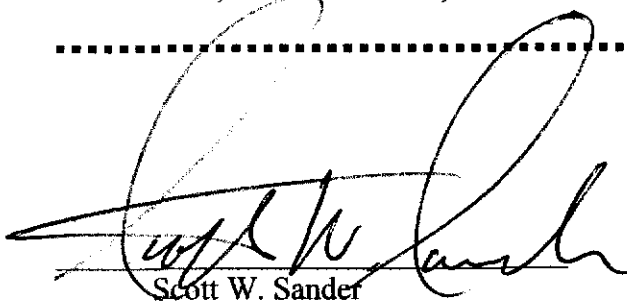
AS PER PARAGRAPH 1 - TOTAL DUE TO SANDER AT CLOSING OR
ASSIGNMENT BY BOHACEK OF THE PIER ONE PROPERTY, OR UPON
FORMATION OF THE COMPANY, AS OF SEPTEMBER 5, 2007 = (\$20,000.00)

- B. As per paragraph 5 of said agreement Sander shall be paid a fee at closing upon financing of the transaction (ie: Pier One Site / Skagit Farmers Site) or any other, in the amount equivalent to the formula described in said paragraph.

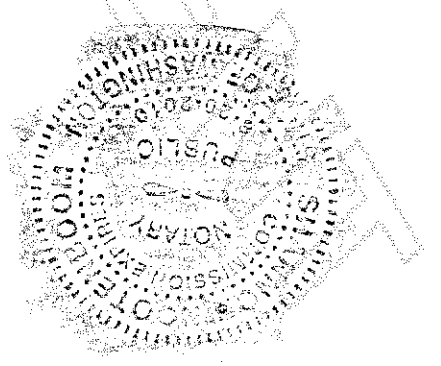
AS PER PARAGRAPH 5 - TOTAL DUE TO SANDER AT CLOSING OF PIER ONE
SITE = (\$38,750.00)

ANY AND ALL MONIES DUE SANDER SHALL BE PAID TO SANDER THROUGH
ESCROW - CURRENT ESCROW OPEN VIA FIRST AMERICAN TITLE
COMPANY, BURLINGTON, WA. - ESCROW # B90540

.....


Scott W. Sander

9-7-07
Date



STATE OF WASHINGTON

COUNTY OF

Skagit

I certify that I know or have satisfactory evidence that

Scott Sander

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 mentioned in the instrument.

DATED:

9/7/07

Shaunna Hesterboom

Notary Public

My appointment expires

08/20/2010



200709070108

Skagit County Auditor

9/7/2007 Page

2 of

5 2:13PM

Bohacek (Company) / Sander – Understanding of Business Relationship

Date: 4-5-2007

Goals and Objectives:

- Start up a new company to develop, market and manage single family and multi-family Active Adult Housing Communities in the Pacific Northwest.

Duties of the Parties:

- Research and acquire properties suited for the development of Active Adult Housing Communities.
1. Conduct Market and Financial Feasibility Studies pertaining to the development of properties under control by the company.
 2. Create relationships with Architects, Engineers and Market Analysis personnel to assist the company in performing feasibility, design, construction, and marketing duties.
 3. Create relationships with capital investors and lenders who will assist the company in obtaining its goals.
 4. Make a total commitment to achieve the Goals of the company.

Compensation to the Parties:

1. Sander shall be paid a Base Salary of \$3,000.00 per month to perform his core duties. Upon preliminary plat approval for the Burlington Active Adult Site, Sander's salary will be immediately increased to \$4,000 per month. It is the intention of the company to increase Sander's salary as the company becomes more profitable.
2. Sander shall receive health insurance coverage and will be able to add eligible family members at an additional cost. Note: It is possible that COBRA payments will need to be made by the company before any new health insurance can be put in place.
3. It is understood that the company shall have the first option of assignments to any property Sander's has under contract.
4. It is also understood that if the company decides not to be involved in a project, Sander's will have the ability to assign properties to other parties.
5. Sander's Assignments to the company shall be paid 50% upon completion of financing for the project, with the remainder of the fee being paid upon completion of the project. Sander's shall be paid a fee of 7% of the purchase price of the properties for the first \$1,000,000 with the remainder of the fee to be paid at 3%. Example: A property is acquired at \$3,000,000, the fee would be \$130,000 paid to Sander $(\$1,000,000 \times .07) + (\$2,000,000 \times .03)$. If the company acquires properties which have significant value of structures (i.e. an apartment building), the fee structure will be at 3% of the total purchase price of the



200709070108
Skagit County Auditor

property. In the event the company loses money on a property, Sander's shall waive his fee entirely. It is further understood that due to the complexity of different transactions, fee structures may be altered by negotiation between Sander's and the company.

6. Sander shall have the option of investing all or part of any fees to be paid into the project created by the transaction based on a formula of participation to be created by the parties.
7. Sander shall be paid 50% of any fees paid to Bohacek if Sander is responsible for creating a co-brokerage situation involving Bohacek in commissions.
8. Sander shall be entitled to Company Bonuses based on future profits of the Company.

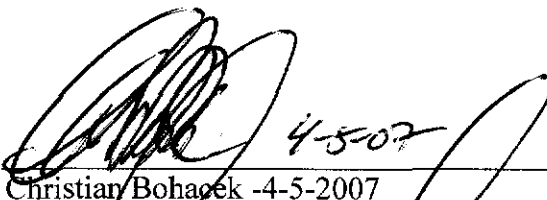
Assignments are as follows:

1. Burlington WA. # 1- (Commonly Known as the Pier One Site) Senior Housing Project (106 proposed units) -
2. Burlington WA. # 2- (Commonly Known as Skagit Farmers property located south of Burlington #1 off of Pump Drive.
3. Anacortes WA. (8th Ave.) - Mixed Use Project (Retail & Multi-Family) Currently Under Negotiation by Sander.
4. Stanwood WA. - (284th Street) - (Commonly known as the Florence Property) - Proposed 15 to 30 unit 55 and over Housing Development.
5. Stanwood WA. - (284th Street) - (Commonly known as DR Horton Strip)

It is understood that if Bohacek (Company) assigns or unexpectedly dies or becomes incapacitated, Sander's compensation shall remain as discussed above.

Any fees, monies, or monetary values due to Sander shall become the property Elizabeth R. Charnas.

By signing this document, both parties agree that this document supersedes all other communication and/or agreements made between them.


Christian Bohacek -4-5-2007


Scott Sander-4-5-2007



200709070108

Skagit County Auditor

Schedule "C"
Legal description

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Lot 4 of City of Burlington Revised Binding Site Plan No. BURL-BSP-2-00 approved October 3, 2001 and recorded October 3, 2001 as Auditor's File No. 200110030143 being a portion of the Northwest 1/4 of the Southwest 1/4 of Section 5, Township 34 North, Range 4 East, W.M., TOGETHER WITH non-exclusive parking access and utility easements delineated on said plan as appurtenant thereto.



200709070108

Skagit County Auditor

9/7/2007 Page 5 of 5 2:13PM