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DSD Interests LLC
14689 Rosario Road
Anacortes, WA 98221

Recording Cover Page

<p>Document Title(s) (for transactions contained therein):</p> <p>Development Agreement</p>
<p>Reference Number(s) of Documents assigned or released: (on page __ of documents(s))</p> <p>M-22504 - ACCOMODATION RECORDING ONLY</p>
<p>Grantor(s)</p> <p>Elwood Holdings LC</p>
<p>Additional Names on page __ of document.</p>
<p>Grantee(s)</p> <p>DSD Interests LLC, a Washington Limited Liability Company</p>
<p>Additional Names on page __ of document.</p>
<p>Legal Description (abbreviated i.e. lot, block, plat or section, township, range)</p> <p>Ptn Gov Lot 2 & Ptn NE SW, 18-34-2 E W.M. TGW Ptn Blk 68, Fidalgo City</p>
<p>Additional legal is on page __ of document.</p>
<p>Assessor's Property Tax Parcel/Account Number</p> <p>340218-3-001-0001/P20487 & 4101-068-007-0000/P73076 & 4101-068-014-0001/P73078 & 340218-0-003-0005/P20466</p>
<p>The Auditor/Recorder will rely on information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.</p>

Development Agreement

This Development Agreement (this Agreement) is made effective as on June 18, 2022

Between: Elwood Holdings, LC.
A Utah Corporation
2223 West Cougar Blvd., Provo, UT. 84604

And: DSD Interests, LLC
A Washington Corporation
14689 Rosario Road, Anacortes, WA. 98221

This Agreement is an Amendment to all other Real Estate Agreements between both parties for the purchasing of the property as described below.

Whereas, Elwood Holdings, LC ("EH LC") and DSD Interests, LLC ("DSD LLC") enter into an Agreement to accept the terms and conditions for the entitlement, development and management responsibilities for the following property located the County of Skagit, Washington as follows :

Property Address: 6268 Hwy 20, Fidalgo Island, Skagit County, WA.

The property consists of several parcels, two small sub-standard parcel P73078 (.63 AC) and P73076 (1.67 AC) which will be combined into one parcel, and two larger parcels, P20468 (4.95 AC) and P20487 (10 AC).

Zoning: This portion of Fidalgo Island is zone Rural Intermediate (RI) which allows residences and subdivisions with land use of 2.5 AC per property.

The existing property has a concrete drive off Hwy 20 through Parcel P73038 leading to Parcel P20487 that consist of an open orchard, a metal workshop building and its own existing water well serving the workshop building.

Whereby "EH LC" express interest to only obtain approx. 2.5 AC site (herein identified as LOT 2) where an existing orchard, water well and metal workshop building is located. A lot line amendment will need to be acquired for a registered "Lot Certification" with a Tax ID number for Lot 2.

"EH LC" agrees to the final approved site area for Lot 2 based on DSD LLC" subdividing Parcels P20468 and P20487 to obtain 5 buildable lot size for the entitlement of the parcel. The total area for Lot 2 shall not exceed 2.5 AC.

Terms and Conditions:

Here within are the following terms and conditions between "EH LC" and "DSD LLC" :

1. Lot Certification: (Tax ID No)

- a. "DSD LLC" shall be responsible for the entitlement of all parcels of the property. "EH LC" shall provide support for requirements for entitlement on Lot 2.
- b. "DSD LLC" shall create a certified Lot Certification for "EH LC" for the approx. 2.5 AC site (Lot 2). This shall be completed within 10 months
- c. "DSD LLC" shall be responsible for the recording of the Lot Certification with the Department of Records, Skagit County, WA.
- d. "EH LC" agree to paid for the cost for the lot certification with the county. This will create a Tax ID no for the parcel.
- e. No parcel call be sold until Lot 2 receive Tax ID no and Lot certification.

2. Access Easement:

- a. "DSD" shall provide an easement agreement across Parcel P703078 to "EH LC" site (Lot 2) from Hwy 20. "EH LC" agrees to pay the prorata share of the road access easement from HWY 20 to Lot 2.
- b. "DSD LLC" shall maintain continuous access for Hwy 20 to Lot 2 during construction and development of all parcels in the development.
- c. "EH LC" shall provide and easement to "DSD LLC" through Lot 2 to the other proposed 5 site on the two larger parcels. "DSD" shall responsible for all design, engineering and construction cost for the access across Lot 2 including but not limited to landscaping, road construction, lighting, and utilities to the other parcels.

3. Utility Easement:

- a. "EH LC" agrees to pay prorata share of cost for new easement and associate utilities from Hwy 20 to Lot 2 's P.O.C for utilities.
- b. "DSD LLC" shall be solely responsible for all utilities easement, engineering and cost of construction to bring utilities across Lot 2 to the balance 5 parcel sites.
- c. "EH LC" agrees to pay for prorata share of Fire Hydrant locate on Lot 1 and 2 that support the future development of Lot 2. Cost of any additional fire hydrant to Lots 3-6 shall be "DSD LLC" sole responsible.

4. **Septic:** Each site to have its own septic fields.
 - a. "EH LC" agrees to pay cost for site engineering on Lot 2.
 - b. "EH LC" shall be responsible for all Geotech testing, percolation test and design/ construction of septic fields only on Lot 2.
 - c. "DSD LLC" shall be solely responsible for all engineering and percolation test for all other parcel sites. (Parcel site 1, 3,4,5,6).
5. **Existing Well:** The existing water well to be part of "EH LC" parcel (Lot 2) since it serves the existing structure on site. "EH LC" will be responsible for all required testing of the well water for compliance with Department of Health and Planning Department.
6. **Main Gate:**
 - a. "EH LC" agrees to pay prorata share for the design and construction of the gate on-site. The location of gate to be on parcel P73078.
 - b. Approval of the design of the gate shall be by both parties.
7. **Second gate:** "EH LC" shall an option to have separate access and gate from Lot 6 to Lot 2 on NE location only if the subdivision has (4) four or greater number of parcels. "EH LC" shall enter into a separate agreement with the Owner of Lot 6 for the location and easement for the second access to Lot 2. All easement and recording cost as required by Skagit County shall be by "EL LC". "EH LC" shall be responsible party for all cost of this gate, road construction, and all future maintenance of the access drive for this easement.
8. **Storm Water:**
 - a. "EH LC" shall pay prorata share of Storm Water mitigation that effects Lot 2.
 - b. Maintenance of storm water retention area for the site: "EH LC shall pay prorata share for all testing and maintenance of storm water retention area that effects Lot 2. A shared storm water management plan may be option. "EH LC" shall pay prorata share for Lot 2 cost.
 - c. "EH LC" shall not be responsible for all cost for storm water on subdivision sites 3-6 that does not affect Lot 2.
9. **Subdivision Home Owners Association:**
 - a. "EH LC" site, Lot 2 shall not be part of the Home Owners Association. "EH LC" agrees only to pay for prorata share of gate, security system at gate, and associated landscape to the gate from HWY 20.
10. **Tree harvesting:** "DSD LLC" shall be fully responsible for all tree harvesting for access to all site. All revenues from tree harvesting shall be to "DSD LLC".

11. **Parcel 6:** "DSD LLC" shall provide "EH LC" the "first right of refusals" to purchase Parcel site 6 .
12. **Utility disruption:** "DSD LLC" shall mitigate utility disruption to Lot 2 during construction of subdivision site. "DSD LLC" shall notify "EH LC" two weeks in advance of all utility down-times during construction. "DSD LLC" shall contact "Dig Alert" prior to all excavation that will disrupt existing service to Lot 2 for all undergrounds.
13. **POC Connection Fees:**
- a. "DSD LLC" shall be responsible for all utility POC connection fees related to subdivision.
 - b. "EH LC" will pay prorata share for utilities coming from Hwy 20 to Lot 2.
14. **Construction Notification:** "DSD LLC" shall notify "EH LC" of construction schedule for subdivision prior to construction.
15. No parcels can be sold until written notification to other parties is provided

Amendments:

No Amendments, waivers, or discharge of any provision of this agreement shall be effective against either party without the written consent of both parties, "EH LC" and "DSD LLC".

Assignment:

Obligations under this agreement may not be assigned or transferred to any other person, firm, or corporation without the prior written consent of each party

Indemnification

Each party agrees to indemnify and hold harmless from all claims, loses, expenses, fees including attorney's fee, cost and judgements that may be asserted against each party that results from the acts, or omissions of either party in the agreement performances herewith in stated.

"DSD LLC" shall indemnify Lot 2 of all liens or encumbrances that occur due to the development of all parcels.

"EH LC" shall indemnify "DSD LLC" of all liens or encumbrances that occur due to the development of Lot 1 and the subdivision lots.

Insurance

Each party shall be responsible for their own property insurance that covers all construction, theft, liabilities and injuries that may occur on each individual property. Coverage shall include fire, property damage, injuries to persons, employees or agents.

Applicable laws:


This Agreement shall be governed by the laws if the State of Washington.

Signatures:

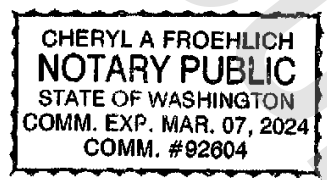
Now therefore in consideration of the mutual covenants and agreement set forth herein, agreement as stated. This Agreement shall be signed by Tom Felt on behalf of Elwood Holding LC, and Devin Zwick on behalf of DSD Interests LLC.




Tom Felt, Elwood Holdings LC Date June 22 2022



Devin Zwick, DSD Interests LLC Date June 22, 2022



Notarized:


6-22-22