APPENDIX L

The Use of "Dynasty" Trusts

The Use of "Dynasty" Trusts

Early in the study, the forest advisory committee identified the negative impact of estate taxes on the ability of small land owners to pass their forest lands from one generation to the next. It has been pointed out that some families have found it necessary to harvest lands prematurely or convert the land to other uses in order to pay these taxes.

It may be possible to address this problem in many cases through a mechanism known as a Dynasty Trust. Through this mechanism, families can pass a substantial portion of the value of their assets to their heirs without taxes. The Dynasty Trust allows an individual to place up to $600,000 in assets in the trust without taxes.(A married couple could place up to $1.2 million). In addition, each individual may place up to $10,000 more in the trust for each heir every year. The trust is then held for the next generation.

When the trust passes to the heirs they must manage it as a separate asset. They may withdraw interest earnings or use all or a portion of the principal, paying income taxes as they would on any other income.

The potential of a Dynasty Trust can be illustrated through example. Let us say a married couple owns a forested parcel that they had been hoping to pass on to their five children, and that the value of the parcel, including the timber, is $2 million dollars. Upon establishing the trust, the couple could each place $600,000 worth of property and timber in the trust, together with $10,000 per child per parent. Therefore, the maximum amount they could contribute in year one would be $1.3 million. However they could continue to place $10,000 per heir per parent in the trust each year, so that by the eighth year the full value of the asset would have been placed in the trust and protected from the estate tax.

There are, of course, limitations on this mechanism that may render it inappropriate in certain cases. For example, the couple described above may not draw income from the portion of the resources they have placed in trust, and the total amounts that can be placed in these trusts without tax consequences are limited to the formula described above. Nevertheless, it would appear that the Dynasty Trust holds promise as a method foresters (and potentially farmers) can use to pass their lands to the next generation.

It may also be possible to use Conservation Easements in combination with a Dynasty Trust to allow families to place a larger share of their resources in trust. This possibility will require further investigation.

The County could assist foresters and farmers in using the Dynasty Trust provisions of federal law by developing a clear, concise description of the concept and making it available through the "friends of the farmer and forester" and other County staff. The County could also publish the description in the recommended "Farm and Forest Newsletter".

APPENDIX L

Next Steps:

1. Develop concise description of the concept.
2. Secure legal review
3. Make the description available to County staff who encounter rural forest landowners who may be at risk.

APPENDIX M

October 13, 1995 Memorandum Re: King County Farm and Forestry Project Preliminary Conceptual Plan

M E M O R A N D U M

To: Gene Duvernoy

From: Bruce C. Allen, MAI, CRE

Date: October 13, 1995

RE: **KING COUNTY FARM & FORESTRY PROJECT - PRELIMINARY CONCEPTUAL PLAN**

At your request, I have completed an analysis considering the practicality, possibility, and financial capability of clustering density in return for giving up the right to develop lands.

The examples developed assume 40-acre or 80-acre rural parcels in east King County. The concept allows for clustering density but *retaining* RA-5 development standards. Each example was developed using subdivision and cost analyses provided by *Subdivision Management*.

The examples include the following models:

A: 40-acre parcel, RA-5 zoning, showing prototype development today: eight 5-acre lots on 40 acres.

A-1: 40-acre parcel with 20 acres developed and 20 acres placed in forestry conservation.

A-2: 40-acre parcel with 10 acres developed and 30 acres placed in forestry conservation; a density bonus of 25% is allowed.

B: 80-acre parcel, RA-10 zoning, showing prototype development today: eight lots, 10 acres each, on 80 acres.

B-1: 80-acre parcel with 40 acres developed and 40 acres placed in forestry conservation.

B-2: 80-acre parcel with 20 acres developed and 60 acres placed in forestry conservation; a density bonus of 25% is allowed.

APPENDIX M

Special Assumptions

1. Sites are basically level and fully developable.
2. Sites have direct access to a County road.
3. Sites have private or public water available.

Conclusions

		Market Value		
Land Area	Zoning	No Cluster Or Bonus	50% Cluster	75% Cluster 25% Bonus
40 acres	RA-5	$493,296	$463,214	$489,510
80 acres	RA-10	$600,000	$533,296	$605,020

Although values are lower under the clustering provision, the advantages of developing smaller lots is the anticipated faster absorption of lots plus the ability to retain timber on site.* Combined, they should create sufficient incentive to attract land owners. A variation in assumptions -- such as irregularly shaped sites, slopes, and view amenities -- would typically favor the clustering provision. The application has merit but would require parcel-by-parcel analysis.

Transfer of Density

Developing a model for transfer of density is extremely difficult without having a specific (actual) property example. Using the analysis above, allowing a 25% bonus, a value per transferred unit would range at $30,000 to $50,000. This is too high, in my opinion, to be readily marketable. The TDRs, however, would come into play where parcels were difficult to develop due to access, slopes, and absence of infrastructure. They would also have additional value is they were transferred to sites with a natural amenity such as view or water proximity.

Targeted transfer properties would be those parcels which were readily developable with access, moderate slopes, and amenities, or possibly those parcels adjacent to 4:1 parcels (Gene's example). We proposed developing a criteria for rating parcels and, therefore, for applying physical and market values to TDR candidates.

*Merchantable timber value not estimated

Valuation Summary

Land Area (ac)	Zoning	Market Value		
		No Bonus	50% Reserve	75% Reserve
40	RA-5	$493,296	$463,264	$489,510
80	RA-10	$600,000	$533,296	$605,020

Summary
King County Farm & Forest Project

Union Hill Land Values

Zoning	Value Range
RA-10	$175,000 - $185,000
RA-5	$125,000 - $135,000
3.33 ac.	$100,000
1.67 ac.	$85,000
1.25 ac.	$85,000
.67 ac.	$65,000 - $70,000

Values

RA-10, 80 acres	$6,500/acre -	$520,000
RA-5, 40 acres	$11,000/acre -	$440,000

RA-5 Scenario - No Bonus

Number of Lots:	8		
Lot Size (ac.):	5.00		
Retail Value:	$125,000		
Development Cost:	$32,088		
Sellout			$1,000,000
Less Costs:			
Development Costs		$256,704	
Management @ 10%		100,000	
Profit @ 15%		150,000	
Total Costs			(506,704)
Net to Land			$493,296

RA-5 Scenario A - 40 acres

RA-5, with 50% Reserve		
20 acres of timber		
Number of Lots:	8	
Lot Size (ac.):	2.50	
(average for 8 lots on 20 acres)*		
Retail Value:	$100,000	
Development Cost:	$19,592	
Sellout		$800,000
Less Costs:		
Development Costs	$156,736	
Management @ 10%	80,000	
Profit @ 15%	120,000	
Total Costs		(356,736)
Net to Land		$443,264
Add Timber (20 acres)		20,000
Value Cluster		$463,264

RA-5 Scenario B - 40 acres

RA-5, with 75% Reserve		
30 acres of timber		
Number of Lots:	10	
Lot Size (ac.):	1.00	
(average for 10 lots on 10 acres)		
Retail Value:	$85,000	
Development Cost:	$17,799	
Sellout		$850,000
Less Costs:		
Development Costs	$177,990	
Management @ 10%	85,000	
Profit @ 15%	127,500	
Total Costs		(390,490)
Net to Land		$459,510
Add Timber (30 acres)		30,000
Value Cluster		$489,510

RA-10 Scenario - No Bonus

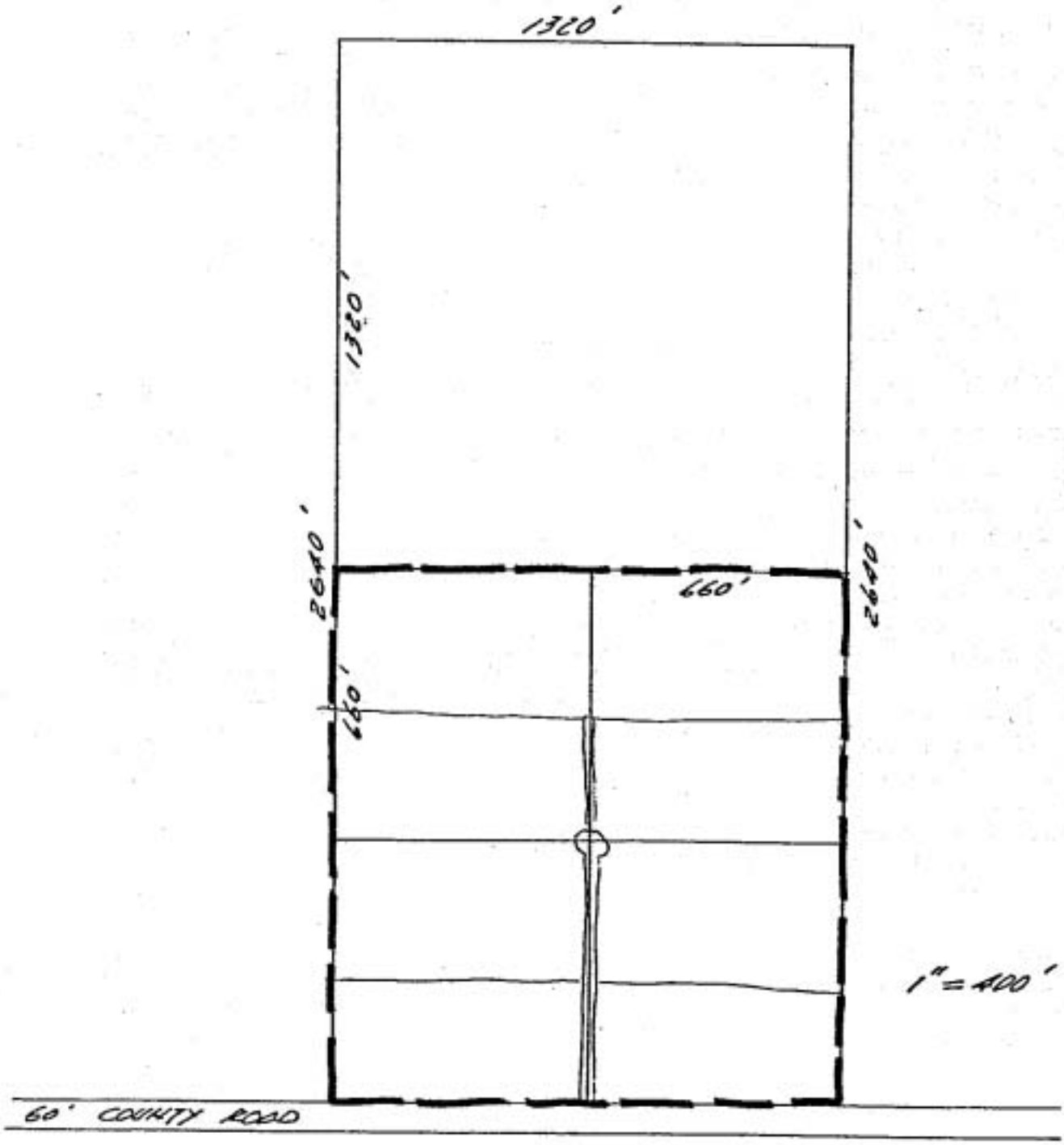
RA-10, 80 acres, no bonus			
Number of Lots:	8		
Lot Size (ac.):	5.00		
Retail Value:	$175,000		
Development Cost:	$56,251		
Sellout			$1,400,000
Less Costs:			
Development Costs		$450,008	
Management @ 10%		140,000	
Profit @ 15%		210,000	
Total Costs			(800,008)
Net to Land			$599,992
		ROUNDED	$600,000

RA-10 Scenario A - 40 acres

RA-10, with 50% Reserve			
40 acres of timber			
Number of Lots:	8		
Lot Size (ac.):	5.00		
(average for 8 lots on 40 acres)			
Retail Value:	$125,000		
Development Cost:	$32,088		
Sellout			$1,000,000
Less Costs:			
Development Costs		$256,704	
Management @ 10%		100,000	
Profit @ 15%		150,000	
Total Costs			(506,704)
Net to Land			$493,296
Add Timber (40 acres)			40,000
Value Cluster			$533,296

RA-10 Scenario B - 40 acres

RA-10, with 75% Reserve + 25% Bonus		
60 acres of timber		
Number of Lots:	10	
Lot Size (ac.):	2.00	
(average for 10 lots on 20 acres)		
Retail Value:	$100,000	
Development Cost:	$20,498	
Sellout		$1,000,000
Less Costs:		
Development Costs	$204,980	
Management @ 10%	100,000	
Profit @ 15%	150,000	
Total Costs		(454,980)
Net to Land		$545,020
Add Timber (60 acres)		60,000
Value Cluster		$605,020



KING COUNTY FARM & FOREST PROJECT

CONCEPTUAL PLAN: PROTOTYPE RA5 – NO BONUS

ZONING	: RA 5	
GROSS AREA	: 40 AC.	
NET DEVELOPED	: 40 AC.	(0% RESERVE)
NO. OF UNITS	: 8	(0% BONUS)
ROAD	: 660 L.F.	(PRIVATE)
ACCESS TRACT	= 330 L.F.	

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE- FARM AND FOREST PROJECT

PROTOTYPE: RA-5 w/o BONUS 29-Sep-95

Subdivision Management,Inc.
16031-119th Pl. N.E.
Bothell,WA. 98011 (206) 362-1052 488-1111 FAX 488-2162

Professional Management of Land Planning & Development

PROJECT NAME: FARM AND FOREST PROJECT			
CLIENT: KING COUNTY		ZONING:	RA-5
NO. OF LOTS/UNITS:	8	LOT SIZE:	5.00 Acres
ACREAGE (Gross):	40.00	Prepared by:	dl
ACREAGE (Developed):	40.00 100.00%	Checked by:	ba

TOTAL DEVELOPMENT COST:	$256,702	PER LOT:	$32,088

ITEM	REMARKS		TOTAL COST
Sewer Area Assessment	SEPTIC		$0
Sewer Unit Assessment	SEPTIC		$0
Water Area Assessment	UNION HILL WA		$32,000
Water Unit Assessment	UNION HILL WA		$0
Drainage Assesment			$0
School & Traffic Mitigations	(See Notes 3 & 4)		$12,088
ASSESSMENT	$5,511 /UNIT	SUBTOTAL	$44,088

Clearing-R/W & Esmt.			$11,692
-Bldg. Sites & Other			$10,713
Rough Grading-R/W & Esmt.			$9,041
-Other			$0
Roads-Fine Grading & Paving	(Gravel surface)		$29,681
-4" ATB (Alt. to cr.rk. not in total)		$41,646	
-Extras			$0
-Off-Site			$0
Curbs			$0
Sidewalks or Walkways			$8,520
Storm Sewers			$3,774
Detention			$35,897
Off-Site			$0
Interim Drainage			$15,000
Sewers System			$0
Off-Site			$0
Water System			$22,537
Service			$2,294
Off-Site			$0
N.G.P.E. Fence			$0
Power	(See Note 5)		$15,533
Street Lights			$2,000
Telephone			$4,460
Misc.			$3,571
CONSTRUCTION	$21,839 /UNIT	SUBTOTAL	$174,713

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE- FARM AND FOREST PROJECT

PROTOTYPE: RA-5 w/o BONUS 29-Sep-95

Subdivision Management, Inc.
16031-119th Pl. N.E.
Bothell, WA. 98011 (206) 362-1052 488-1111 FAX 488-2162

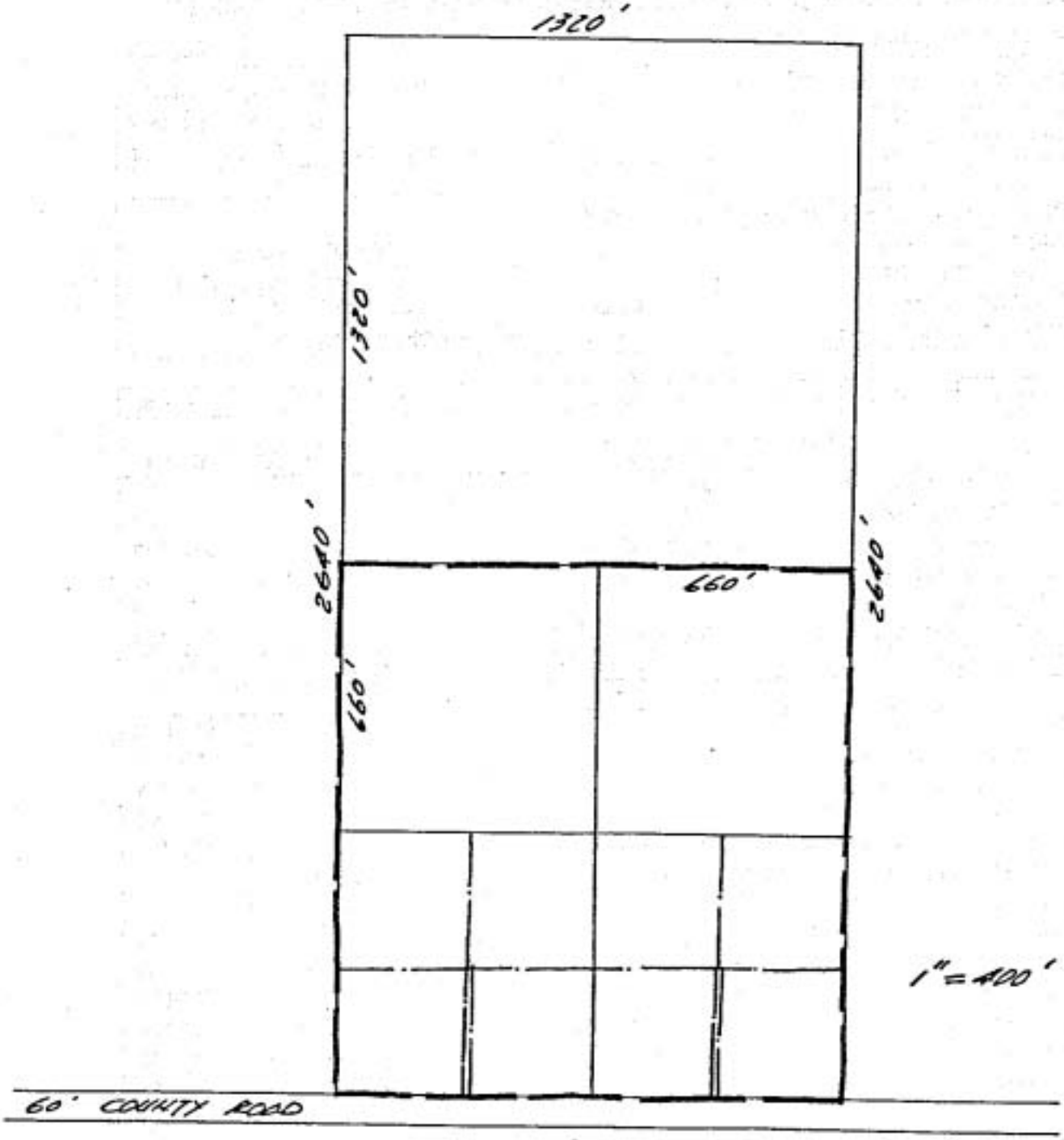
Professional Management of Land Planning & Development

PROJECT NAME: FARM AND FOREST PROJECT			
CLIENT: KING COUNTY		ZONING:	RA-5
NO. OF LOTS/UNITS:	8	LOT SIZE:	5.00 Acres
ACREAGE (Gross):	40.00	Prepared by:	dl
ACREAGE (Developed):	40.00 100.00%	Checked by:	ba

TOTAL DEVELOPMENT COST:	$256,702	PER LOT:	$32,088

ITEM	REMARKS		TOTAL COST
Sewer Area Assessment	SEPTIC		$0
Sewer Unit Assessment	SEPTIC		$0
Water Area Assessment	UNION HILL WA		$32,000
Water Unit Assessment	UNION HILL WA		$0
Drainage Assesment			$0
School & Traffic Mitigations	(See Notes 3 & 4)		$12,088
ASSESSMENT	$5,511 /UNIT	SUBTOTAL	$44,088

Clearing-R/W & Esmt.			$11,692
-Bldg. Sites & Other			$10,713
Rough Grading-R/W & Esmt.			$9,041
-Other			$0
Roads-Fine Grading & Paving	(Gravel surface)		$29,681
-4" ATB (Alt. to cr.rk. not in total)		$41,646	
-Extras			$0
-Off-Site			$0
Curbs			$0
Sidewalks or Walkways			$8,520
Storm Sewers			$3,774
Detention			$35,897
Off-Site			$0
Interim Drainage			$15,000
Sewers System			$0
Off-Site			$0
Water System			$22,537
Service			$2,294
Off-Site			$0
N.G.P.E. Fence			$0
Power	(See Note 5)		$15,533
Street Lights			$2,000
Telephone			$4,460
Misc.			$3,571
CONSTRUCTION	$21,839 /UNIT	SUBTOTAL	$174,713



KING COUNTY FARM & FOREST PROJECT

CONCEPTUAL PLAN: PROTOTYPE RA-5-50-0

ZONING	: RA-5	
GROSS AREA	: 40	AC.
NET DEVELOPED	: 20	AC. (50% RESERVE)
NO. OF UNITS	: 8	(0% BONUS)
ROAD	: 0	L.F. (
ACCESS TRACT	: 660	L.F.

PREPARED BY: SUBDIVISION MANAGEMENT, INC.

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE– FARM AND FOREST PROJECT

PROTOTYPE: RA–5 w/ 50% RESERVE & NO BONUS 04–Oct–95

Subdivision Management,Inc. *Professional Management of Land Planning & Development*

16031–119th Pl. N.E.

Bothell,WA. 98011 (206) 362–1052 488–1111 FAX 488–2162

PROJECT NAME: FARM AND FOREST PROJECT			
CLIENT: KING COUNTY		ZONING:	RA–5
NO. OF LOTS/UNITS:	8	LOT SIZE:	2.50 Acres
ACREAGE (Gross):	40.00	Prepared by:	dl
ACREAGE (Developed):	20.00 50.00%	Checked by:	ba

TOTAL DEVELOPMENT COST:	**$156,738**	PER LOT:	$19,592

ITEM	REMARKS		TOTAL COST
Sewer Area Assessment	SEPTIC		$0
Sewer Unit Assessment	**SEPTIC**		$0
Water Area Assessment	**UNION HILL WA**		$16,000
Water Unit Assessment	**UNION HILL WA**		$0
Drainage Assesment			$0
School & Traffic Mitigations	(See Notes 3 & 4)		$12,088
ASSESSMENT	$3,511 /UNIT	SUBTOTAL	$28,088

Clearing–R/W & Esmt.			$7,738
–Bldg. Sites & Other			$5,357
Rough Grading–R/W & Esmt.			$3,557
–Other			$0
Roads–Fine Grading & Paving	(Gravel surface)		$21,927
–4"ATB (Alt. to cr.rk. not in total)		$28,340	
–Extras			$0
–Off–Site			$0
Curbs			$0
Sidewalks or Walkways			$7,412
Storm Sewers			$3,774
Detention			$22,399
Off–Site			$0
Interim Drainage			$9,000
Sewers System			$0
Off–Site			$0
Water System			$4,993
Service			$2,294
Off–Site			$0
N.G.P.E. Fence			$0
Power	(See Note 5)		$0
Street Lights			$0
Telephone			$1,000
Misc.			$3,571
CONSTRUCTION	$11,628 /UNIT	SUBTOTAL	$93,021

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE- FARM AND FOREST PROJECT

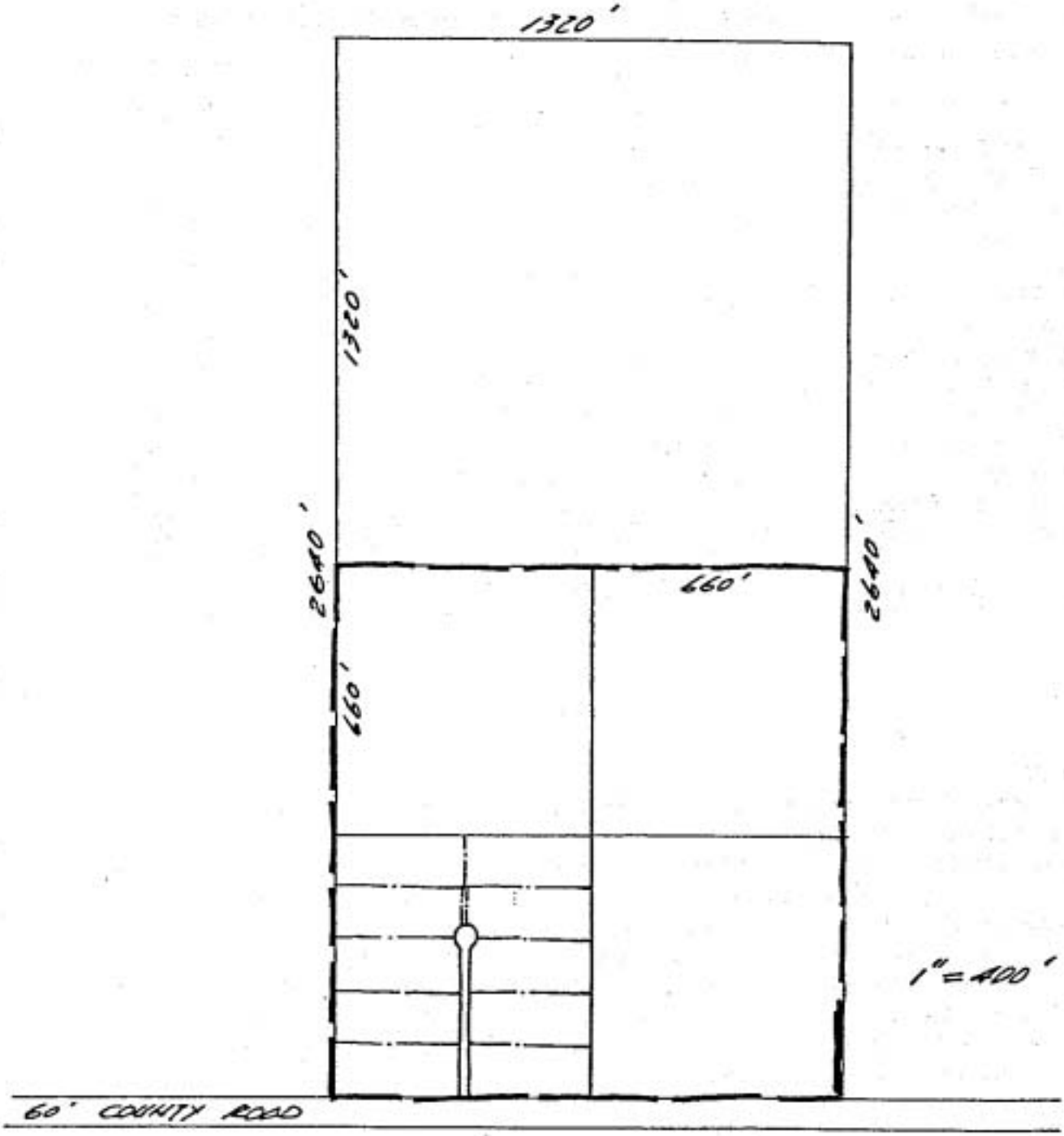
PROTOTYPE: RA-5 w/ 50% RESERVE & NO BONUS 04-Oct-95

ITEM	REMARKS	TOTAL COST
Feasibility & Cost Estimate	(By S.M.I.)	$0
Preli. Plat Management	(By S.M.I.)	$16,000
Preli. Engineering/survey		$12,000
Preli. Studies		$18,700
Preli. Fees	(Pay to County, Health, S&W Dist)*	$17,079
Eng. & Const. Management	(By S.M.I.)	$26,000
Engineering-Plat		$11,800
Engineering-Sewer Plan & Fees		$4,200
Engineering-Water Plan & Fees		$0
Other Studies	(By Consultants)	$0
E.I.S. (if required)	(By County Consultants)*	$0
Fees-Final Plat & Plans	(Pay to County, Health, S&W Dist)*	$18,253
Fees-Inspection & Accept.	(Pay to County, Health, S&W Dist)*	$1,376
ENGINEERING / MANAGEMENT	$4,454 /UNIT SUBTOTAL	$35,629

TOTAL DEVELOPMENT COST	$19,592 /UNIT	TOTAL	$156,738

NOTES:

1. This is an ESTIMATE only. This estimate was prepared using prevailing prices and information obtained from various public sources.
   Prices and public policies reflected are subject to change without notice.
2. No contingency moneies have been included. The client should add his best estimate of the inflation involved. A minimun of 10% is suggested.
3. TRAFFIC mitigation fee for this MPS zone currently is $1205.00 per single family lot with an estimated total fee of $9640 to be paid at final plat recording or building permit.
4. SCHOOL mitigation fee for LAKE WASHINGTON SCHOOL DIST. is $3022. per single famil family lot, with an estimated total fee of $24176.00. Half to be paid with final plat recording and remainder to be paid at building permit.
5. Puget Sound P & L may require a deposit of $0.00. This would be refunded at the current rate of $0.00 per unit at the time of hookup until allof the $0.00 deposit has been refunded.
6. The cost of potential EIS is not included in this estimate.
7. ***Indicates additional hourly charges.
8. Project assumptions
   a. No off-site improvements required. Except fot frontage.
   b. No excessive clearing, grading or extra fill required.
   c. All on-site roads are PRIVATE.
   d. The project is in MPS zone 400.



KING COUNTY FARM & FOREST PROJECT

CONCEPTUAL PLAN: PROTOTYPE RA-5-75-25

ZONING	: RA-5	
GROSS AREA	: 40	AC.
NET DEVELOPED	: 10	AC. (75% RESERVE)
NO. OF UNITS	: 10	(25% BONUS)
ROAD	: 400	L.F. (PRIVATE)
ACCESS TRACT	: 130	L.F.

PREPARED BY: SUBDIVISION MANAGEMENT, INC.

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE- FARM AND FOREST PROJECT

PROTOTYPE: RA-5 w/ 75% RESERVE & 25% BONUS 04-Oct-95

ITEM	REMARKS	TOTAL COST
Feasibility & Cost Estimate	(By S.M.I.)	$0
Preli. Plat Management	(By S.M.I.)	$16,000
Preli. Engineering/survey		$12,000
Preli. Studies		$18,700
Preli. Fees	(Pay to County, Health, S&W Dist)*	$17,793
Eng. & Const. Management	(By S.M.I.)	$26,000
Engineering-Plat		$14,780
Engineering-Sewer Plan & Fees		$5,220
Engineering-Water Plan & Fees		$0
Other Studies	(By Consultants)	$0
E.I.S. (if required)	(By County Consultants)*	$0
Fees-Final Plat & Plans	(Pay to County, Health, S&W Dist)*	$19,543
Fees-Inspection & Accept.	(Pay to County, Health, S&W Dist)*	$1,376
ENGINEERING / MANAGEMENT	$4,092 /UNIT SUBTOTAL	$40,919

TOTAL DEVELOPMENT COST	$17,799 /UNIT	TOTAL	$177,993

NOTES:

1. This is an ESTIMATE only. This estimate was prepared using prevailing prices and information obtained from various public sources.
   Prices and public policies reflected are subject to change without notice.
2. No contingency moneies have been included. The client should add his best estimate of the inflation involved. A minimun of 10% is suggested.
3. TRAFFIC mitigation fee for this MPS zone currently is $1205.00 per single family lot with an estimated total fee of $12050 to be paid at final plat recording or building permit.
4. SCHOOL mitigation fee for LAKE WASHINGTON SCHOOL DIST. is $3022. per single famil family lot, with an estimated total fee of $30220.00. Half to be paid with final plat recording and remainder to be paid at building permit.
5. Puget Sound P & L may require a deposit of $9414.00. This would be refunded at the current rate of $941.40 per unit at the time of hookup until allof the $9414.00 deposit has been refunded.
6. The cost of potential EIS is not included in this estimate.
7. "*" Indicates additional hourly charges.
8. Project assumptions
   a. No off-site improvements required. Except fot frontage.
   b. No excessive clearing, grading or extra fill required.
   c. All on-site roads are PRIVATE.
   d. The project is in MPS zone 400.

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE– FARM AND FOREST PROJECT

PROTOTYPE: RA–5 w/ 75% RESERVE & 25% BONUS 04–Oct–95

Subdivision Management,Inc.
16031–119th Pl. N.E.
Bothell,WA. 98011 (206) 362–1052 488–1111 FAX 488–2162

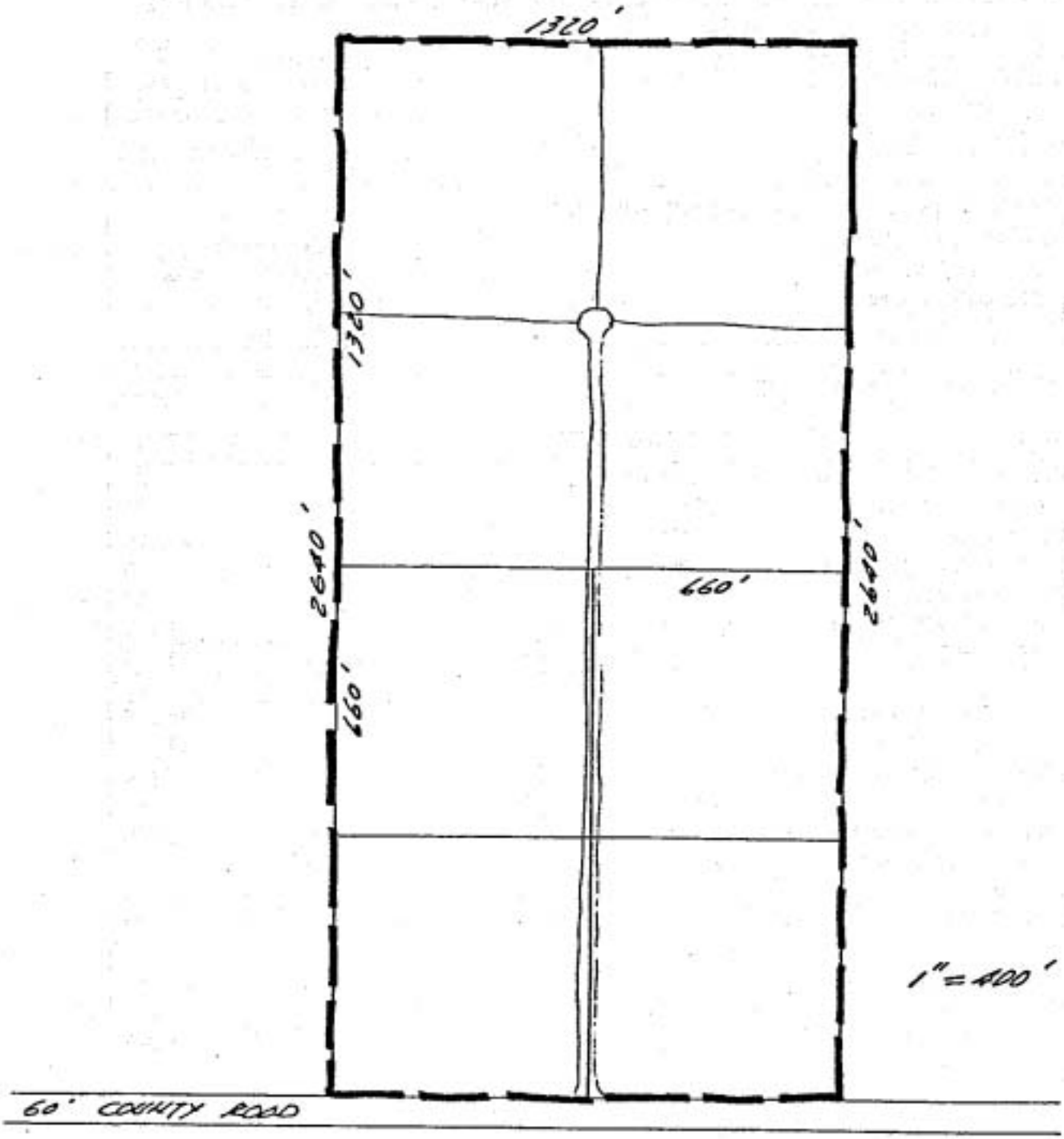
Professional Management of Land Planning & Development

PROJECT NAME: FARM AND FOREST PROJECT			
CLIENT: KING COUNTY		ZONING:	RA–5
NO. OF LOTS/UNITS:	10	LOT SIZE:	1.00 Acres
ACREAGE (Gross):	40.00	Prepared by:	dl
ACREAGE (Developed):	10.00 25.00%	Checked by:	ba

TOTAL DEVELOPMENT COST:	$177,993	PER LOT:	$17,799

ITEM	REMARKS		TOTAL COST
Sewer Area Assessment	SEPTIC		$0
Sewer Unit Assessment	SEPTIC		$0
Water Area Assessment	UNION HILL WA		$8,000
Water Unit Assessment	UNION HILL WA		$0
Drainage Assesment			$0
School & Traffic Mitigations	(See Notes 3 & 4)		$15,110
ASSESSMENT	$2,311 /UNIT	SUBTOTAL	$23,110

Clearing–R/W & Esmt.			$8,325
–Bldg. Sites & Other			$2,678
Rough Grading–R/W & Esmt.			$6,738
–Other			$0
Roads–Fine Grading & Paving	(Gravel surface)		$25,579
–4"ATB (Alt. to cr.rk. not in total)		$32,112	
–Extras			$0
–Off–Site			$0
Curbs			$0
Sidewalks or Walkways			$8,520
Storm Sewers			$4,412
Detention			$15,649
Off–Site			$0
Interim Drainage			$6,000
Sewers System			$0
Off–Site			$0
Water System			$15,310
Service			$2,867
Off–Site			$0
N.G.P.E. Fence			$0
Power	(See Note 5)		$9,414
Street Lights			$2,000
Telephone			$2,900
Misc.			$3,571
CONSTRUCTION	$11,396 /UNIT	SUBTOTAL	$113,964



KING COUNTY FARM & FOREST PROJECT

CONCEPTUAL PLAN: PROTOTYPE RA 10 - NO BONUS

ZONING	: RA 10
GROSS AREA	: 80 AC.
NET DEVELOPED	: 80 AC. (0 % RESERVE)
NO. OF UNITS	: 8 (0 % BONUS)
ROAD	: 1980 L.F. (PRIVATE)

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE- FARM AND FOREST PROJECT

PROTOTYPE: RA-10 w/o BONUS 29-Sep-95

Subdivision Management,Inc.
16031-119th Pl. N.E.
Bothell,WA. 98011 (206) 362-1052 488-1111 FAX 488-2162

Professional Management of Land Planning & Development

PROJECT NAME: FARM AND FOREST PROJECT			
CLIENT: KING COUNTY		ZONING:	RA-10
NO. OF LOTS/UNITS:	8	LOT SIZE:	10.00 Acres
ACREAGE (Gross):	80.00	Prepared by:	dl
ACREAGE (Developed):	80.00 100.00%	Checked by:	ba

TOTAL DEVELOPMENT COST:	$450,010	PER LOT:	$56,251

ITEM	REMARKS		TOTAL COST
Sewer Area Assessment	SEPTIC		$0
Sewer Unit Assessment	SEPTIC		$0
Water Area Assessment	UNION HILL WA		$64,000
Water Unit Assessment	UNION HILL WA		$0
Drainage Assesment			$0
School & Traffic Mitigations	(See Notes 3 & 4)		$12,088
ASSESSMENT	$9,511 /UNIT	SUBTOTAL	$76,088

Clearing-R/W & Esmt.			$18,696
-Bldg. Sites & Other			$21,426
Rough Grading-R/W & Esmt.			$17,368
-Other			$0
Roads-Fine Grading & Paving	(Gravel surface)		$41,685
-4"ATB (Alt. to cr.rk. not in total)		$63,811	
-Extras			$0
-Off-Site			$0
Curbs			$0
Sidewalks or Walkways			$8,520
Storm Sewers			$3,774
Detention			$62,894
Off-Site			$0
Interim Drainage			$30,000
Sewers System			$0
Off-Site			$0
Water System			$57,624
Service			$2,294
Off-Site			$0
N.G.P.E. Fence			$0
Power	(See Note 5)		$46,599
Street Lights			$7,000
Telephone			$12,380
Misc.			$3,571
CONSTRUCTION	$41,729 /UNIT	SUBTOTAL	$333,832

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE– FARM AND FOREST PROJECT

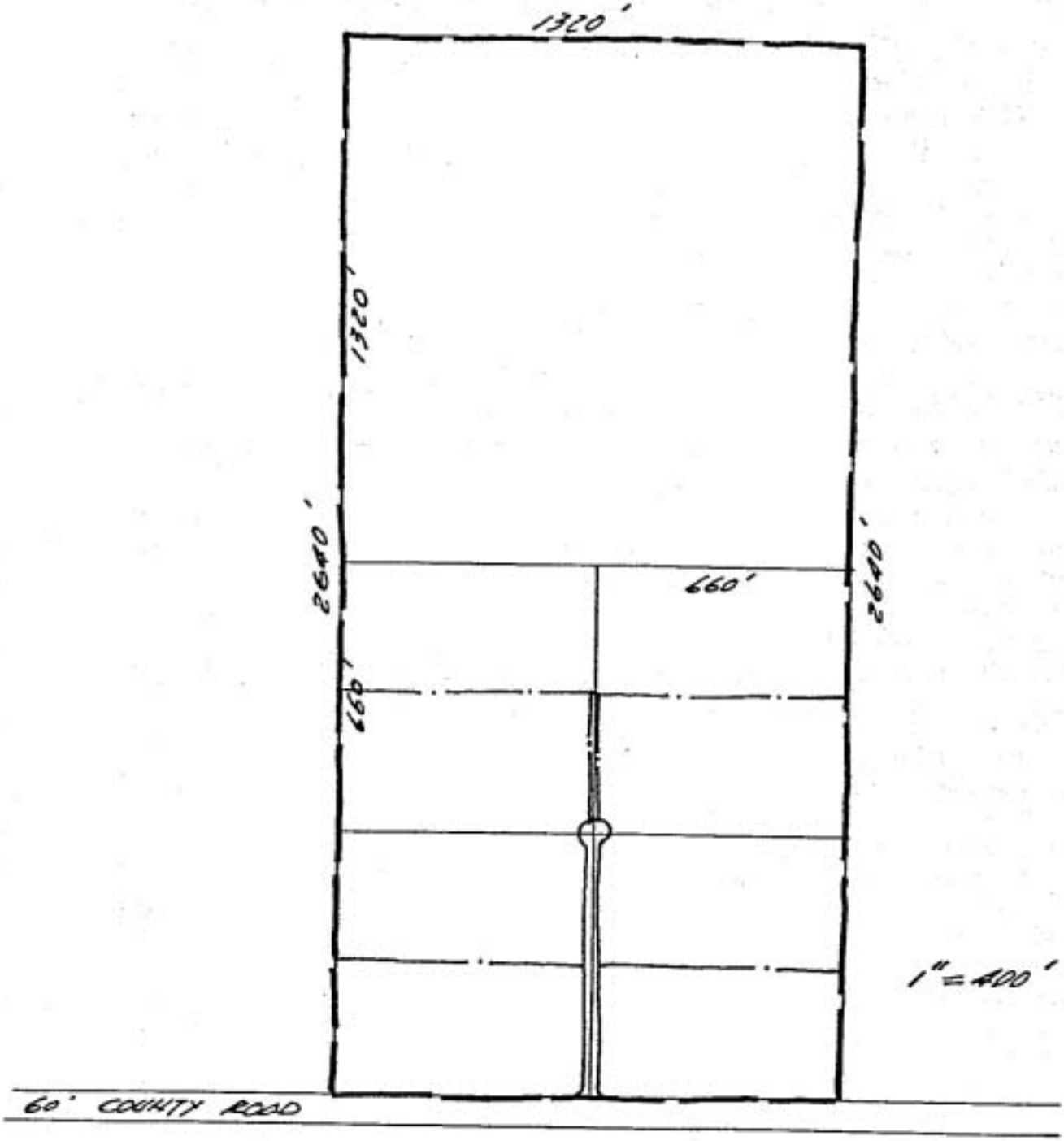
PROTOTYPE: RA–10 w/o BONUS 29–Sep–95

ITEM	REMARKS	TOTAL COST
Feasibility & Cost Estimate	(By S.M.I.)	$0
Preli. Plat Management	(By S.M.I.)	$16,000
Preli. Engineering/survey		$24,000
Preli. Studies		$35,900
Preli. Fees	(Pay to County, Health, S&W Dist)*	$17,079
Eng. & Const. Management	(By S.M.I.)	$26,000
Engineering–Plat		$11,800
Engineering–Sewer Plan & Fees		$4,200
Engineering–Water Plan & Fees		$0
Other Studies	(By Consultants)	$0
E.I.S. (if required)	(By County Consultants)*	$0
Fees–Final Plat & Plans	(Pay to County, Health, S&W Dist)*	$22,714
Fees–Inspection & Accept.	(Pay to County, Health, S&W Dist)*	$1,376
ENGINEERING / MANAGEMENT	$5,011 /UNIT SUBTOTAL	$40,090

TOTAL DEVELOPMENT COST	$56,251 /UNIT	TOTAL	$450,010

NOTES:

1. This is an ESTIMATE only. This estimate was prepared using prevailing prices and information obtained from various public sources.
   Prices and public policies reflected are subject to change without notice.
2. No contingency moneies have been included. The client should add his best estimate of the inflation involved. A minimun of 10% is suggested.
3. TRAFFIC mitigation fee for this MPS zone currently is $1205.00 per single family lot with an estimated total fee of $9640 to be paid at final plat recording or building permit.
4. SCHOOL mitigation fee for LAKE WASHINGTON SCHOOL DIST. is $3022. per single famil family lot, with an estimated total fee of $24176.00. Half to be paid with final plat recording and remainder to be paid at building permit.
5. Puget Sound P & L may require a deposit of $46599.30. This would be refunded at the current rate of $5824.91 per unit at the time of hookup until allof the $46599.30 deposit has been refunded.
6. The cost of potential EIS is not included in this estimate.
7. ***Indicates additional hourly charges.
8. Project assumptions
   a. No off–site improvements required. Except fot frontage.
   b. No excessive clearing, grading or extra fill required.
   c. All on–site roads are PRIVATE.
   d. The project is in MPS zone 400.



KING COUNTY FARM & FOREST PROJECT

CONCEPTUAL PLAN: PROTOTYPE RA-10-50-0

ZONING	: RA-10	
GROSS AREA	: 80	AC.
NET DEVELOPED	: 40	AC. (50% RESERVE)
NO. OF UNITS	: 8	(0% BONUS)
ROAD	: 660	L.F. (PRIVATE)
ACCESS TRACT	: 330	L.F.

PREPARED BY: SUBDIVISION MANAGEMENT, INC.

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE- FARM AND FOREST PROJECT

PROTOTYPE: RA-10 w/ 50% RESERVE & NO BONUS 04-Oct-95

Subdivision Management,Inc.
16031-119th Pl. N.E.
Bothell,WA. 98011 (206) 362-1052 488-1111 FAX 488-2162

Professional Management of Land Planning & Development

PROJECT NAME: FARM AND FOREST PROJECT			
CLIENT: KING COUNTY		ZONING:	RA-10
NO. OF LOTS/UNITS:	8	LOT SIZE:	5.00 Acres
ACREAGE (Gross):	80.00	Prepared by:	dl
ACREAGE (Developed):	40.00 50.00%	Checked by:	ba

TOTAL DEVELOPMENT COST:	$256,702	PER LOT:	$32,088

ITEM	REMARKS		TOTAL COST
Sewer Area Assessment	SEPTIC		$0
Sewer Unit Assessment	SEPTIC		$0
Water Area Assessment	UNION HILL WA		$32,000
Water Unit Assessment	UNION HILL WA		$0
Drainage Assesment			$0
School & Traffic Mitigations	(See Notes 3 & 4)		$12,088
ASSESSMENT	$5,511 /UNIT	SUBTOTAL	$44,088

Clearing-R/W & Esmt.			$11,692
-Bldg. Sites & Other			$10,713
Rough Grading-R/W & Esmt.			$9,041
-Other			$0
Roads-Fine Grading & Paving	(Gravel surface)		$29,681
-4"ATB (Alt. to cr.rk. not in total)		$41,646	
-Extras			$0
-Off-Site			$0
Curbs			$0
Sidewalks or Walkways			$8,520
Storm Sewers			$3,774
Detention			$35,897
Off-Site			$0
Interim Drainage			$15,000
Sewers System			$0
Off-Site			$0
Water System			$22,537
Service			$2,294
Off-Site			$0
N.G.P.E. Fence			$0
Power	(See Note 5)		$15,533
Street Lights			$2,000
Telephone			$4,460
Misc.			$3,571
CONSTRUCTION	$21,839 /UNIT	SUBTOTAL	$174,713

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE- FARM AND FOREST PROJECT

PROTOTYPE: RA-10 w/ 50% RESERVE & NO BONUS 04-Oct-95

ITEM	REMARKS	TOTAL COST
Feasibility & Cost Estimate	(By S.M.I.)	$0
Preli. Plat Management	(By S.M.I.)	$16,000
Preli. Engineering/survey		$24,000
Preli. Studies		$35,900
Preli. Fees	(Pay to County, Health, S&W Dist)*	$17,079
Eng. & Const. Management	(By S.M.I.)	$26,000
Engineering-Plat		$11,800
Engineering-Sewer Plan & Fees		$4,200
Engineering-Water Plan & Fees		$0
Other Studies	(By Consultants)	$0
E.I.S. (if required)	(By County Consultants)*	$0
Fees-Final Plat & Plans	(Pay to County, Health, S&W Dist)*	$20,526
Fees-Inspection & Accept.	(Pay to County, Health, S&W Dist)*	$1,376
ENGINEERING / MANAGEMENT	$4,738 /UNIT SUBTOTAL	$37,902

TOTAL DEVELOPMENT COST	$32,088 /UNIT	TOTAL	$256,702

NOTES:

1. This is an ESTIMATE only. This estimate was prepared using prevailing prices and information obtained from various public sources.
   Prices and public policies reflected are subject to change without notice.
2. No contingency moneles have been included. The client should add his best estimate of the inflation involved. A minimun of 10% is suggested.
3. TRAFFIC mitigation fee for this MPS zone currently is $1205.00 per single family lot with an estimated total fee of $9640 to be paid at final plat recording or building permit.
4. SCHOOL mitigation fee for LAKE WASHINGTON SCHOOL DIST. is $3022. per single famil family lot, with an estimated total fee of $24176.00. Half to be paid with final plat recording and remainder to be paid at building permit.
5. Puget Sound P & L may require a deposit of $15533.10. This would be refunded at the current rate of $1941.64 per unit at the time of hookup until allof the $15533.10 deposit has been refunded.
6. The cost of potential EIS is not included in this estimate.
7. ***Indicates additional hourly charges.
8. Project assumptions
   a. No off-site improvements required. Except fot frontage.
   b. No excessive clearing, grading or extra fill required.
   c. All on-site roads are PRIVATE.
   d. The project is in MPS zone 400.

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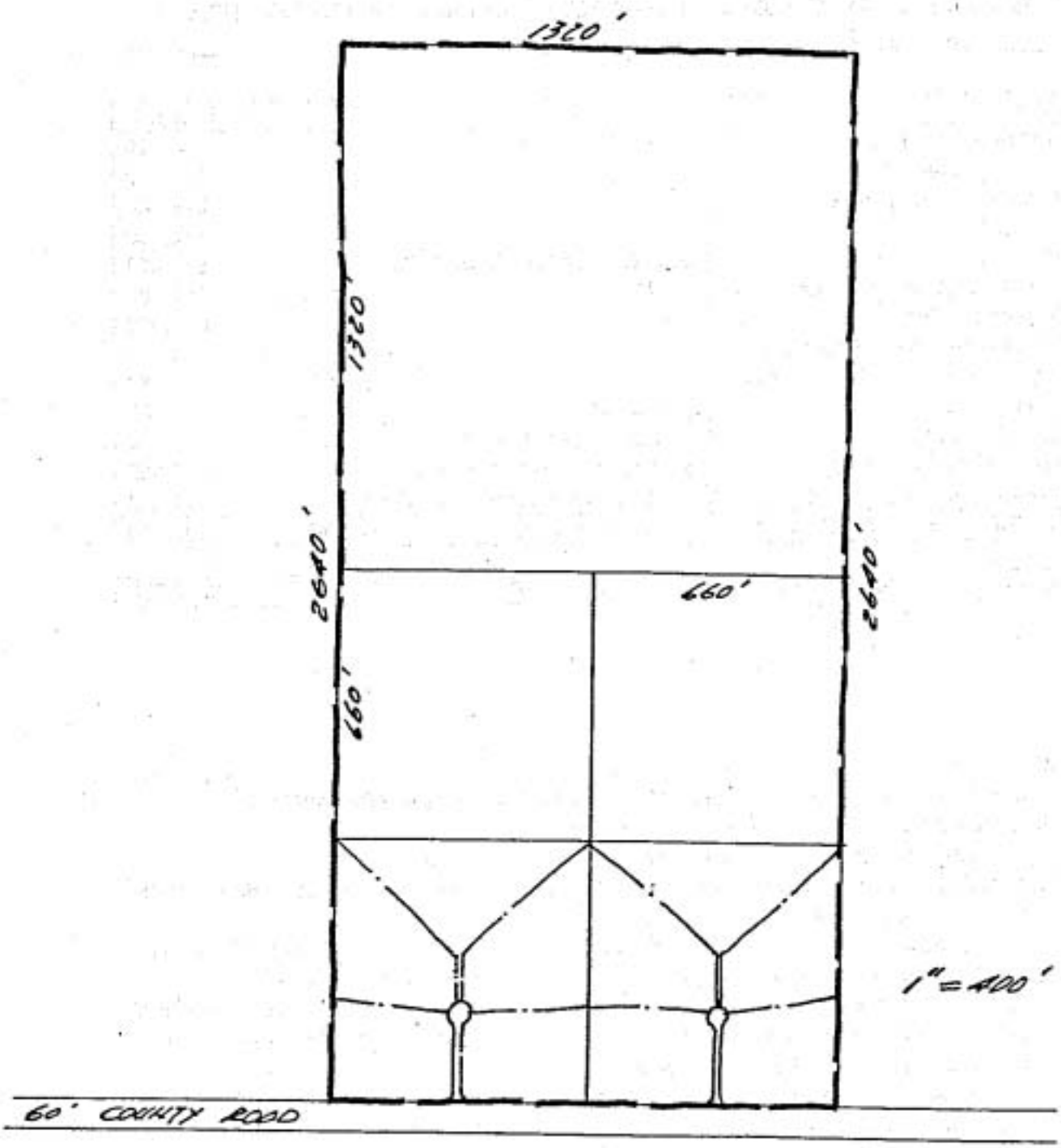

KING COUNTY FARM & FOREST PROJECT

CONCEPTUAL PLAN: PROTOTYPE RA-10-75-25

ZONING	: RA-10	
GROSS AREA	: 80	AC.
NET DEVELOPED	: 20	AC. (75% RESERVE)
NO. OF UNITS	: 10	(25% BONUS)
ROAD	: 400	L.F. (PRIVATE)
ACCESS TRACT	:	L.F.

PREPARED BY: SUBDIVISION MANAGEMENT, INC.

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE- FARM AND FOREST PROJECT

PROTOTYPE: RA-10 w/ 75% RESERVE & 25% BONUS 04-Oct-95

Subdivision Management,Inc.
16031-119th Pl. N.E.
Bothell,WA. 98011 (206) 362-1052 488-1111 FAX 488-2162

Professional Management of Land Planning & Development

PROJECT NAME: FARM AND FOREST PROJECT			
CLIENT: KING COUNTY		ZONING:	RA-10
NO. OF LOTS/UNITS:	10	LOT SIZE:	2.00 Acres
ACREAGE (Gross):	80.00	Prepared by:	dl
ACREAGE (Developed):	20.00 25.00%	Checked by:	ba

TOTAL DEVELOPMENT COST:	$204,984	PER LOT:	$20,498

ITEM	REMARKS		TOTAL COST
Sewer Area Assessment	SEPTIC		$0
Sewer Unit Assessment	SEPTIC		$0
Water Area Assessment	UNION HILL WA		$16,000
Water Unit Assessment	UNION HILL WA		$0
Drainage Assesment			$0
School & Traffic Mitigations	(See Notes 3 & 4)		$15,110
ASSESSMENT	$3,111 /UNIT	SUBTOTAL	$31,110

Clearing-R/W & Esmt.			$9,039
-Bldg. Sites & Other			$5,357
Rough Grading-R/W & Esmt.			$8,147
-Other			$0
Roads-Fine Grading & Paving	(Gravel surface)		$27,560
-4"ATB (Alt. to cr.rk. not in total)		$36,188	
-Extras			$0
-Off-Site			$0
Curbs			$0
Sidewalks or Walkways			$9,846
Storm Sewers			$4,412
Detention			$22,399
Off-Site			$0
Interim Drainage			$9,000
Sewers System			$0
Off-Site			$0
Water System			$15,310
Service			$2,867
Off-Site			$0
N.G.P.E. Fence			$0
Power	(See Note 5)		$9,414
Street Lights			$2,000
Telephone			$3,400
Misc.			$3,571
CONSTRUCTION	$13,232 /UNIT	SUBTOTAL	$132,322

PRELIMINARY LAND DEVELOPMENT COST ESTIMATE- FARM AND FOREST PROJECT

PROTOTYPE: RA-10 w/ 75% RESERVE & 25% BONUS 04-Oct-95

ITEM	REMARKS			TOTAL COST
Feasibility & Cost Estimate	(By S.M.I.)			$0
Preli. Plat Management	(By S.M.I.)			$16,000
Preli. Engineering/survey				$24,000
Preli. Studies				$35,900
Preli. Fees	(Pay to County, Health, S&W Dist)*			$17,793
Eng. & Const. Management	(By S.M.I.)			$26,000
Engineering-Plat				$14,780
Engineering-Sewer Plan & Fees				$5,220
Engineering-Water Plan & Fees				$0
Other Studies	(By Consultants)			$0
E.I.S. (if required)	(By County Consultants)*			$0
Fees-Final Plat & Plans	(Pay to County, Health, S&W Dist)*			$20,176
Fees-Inspection & Accept.	(Pay to County, Health, S&W Dist)*			$1,376
ENGINEERING / MANAGEMENT	$4,155	/UNIT	SUBTOTAL	$41,552

TOTAL DEVELOPMENT COST	$20,498	/UNIT	TOTAL	$204,984

NOTES:

1. This is an ESTIMATE only. This estimate was prepared using prevailing prices and information obtained from various public sources.
   Prices and public policies reflected are subject to change without notice.
2. No contingency moneies have been included. The client should add his best estimate of the inflation involved. A minimun of 10% is suggested.
3. TRAFFIC mitigation fee for this MPS zone currently is $1205.00 per single family lot with an estimated total fee of $12050 to be paid at final plat recording or building permit.
4. SCHOOL mitigation fee for LAKE WASHINGTON SCHOOL DIST. is $3022. per single famil family lot, with an estimated total fee of $30220.00. Half to be paid with final plat recording and remainder to be paid at building permit.
5. Puget Sound P & L may require a deposit of $9414.00. This would be refunded at the current rate of $941.40 per unit at the time of hookup until allof the $9414.00 deposit has been refunded.
6. The cost of potential EIS is not included in this estimate.
7. "*" Indicates additional hourly charges.
8. Project assumptions
   a. No off-site improvements required. Except fot frontage.
   b. No excessive clearing, grading or extra fill required.
   c. All on-site roads are PRIVATE.
   d. The project is in MPS zone 400.

Land Sales Summary
Bear Creek/Redmond/Woodinville/Duvall

Sale	Location	Sale Date	Zoning	Sale Price	Size (ac.)	Price/ acre	Price/ site
1	148xx 204th Avenue NE	05/93	SEP	$150,000	8.58	$17,483	$75,000
2	20202 NE 148th Street	12/93	RA5-P	$150,000	5.05	$29,703	$150,000
3	95xx 216th Avenue NE	03/95	AR5-P	$120,000	4.14	$28,986	$120,000
4	19223 NE 127th Street	01/95	AR5-P	$134,950	5.51	$24,492	$134,950
5	210xx NE 189th Street	Pending	RA5-P	$150,000	6.95	$21,583	$150,000
6	14805 Mink Road NE	Pending	SEP	$110,000	1.51	$72,848	$110,000
7	155xx Mink Road NE	08/94	RA5-P	$100,000	2.47	$40,486	$100,000
8	195xx 223rd Avenue NE	07/94	SEP	$125,000	1.98	$63,131	$125,000
9	14304 228th Street SE, Maltby	04/94	RC	$105,000	10.00	$10,500	$35,000
10	144xx 235th Street SE, Maltby	06/94	RC	$88,000	10.09	$8,722	$44,000
11	166xx 318th Way NE, Duvall	12/94	RA-5P	$100,000	10.08	$9,921	$50,000
12	170xx Woodinville-Duvall Road	12/94	RA-5P	$150,000	14.39	$10,424	$75,000
13	180xx 244th Avenue NE, Woodinville	01/95	RA 10	$180,000	10.00	$18,000	$180,000
14	180xx 320th Avenue NE, Duvall	05/95	RA-5P	$95,000	9.98	$9,519	$47,500
15	210xx NE 189th Street, Woodinville	05/94	RA-5P	$175,000	12.48	$14,022	$87,500
16	16725 232nd Avenue NE, Woodinville	12/93	RA-5P	$119,000	6.86	$17,347	$119,000
17	16705 232nd Avenue NE, Woodinville	05/94	RA-5P	$170,000	5.90	$28,814	$170,000
18	228xx NE 185th Street, Woodinville	12/94	RA-5P	$92,500	4.91	$18,839	$92,500
19	130xx 242nd Avenue NE, Woodinville	04/95	RA-5P	$100,000	5.68	$17,606	$100,000