

## WATER SYSTEM EXTENSION AGREEMENT

THIS AGREEMENT is entered into this 10 day of May, 2013, between SOUTH BAINBRIDGE WATER SYSTEMS, INC., a Washington corporation, hereinafter referred to as the "Owner," and PBPBS, LLC, a Washington limited liability company, hereinafter referred to as "Customer."

### RECITALS

1. Customer is constructing four (4) mixed use buildings and desires water service and fire suppression and is proposing to extend, at Customer's sole cost, the Owner's water distribution main to serve said property, which work will be done to Owner's standards and specifications.
2. Owner is willing to accommodate Customer's request to extend Owner's existing water main if such extension is constructed to Owner's standards and specifications.

**NOW, THEREFORE**, in consideration of the mutual promises and benefits to be derived, it is agreed as follows:

### AGREEMENT

1. Customer shall construct and perform the following to Owner's standards and specifications as approved by the Washington State Department of Health ("DOH"):

A two inch (2") PE Class 200 main extension to serve four buildings. Building one will be for commercial use and PBPBS has requested a one and one-half inch (1 1/2") meter to service the second floor commercial space of this building. The first floor commercial space will be served by a three-quarter inch (3/4") meter. Buildings two and three will have five residential units, each above the ground floor of the buildings and each residential unit will be served by a three-quarter inch (3/4") service. The commercial space for buildings two and three will each be served by a separate three-quarter inch (3/4") meter. Building four will have two residential units each serviced by three-quarter inch (3/4") meter. Building four will also have a bistro and an inn on the second floor. PBPBS has requested a two inch (2") meter to serve the inn and bistro. The remaining commercial space of building four shall be served by three-quarter inch (3/4") meter. In addition, there will be one one inch (1") irrigation connection. The total service connections shall be thirty-three connections. Twenty connections have been paid for by Rich Pass, LLC (the prior owner of the Property) under a separate contract related to the Property, (as defined below), and are hereby assigned to PBPBS. Rich Pass, LLC has lost control of the Property. There were five additional connections from structures that were demolished or will be demolished on the Property or adjacent property, including one connection currently serving the office of PBPBS, which are or will be credited to PBPBS upon demolition of the structures associated with the five connections. PBPBS agrees and covenants to pay for the eight (8) remaining connections in the amount of TWELVE THOUSAND EIGHT HUNDRED AND EIGHTY DOLLARS (\$12,880). The TWELVE THOUSAND EIGHT HUNDRED AND EIGHTY DOLLARS (\$12,880) shall be due and payable two (2) business days after the Effective Date, defined below (see

Section 27.M), and upon such payment, Owner shall have been paid in full for all thirty-three connections serving the four above-referenced buildings..

The project is located off of the Lynnwood Center Road bearing Tax Parcel Nos. 042402-1-091-2000 (the "Property"), legally described as follows:

RESULTANT PARCEL A OF BOUNDARY LINE ADJUSTMENT  
RECORDED UNDER AUDITOR'S FILE NO. 201211150159, AND AS  
DEPICTED ON SURVEY RECORDED UNDER AUDITOR'S FILE NO.  
201211150160, IN VOLUME 77 OF SURVEYS, PAGE 80, RECORDS OF  
KITSAP COUNTY, WASHINGTON.

All work shall be at Customer's sole cost and expense, according to specifications and at the location more specifically described on the attached Exhibit A, which exhibit is incorporated by this reference. For convenience, the work to be done under this Agreement is referred to in this Agreement as the "Main Extension."

2. Customer shall construct, at its own discretion, its own fire suppression system on Customer's Property. Customer is providing and constructing such system based upon Customer's own knowledge and for Customer's own purposes. Customer will retain ownership and shall be responsible for the maintenance and operation of the fire suppression system.
3. Customer shall provide the facilities to provide water to the Customer's fire suppression system, consisting of a six inch (6") ductile iron main off of the Main Extension with an appropriately sized turbine leak detection meter connected to the fire suppression system, which shall be installed by a duly qualified contractor possessing the necessary skills and credentials for installation of fire suppression services as chosen by Customer. The connection for fire suppression shall be a separate connection from the connection for domestic service described under Section 1. Said connection shall be used only for the provision of the fire suppression system and shall not be used for any other purpose, including, but not limited to, domestic water service.
4. In addition to the foregoing, there are charges assessed to Customer by Owner for this service of Twenty Five Cents (\$0.25) per one hundred square foot of building space per month, Customer warrants that there are forty-four thousand four hundred seventy (44,470) square feet of space in the four (4) mixed use buildings, resulting in a charge of One Hundred Eleven and 18/100 Dollars (\$111.18) per month.
5. Customer agrees to pay all charges for the installation of facilities within thirty (30) days of date of invoice for such charges. Failure of Customer to pay such charges in a timely manner will result in disconnection of the Main Extension provided under this Agreement. Owner will provide a water availability letter to Customer only after Customer has paid, in full, all charges under this Agreement and all connection and facilities charges assessed under Owner's tariff.
6. Customer must provide, at Customer's sole expense, a back flow prevention device. Customer covenants and agrees that it shall be responsible for maintaining the back flow

prevention device in working order. The back flow prevention device shall be inspected and tested at Customer's expense by Washington Certified Back Flow Assembly Tester as required under WAC 246-290-490. The Customer may contract for the back flow certification with any Washington Certified Back Flow Assembly Tester. A copy of satisfactory certification will be provided to Owner prior to the date of providing service under this Agreement and on an ongoing basis as testing certifications are required by state law and regulation (currently on an annual basis). The back flow prevention device shall be accessible to the Owner and its employees at all times.

7. CUSTOMER SHALL INDEMNIFY AND HOLD OWNER AND OWNER'S DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS HARMLESS FROM ANY CLAIM FOR DAMAGE TO PROPERTY OR PERSONAL INJURY OR DEATH RESULTING FROM OR IN CONNECTION WITH THE WORK DONE UNDER THIS AGREEMENT OR THE FACILITIES PROVIDED UNDER THIS AGREEMENT, INCLUDING ATTORNEY'S FEES AND COURT COSTS, EXCEPT THAT WHICH IS THE RESULT OF THE GROSS NEGLIGENCE, BREACH OF CONTRACT, OR INTENTIONAL MISCONDUCT OF OWNER OR A VIOLATION OF CHAPTER 19.122 RCW BY THE OWNER.
8. Customer understands and agrees that Owner is not acting as an insurer of Customer or Customer's Property or property of others on the Property. Owner shall not be liable for any loss of life, personal injury or loss or damage to Property of Customer, its family members, agents, guests or invitees whether or not caused by failure of the Facilities and Customer shall hold Owner and Owner's directors, officers, employees and agents harmless from any such claim. Owner makes no warranties or representations as to performance of the Facilities. Nor shall Owner be liable under any theory in law or equity to Customer or Customer's family members, agents, guests or invitees for any consequential, incidental, punitive or other loss or damage beyond direct damages caused by Owner's gross negligence, breach of contract, or intentional misconduct or a violation of Chapter 19.122 RCW by the Owner, and then only in an amount not to exceed Ten Thousand Dollars (\$10,000.00).
9. THE PARTIES AGREE THAT THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE EXCLUDED FROM THIS TRANSACTION AND SHALL NOT APPLY TO ANY FACILITIES OR SERVICES PROVIDED. SECTIONS 7, 8 AND 9 ALL FORM THE BASIS UPON WHICH OWNER IS WILLING TO PROVIDE THE FACILITIES AND SERVICES AND OWNER WOULD NOT ENTER INTO THIS AGREEMENT EXCEPT ON THE BASIS OF THE ENFORCEABILITY OF THESE SECTIONS 7, 8 AND 9.
10. Customer hereby agrees to purchase insurance, in such amount as Customer deems adequate, to protect against loss by fire, which insurance Customer agrees shall be Customer's sole source of recovery for failure of the Facilities, except for Owner's gross negligence, breach of contract, or intentional misconduct or Owner's violation of Chapter 19.122 RCW. Said insurance policy shall include a waiver of subrogation as applied to Owner, its directors, officers, employees and agents. This obligation shall survive the transfer of the Main Extension to Owner. Further, Customer covenants and agrees that

the continuing obligations contained herein, which include, but are not limited to Sections 6, 7, 8, 9 and 10, shall be incorporated into any lease or sales agreement with the lessee or purchaser of the commercial space and condominium units; provided that as to any lessee or purchaser that becomes a retail customer of Owner, the Owner's tariff shall control as to the obligations and rights between said retail customer and Owner.

11. Except for the continuing obligations on Customer's successors-in-interest, which include but are not limited to Sections 6, 7, 8, 9 and 10, this Agreement does not create any relationship or obligation to any person or entity other than Customer.
12. Customer shall provide a construction performance and maintenance bond which Owner holds harmless from the negligence of Customer, its agents, liens, third party liability, and defective materials or equipment. A copy of said bond is attached hereto as Exhibit B and by this reference incorporated herein.
13. Customer or Customer's contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Customer, its agents, representatives, employees or contractors.

The insurance required shall include the specific coverages and be written for not less than the limits of liability and coverages listed below or required by law, whichever is greater.

Worker's Compensation, etc. should have the following minimum limits:

- |    |                                          |             |
|----|------------------------------------------|-------------|
| A. | State                                    | Statutory   |
| B. | Applicable Federal (e.g. longshoremen's) | Statutory   |
| C. | Employer's Liability                     | \$1,000,000 |

Comprehensive General Liability shall have the following minimum limits:

- |    |                                                                        |                 |
|----|------------------------------------------------------------------------|-----------------|
| A. | Bodily Injury (including completed operations and products liability): |                 |
|    | \$1,000,000                                                            | Each Person     |
|    | \$1,000,000                                                            | Each Accident   |
| B. | Property Damage:                                                       |                 |
|    | \$1,000,000                                                            | Each Occurrence |
|    | or a combined single limit of \$1,000,000                              |                 |

Property damage liability insurance will provide Explosion, collapse and Underground coverages where applicable.

Personal injury, with employment exclusion deleted	
\$1,000,000	Annual Aggregate

All of the policies of insurance are required to be purchased and maintained (or the certificates or other evidence thereof) shall contain a provision or endorsement that the coverage for it will not be cancelled, materially changed or renewal refused until at least 45 days prior to written notice has been given to the Owner by certified mail. All such insurance shall remain in effect until final payment and at all times thereafter when Customer may be correcting, removing or replacing defective work. In addition, Customer shall maintain completed operations insurance for at least one year after the final payment and furnish Owner with the evidence of continuation of such insurance. The original policy or a signed certificate of insurance shall be filed with the Owner.

14. Prior to the commencement of work, the Customer shall furnish Owner with acceptable proof of insurance in a form acceptable to the Owner.

All insurance certificates must name the project title and address.

All insurance certificates shall specifically require 45 days prior notice to the Owner of cancellation or any material change.

Owner shall be named as an additional insured on all certificates of insurance.

15. All work by Customer shall be subject to passing inspection by Owner's engineer for compliance with Owner's standards and specifications and DOH rules. Customer shall pay the cost of inspection within ten (10) days from the date of inspection at Owners engineer's normal rates for such work. In addition, Customer shall provide Owner with at least three (3) business days prior notice of work to be done by Customer or on behalf of Customer under this Agreement. Owner's engineer, the engineer's designated representative or a representative designated by Owner ("On-site Rep") shall be on-site during all construction and Customer shall pay the cost of the On-site Rep within ten (10) days of date of invoice. Any construction that occurs without On-site Rep being on-site at the time of construction shall result in such construction being excavated and reconstructed at Customer's sole cost and expense.

16. Customer shall furnish all necessary conveyances in form to be approved by the Owner, including duly executed easement for access to the area around said Main Extension for purposes of installing, operating, repairing, replacing, reconstructing, maintaining and using the Main Extension, a copy of which easement is attached hereto as Exhibit C.

17. From the Date of Acceptance of the Main Extension, the Owner shall, subject to the approval by the Washington Utilities and Transportation Commission, maintain and operate the Main Extension. Owner has no duty to accept the Main Extension, or any portion thereof if the Main Extension does not pass inspection by Owner's engineer or does not conform strictly to the Owner's Conditions and Standards.

As used in this Agreement the Date of Acceptance is the date that the last of the following events occur:

- A. Payment by Customer of all sums owned by Customer under this Agreement;

- B. Delivery of all documents required hereunder; or
  - C. Main Extension passes inspection by Owner's Engineer.
18. Customer shall convey the Main Extension by a Bill of Sale in the form attached as Exhibit D, and incorporated herein by this reference.
  19. Nothing in this Agreement entitles Customer or Customer's successors or assigns to connect to Owner's water system, including Main Extension, except in accordance with the terms, conditions and charges and under tariff filed with the Washington Utilities and Transportation Commission, which terms and conditions include, but are not limited to, the ability to limit use of water for irrigation under conditions of high demand.
  20. **Owner does not warrant delivery of any specific quantity of water, except that Owner warrants that as of the date of this Agreement, its system meets the minimum DOH standards in effect at the time of this Agreement. Such standards may not be sufficient for large lots or agricultural use. Owner further warrants that, subject to the requirements of Section 2, as of the date of this Agreement, its system meets the existing, applicable fire flow standards for its system.**
  21. Customer shall pay the costs of Owner's attorney to develop this Agreement and seek approval of the Washington Utilities and Transportation Commission, not to exceed One Thousand Five Hundred Dollars (\$1,500.00), which payment is due upon execution of this Agreement by Customer.
  22. The Customer shall hold Owner and its officers, agents, and employees, harmless from all suits, claims or liabilities of any nature, including attorneys' fees, costs, and expenses for or on account of injuries or damages sustained by any persons or property resulting from negligent activities or omissions of the Customer, its agents, employees, or on account of any unpaid wages or other remuneration for services; and if judgment be rendered or settlement made requiring payment of damages by Owner, which damages are based in whole or in part on the negligent activities or omissions of the Customer, its agent or employees, the Customer shall pay the same.
  23. This Agreement is subject to prior approval of the Washington Utilities and Transportation Commission ("Commission") and shall not take effect until thirty-one (31) days after filing with the Commission, or if suspended by the Commission, at such date as this Agreement is approved by the Commission. Commission approval is not warranted or guaranteed by Owner.
  24. The Main Extension may be subject to approval by the Department of Health, and Bainbridge Fire Department and City of Bainbridge Island. If approval is required, Owner's performance hereunder is conditioned upon such approval. Owner does not warrant or guarantee such approval.
  25. Customer warrants that all work done by Customer on the Main Extension shall conform to Owners Standards and Conditions and, in addition, shall have been performed in a workman-like manner and meet standards generally accepted in the industry.

26. To the extent allowed by law, the Customer shall hold Owner and its officers, agents, and employees, harmless from all suits, claims or liabilities of any nature, including attorney's fees, costs, and expenses for or on account of injuries or damages sustained by any persons or property resulting from negligent or willful activities or omissions of the Customer, its agents, employees, or on account of any unpaid wages or other remuneration for services or for failure to comply with Chapter 19.122 RCW ("dig-up laws") or any violation of county franchise requirements; and if judgment be rendered or settlement made requiring payment of damages by Owner, which damages are based in whole or in part on the negligent or willful activities or omissions of the Customer, its agents or employees, or on account of any unpaid wages or other remuneration for services or for a violation of Chapter 19.122 RCW or county franchise requirements, the Customer shall pay the same.
27. Miscellaneous.
- A. Jurisdiction. This Agreement is made with reference to and is intended to be construed in accordance with the laws of the State of Washington. The parties agree that the venue for any suit brought hereunder shall be laid exclusively in Kitsap County, Washington.
  - B. Successors in Interest. This Agreement shall be binding upon and inure to the benefits of the successors, heirs, assigns and personal representatives of the parties.
  - C. Execution of Counterpart. This Agreement will be executed separately or independently in any number of counterparts, each and all of which shall be deemed to have executed simultaneously and for all purposes be one Agreement.
  - D. Construction. This Agreement shall not be construed more favorably to one party over another notwithstanding the fact that one party or its attorney, may have been more responsible for the preparation of the document.
  - E. Attorneys' Fees. In the event that any party hereto retains an attorney to enforce any of the provisions hereof, then the substantially prevailing party shall be entitled to reasonable attorney's fees incurred in both trial and appellate courts, or fees incurred without suit and all court and accounting costs.
  - F. Time. Time is expressly declared to be of the essence in this Agreement.
  - G. Survival. All of the obligations (except to be to the extent performed), warranties and representations in this Agreement shall survive the closing.
  - H. Amendment. No modification, amendment, addition to or termination of this Agreement nor waiver of any of its provisions shall be valid or enforceable unless in writing and signed by all of the parties, and further, no modification or amendments of specifications or approval of "approved equal" material shall be valid or enforceable unless approved in writing by Owner's engineer.

- I. Waiver. No failure on the part of either party to exercise, and no delay in exercising, any rights hereunder shall operate as a waiver thereof; nor shall any waiver or acceptance of a partial, single or delayed performance of any term or condition of this Agreement operate as a continuing waiver or a waiver of any subsequent breach thereof.
- J. Entire Agreement. This Agreement constitutes the entire Agreement among the parties, integrates the understanding of the parties, and supersedes and replaces any prior statements and representations, written or oral. Any prior written statements, written or oral, not contained herein are void and in no force or effect. This Agreement supersedes and cancels all prior obligations and negotiations, correspondence and communications between the parties with respect to the terms and conditions of this Agreement.
- K. Notices. Any notice provided for in this Agreement shall be deemed effective as if it is in writing and is personally delivered or sent by certified mail, postage prepaid, return receipt requested, and delivered or addressed as set forth below or to other such address as the parties may hereafter designate by notice given in the same manner:

To Owner:  
South Bainbridge Water Systems, Inc.  
4573 Point White Drive  
Bainbridge Island, WA 98110

To Customer:  
PBPBS, LLC  
c/o Jim Laws  
Windermere Real Estate  
840 Madison Ave. N  
Bainbridge Island, WA 98110

- L. Survival of Warranties and Representations. All warranties and representations made by any party hereto shall survive the conveyance and transfer of the Main Extension to Owner.
  - M. The Effective Date of this Agreement shall be upon approval of the Agreement by the Washington Utilities and Transportation Commission, which approval can be deemed to occur by the passage of time. Approval is not deemed to occur prior to the passing of thirty (30) days after the filing of this Agreement with the Washington Utilities and Transportation Commission.
28. Customer's Representations.

Customer represents and warrants that it is a limited liability company in good standing in the State of Washington, that execution and performance of this Agreement has been duly approved by the members of the limited liability company and that the execution



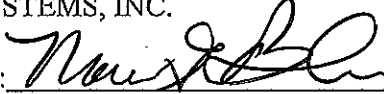
and performance of this Agreement will not place Customer in violation of any other agreement or undertaking.


OWNER:

CUSTOMER:

SOUTH BAINBRIDGE WATER  
SYSTEMS, INC.

PBPBS, LLC

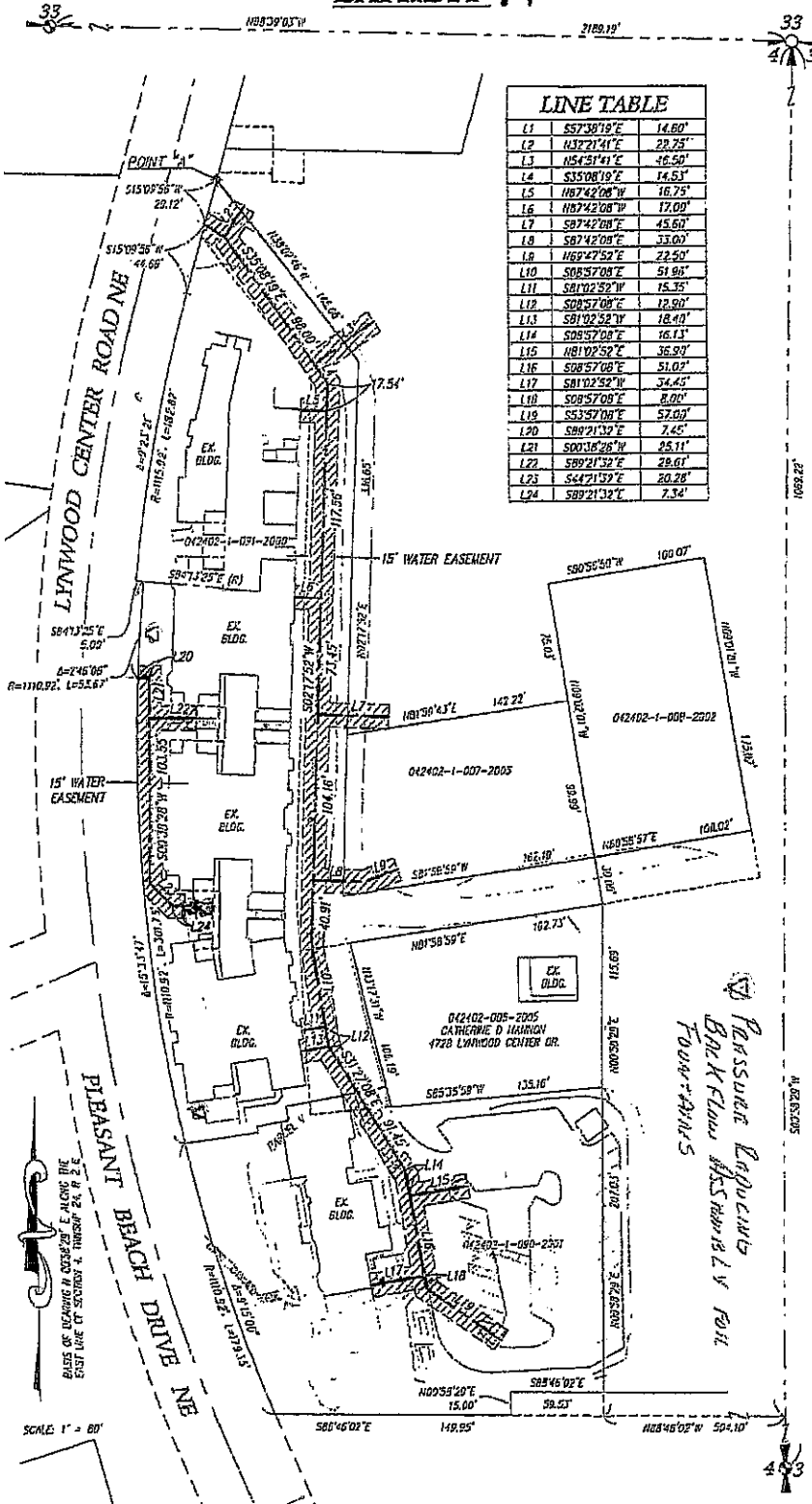
By:   
Maurlen G. Blossom

By:   
Kendra Vita

Its: President

Its: Manager

# EXHIBIT A



**EXHIBIT B**

**The Bond**

**[NONE]**

# EXHIBIT C

After Recording Return to:  
Richard A. Finnigan  
2112 Black Lake Blvd. SW  
Olympia, WA 98512

## EASEMENT

**Grantors:** PBPBS, LLC

**Grantee:** South Bainbridge Water Systems, Inc.

**Legal Description:** \_\_\_\_\_ (the "Property").

**Assessor's Tax Parcel Number:**

**THIS PERPETUAL EASEMENT** is made this 10 day of MAY, 2013, between PBPBS, LLC, a Washington limited liability company, (hereinafter "Grantors") and South Bainbridge Water Systems, Inc., a Washington corporation (hereinafter "Grantee").

### WITNESSETH:

Grantor for valuable consideration, receipt whereof is hereby acknowledged, conveys, warrants and grants to Grantee, its successors, assigns and permittees, subject to all existing matters of record, a perpetual and assignable nonexclusive easement upon, under, over, through, above and across the hereinafter described lands (the "Easement Area") for the purpose of installing, operating, repairing, replacing, reconstructing, maintaining, and using a water main and appurtenances without restriction, for the purpose of providing potable water service at Grantee's water system, with egress and ingress over and across Grantor's Property reasonably required for enjoyment of the easement rights herein granted.

The Easement Area which is granted hereby shall be limited to that certain portion of real property legally described on **Exhibit A** (attached hereto), as depicted on **Exhibit B** (attached hereto).

Grantor reserves the right to use the Easement Area for any purpose not inconsistent with the rights herein granted; provided, however, that Grantor shall not construct any buildings on the Easement Area (provided that improvements not constituting buildings

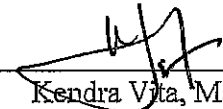
are permitted in the Easement Area, such as sidewalks, curbs, gutters, roadways, paving, landscaping/retaining walls, fences, fountains and other outdoor improvements).

Grantee shall be responsible for and promptly repair all damage caused by Grantees' exercise of its rights of ingress and egress to and from the Easement Area. As to the Easement Area itself, Grantee's obligation shall be limited to seeding grass and restoring a smooth surface to landscaped areas, and repairing and restoring road paving and sidewalks. Grantor and its successors shall have no claim for loss of landscaping or other surface improvements beyond paving, concrete and other surface coverings, including but not limited to plants or fencing or other structures which reasonably must be damaged or removed by Grantee in the exercise by Grantee of its easement rights.

Grantee agrees to defend and hold Grantor harmless from any claim by any third party for damages based upon injury to persons or property arising solely out of negligence in use of the above described easement and exercise of right of ingress and egress by Grantee or its agents or employees.

IN WITNESS WHEREOF, this instrument has been executed the day and year first above written.

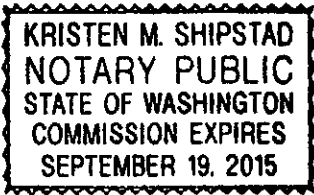
PBPBS, LLC

By:  \_\_\_\_\_  
Kendra Vita, Manager

STATE OF WASHINGTON            )  
                                                  )  
County of Kitsap                 )            ss.

On this 10 day of May, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kendra Vita, to me known to be the Manager of PBPBS, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

GIVEN under my hand and official seal this 10<sup>th</sup> day of May, 2013.



Kristen M Shipstad  
Kristen M. Shipstad  
[Print Name]

Notary Public in and for the State of Washington, residing at Bainbridge Island  
My appointment expires: Sept. 19, 2015

**EXHIBIT A**  
**South Bainbridge Water System, Inc.**  
**Easement for Water Line**  
**G.L.5, NE¼, NE¼, SECT. 4, T 24N, R 2 E., W.M.**

THOSE PORTIONS OF GOVERNMENT LOT 5, SECTION 4, TOWNSHIP 24 NORTH, RANGE 2 EAST, BEING A STRIP OF LAND 15 FEET IN WIDTH, LYING 7.5 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 4; THENCE ALONG THE EAST LINE OF SAID SECTION 4, SOUTH 00° 58' 29" WEST 1089.22 FEET; THENCE NORTH 88° 46' 02" WEST 504.10 FEET; THENCE NORTH 00° 58' 29" EAST 207.03 FEET; THENCE SOUTH 85° 35' 59" WEST 135.16 FEET; THENCE NORTH 13° 17' 31" WEST 106.19 FEET; THENCE NORTH 81° 58' 59" EAST 162.73 FEET; THENCE NORTH 09° 02' 01" WEST 30.00 FEET; THENCE SOUTH 81° 58' 59" WEST 162.19 FEET; THENCE NORTH 02° 17' 52" EAST 336.65 FEET; THENCE NORTH 38° 02' 46" WEST 145.06 FEET TO A POINT ON THE EASTERLY MARGIN OF RIGHT-OF-WAY OF LYNWOOD CENTER ROAD, ALSO A POINT HEREIN-AFTER REFERRED TO AS POINT "A"; THENCE SOUTH 15° 09' 56" WEST ALONG SAID EASTERLY MARGIN OF RIGHT-OF-WAY 29.12 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 57° 38' 19" EAST 14.80 FEET; THENCE NORTH 32° 21' 41" EAST 22.75 FEET; THENCE SOUTH 32° 21' 41" WEST 22.75 FEET; THENCE SOUTH 35° 08' 19" EAST 98.00 FEET; THENCE NORTH 54° 51' 41" EAST 46.50 FEET; THENCE SOUTH 54° 51' 41" WEST 46.50 FEET; THENCE SOUTH 35° 08' 19" EAST 14.53 FEET; THENCE SOUTH 02° 17' 52" WEST 17.54 FEET; THENCE NORTH 87° 42' 08" WEST 16.75 FEET TO THE FACE OF AN EXISTING BUILDING; THENCE SOUTH 87° 42' 08" EAST 16.75 FEET; THENCE SOUTH 02° 17' 52" WEST 117.56 FEET; THENCE NORTH 87° 42' 08" WEST 17.00 FEET TO THE FACE OF AN EXISTING BUILDING; THENCE SOUTH 87° 42' 08" EAST 17.00 FEET; THENCE SOUTH 02° 17' 52" WEST 73.45 FEET; THENCE SOUTH 87° 42' 08" EAST 45.60 FEET; THENCE NORTH 87° 42' 08" WEST 45.60 FEET; THENCE SOUTH 02° 17' 52" WEST 104.16 FEET; THENCE SOUTH 87° 42' 08" EAST 33.00 FEET; THENCE NORTH 69° 47' 52" EAST 22.50 FEET; THENCE SOUTH 69° 47' 52" WEST 22.50 FEET; THENCE NORTH 87° 42' 08" WEST 33.00 FEET; THENCE SOUTH 02° 17' 52" WEST 40.91 FEET; THENCE SOUTH 08° 57' 08" EAST 51.96 FEET; THENCE SOUTH 81° 02' 52" WEST 15.35 FEET TO THE FACE OF AN EXISTING BUILDING; THENCE NORTH 81° 02' 52" EAST 15.35 FEET; THENCE SOUTH 08° 57' 08" EAST 12.90 FEET; THENCE SOUTH 81° 02' 52" WEST 18.40 FEET TO THE FACE OF AN EXISTING BUILDING; THENCE NORTH 81° 02' 52" EAST 18.40 FEET; THENCE SOUTH 31° 27' 08" EAST 91.45 FEET; THENCE SOUTH 08° 57' 08" WEST 16.13 FEET; THENCE NORTH 81° 02' 52" EAST 36.90 FEET; THENCE SOUTH 81° 02' 52" WEST 36.90 FEET; THENCE SOUTH 08° 57' 08" EAST 51.02 FEET; THENCE SOUTH 81° 02' 52" WEST 34.45 FEET TO THE FACE OF AN EXISTING BUILDING; THENCE NORTH 81° 02' 52" EAST 34.45 FEET; THENCE SOUTH 08° 57' 08" EAST 8.00 FEET; THENCE SOUTH 53° 57' 08" EAST 57.00 FEET TO THE TERMINUS.

ALSO, COMMENCING AT SAID POINT "A"; THENCE SOUTH 15° 09' 56" WEST ALONG SAID EASTERLY MARGIN OF RIGHT-OF-WAY 73.78 FEET TO THE POINT OF CURVATURE OF A 1115.92 FOOT RADIUS CURVE TO THE LEFT; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09° 23' 21" FOR AN ARC DISTANCE OF 182.87 FEET; THENCE SOUTH 84° 13' 25" EAST 5.00 FEET; THENCE SOUTHERLY ALONG A 1110.92 FOOT RADIUS CURVE TO THE LEFT THE CENTER OF WHICH BEARS SOUTH 84° 13' 25" EAST; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02° 46' 06" FOR AN ARC DISTANCE OF 53.67 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89° 21' 32" EAST 7.45 FEET; THENCE SOUTH 00° 38' 28" WEST 25.11 FEET; THENCE SOUTH 89° 21' 32" EAST 29.61 FEET; THENCE NORTH 89° 21' 32" WEST 29.61 FEET; THENCE SOUTH 00° 38' 28" WEST 103.55 FEET; THENCE SOUTH 44° 21' 32" EAST 20.28 FEET; THENCE SOUTH 89° 21' 32" EAST 7.34 FEET TO THE TERMINUS.

EXCEPT ANY PORTION THEREOF LYING WITHIN THE RIGHT-OF-WAY OF LYNWOOD CENTER ROAD.

Situate in Kitsap County, Washington.

Assessor's Tax Parcel ID Nos.: 042402-1-008-2002, 042402-1-090-2001,  
042402-1-055-2004, 042402-1-091-2000

# EXHIBIT B

