

**CLOSING AGREEMENT AND ADDENDUM**

This Agreement dated as of July 5, supplements and amends the *Purchase And Sale Agreement Regarding Apex Water System, Connection Charge Credits & Real Property*, (hereafter the "PSA") dated October 26, 2010 by and between the SILVERDALE WATER DISTRICT as Buyer and ACE PAVING, INC. ("Ace"), APEX WATER SUPPLY, INC. ("Apex"), 5C'S PARTNERSHIP ("5Cs") and BACKHOE SERVICES, INC. ("Backhoe") as Seller. The terms of this Agreement control over any inconsistent terms of the PSA.

It is mutually agreed as hereinafter set forth.

1. **Included Assets.** Both Section 1 of the PSA, captioned *Assets Conveyed From Seller To Buyer And Purchase Price*; Sections 4-A, 4-C, 4-F and 10 of the PSA; and Exhibit D, E, F and H to the PSA are amended, supplemented and/or clarified as hereinafter set forth. The following assets are included in the Sale:
  - 1.1 **Real Property.** The following land, easements and real property fixtures and appurtenances:
    - a. Resultant Parcels A and C described in Exhibit I hereto.
    - b. A parcel of land ("Ace Parcel 032") owned by Ace carried under Kitsap County Assessor's Tax Account No. 1825012-032-2004. At Closing, the Parties authorize the Closing Agent to insert the proper metes and bounds legal description in the Deed from the approved Preliminary Title Commitment.
    - c. The beneficial interest of Apex and Ace in and to (i) the 40' Access and Utility Easement set forth on the face of the Plat of Apex Airpark Division 2, Phase 2, recorded in Volume 27 of Plats, pp 149-151 (hereafter *Utility Easement A*); and (ii) *Utility Easements B and C*, a copy of which is attached as Exhibit II, the original of which shall be recorded at closing; and (iii) Apex and Ace's interest in any other easements, if any, that are related to or associated with the Apex Water System. Utility Easements B and C shall sometimes be referred to as the *New Easements*. Easements A, B and C shall sometimes be referred to as the *Utility Easements*.
    - d. Real property fixtures, appurtenances and water system components (the "Real Property Appurtenances") owned and/or operated by Apex described and/or delineated in Paragraph 1E and 4 of the PSA and in Paragraphs 3, 4, 5, 6 and 7 of Exhibit E to the PSA.

CLOSING AGREEMENT AND ADDENDUM

Page 1 of 8  
(7-1-11)

- e. Apex's interest in the Water Rights Certificate application pending under DOE Permit application Q123137
- 1.2 Other Water System Assets. The following assets of Apex:
  - a. The Customer Lists and Accounts described in Sections 1E, 4B and 4H of the PSA, Paragraph 2 of Exhibit E to the PSA and Exhibit G to the PSA.
2. **Purchase Price.** The Purchase Price shall be increased by \$95,000 which is based on an appraisal of Ace Parcel 032 completed by Ray Richards and Associates.
3. **Allocation Of Purchase Price.** The Purchase Price of \$529,668.72 shall be allocated as follows:
  - 3.1 The sum of \$95,000 to Ace Parcel 032.
  - 3.2 The sum of \$240,000.00 to the Real Property assets described in Section 1.1 above.
  - 3.3 The sum of \$150,000.00 to the customer accounts and lists of Apex described in Section 1.2 above.
  - 3.4 The sum of \$44,668.72 for the Connection Charge Credit described in Paragraph 1 F of the PSA.
4. **Conveyance.** At Closing, Seller shall deliver for recording the following original documents properly executed and acknowledged:
  - 4.1 The BLAs. The two new BLAs, together with the Deeds (the "BLA Deeds") associated therewith, prepared by MAP, Ltd. adjusting the existing property boundaries so as to allow for the conveyance of the property necessary to vest title to Resultant Parcels A and C in and to the Buyer vis-à-vis the Deed described in Section 3.2 below.
  - 4.2 Special Warranty Deed And Excise Tax Affidavit. The Special Warranty Deed and Assignment (the "Deed") from Seller to Buyer for the conveyance and assignment of Resultant Parcels A and C, the Utility Easements and the Real Property Appurtenances described in Section 1.1 above to Buyer in the form attached as Exhibit III.
  - 4.3 Ace Parcel 032 Deed. Ace Parcel 032 shall be conveyed by a Statutory Warranty Deed prepared by the Closing Agent subject only to the permitted exceptions approved by the Buyer.

- 4.4 Bill Of Sale. A Bill of Sale in the form attached as Exhibit IV for the assignment of Apex's customer lists and accounts to the Buyer.
- 4.5 Excise Tax Affidavit. Closing Agent shall prepare the Excise Tax Affidavit for the above Deeds.
5. Title Insurance. Buyer and Seller agree that the existing title orders and escrow files at Land Title and Escrow have been cancelled and new title and escrow orders have been placed at Pacific Northwest Title Insurance Company, herein referred to as the "Title Company". Buyer shall be provided with a new Preliminary Title Commitment and, at Closing, a final policy of title insurance insuring Resultant Parcels A and C, Ace Parcel 032 and the Utility Easements in conformance with the provisions of Paragraphs 2 and 3 of the PSA as amended by this Agreement.
6. Closing. Closing shall be governed by the terms of this Section 6.
- 6.1 The Escrow Department of the Title Company ("Closing Agent") shall close the transaction in conformance with the PSA as amended and supplemented by this Agreement.
- 6.2 There shall be two escrows, known as Escrow 1 and Escrow 2. Escrow 1 shall include Ace Parcel 032 and the Connection Charge Credit. Seller shall be solely responsible for the escrow fees for Escrow 1 and the recording fees for Ace Parcel 032. Escrow 2 shall include all remaining assets described in Section 1 of this Agreement. Allocation of the closing costs for Escrow 2 is governed by the PSA as supplemented by this Agreement.
- Buyer shall be provided with one policy of title insurance covering Resultant Parcels A and C, Ace Parcel 032 and the easements the Title Company is insuring as governed by Section 5 above and set forth in the Title Company's preliminary commitment approved by Buyer.
- 6.3 The Deed, the Excise Tax Affidavit and the Bill of Sale have been prepared by Seller's attorney and approved by Seller and Buyer. Closing Agent has no duties with respect to these documents except to file, record and/or deliver the Excise Tax Affidavit, Deed and Bill of Sale in accordance with the terms of this Section 6 and Closing Agent's standard instructions.
- 6.4 Buyer will deposit with Closing Agent the Purchase Price together with Buyer's share of the Closing Costs.
- 6.5 Seller will deposit the following original documents properly executed and/or acknowledged with Closing Agent:

The new BLAs and BLA Deeds prepared by MAP, Ltd., Utility Easements B And C, the Special Warranty Deed and Assignment, the Excise Tax Affidavit and the Bill of Sale, together with Closing Agent's standard instructions, Settlement Statement and 1099 input form.

- 6.6 Buyer will sign the Excise Tax Affidavit and deposit with Closing Agent, Closing Agent's standard instructions and Settlement Statement.
- 6.7 Closing Agent will allocate the following closing costs to Seller:
- a. Excise Tax due on Ace Parcel 032 in Escrow 1;
  - b. Excise Tax on the Purchase Price allocated to the Real Estate, i.e. \$240,000.00;
  - c. The Title Insurance premiums for the (standard coverage) title insurance policies to be issued to the Buyer pursuant to Section 5 above;
  - d. Real Estate Commissions on the first \$390,000.00 of the Purchase Price;
  - e. Reconveyance fees necessary to clear the mortgage liens disclosed in the Preliminary Title Commitment;
  - f. Recording Fees for the recording of the New Easements, the BLAs, the BLA Deeds and the Deed for Ace Parcel 032;
  - g. Fees due MAP, Ltd. for the BLAs;
  - h. Fees billed to Seller's account by Seller's attorney;
  - i. Any recording fees for other documents Closing Agent is directed to record by Seller or Seller's attorney, together with any other costs approved by Seller;
  - j. One-half (1/2) of Closing Agent's fees; and
- 6.8 Closing Agent will allocate the following Closing Costs to Buyer:
- a. Recording costs for the Deed and Assignment;

- b. The sum of \$3,000.<sup>00</sup> representing an agreed share of the attorney fees due Seller's attorney for the preparation of this Agreement, the Deed and Assignment, the Bill of Sale, the transfer of Water Rights Certificate Permit Application, the coordination of Closing with Seller, Buyer and Closing Agent; and
- c. One-half (1/2) Closing Agent's fees for Escrow 2.
- 6.9 Buyer will pay the appraisal fees due Ray Richards and Associates outside of Escrow. Each Party will be responsible for any other costs and fees incurred by such party relative to this transaction.
- 6.10 The Parties represent there is no personal property being transferred to Buyer for which any USE Taxes are due. Closing Agent has no duty to verify or investigate this representation. Closing Agent has no duty to investigate whether any personal property taxes are due in connection with this transaction.
- 6.11 Once the Closing Agent has possession of the funds described in Section 6.4 and the documents described in Sections 6.5 and 6.6, and the Title Department has provided clearance for the issuance of the final title policy of title insurance to Buyer in accordance with the terms of Paragraph 3 of the PSA, Section 5 of this Agreement and the Closing Agent's standard instructions approved by Buyer and Seller, Closing Agent shall:
- a. Record the following documents in the following order:
- (i) The reconveyance(s) for any mortgage liens identified in Preliminary Commitments No. ~~237081604~~ 32127189  
Reconveyances to be recorded after closing upon receipt from the Lender.
  - (ii) The BLAs and BLA Deeds;
  - (iii) Utility Easements B and C;
  - (iv) The Deed (with the recording numbers for the above Easement inserted);
  - (v) The Deed for "Ace Parcel 032"
- b. Disburse all deposited funds in accordance with the approved standard instructions and Settlement Statement;
- c. Deliver the original Bill of Sale to Buyer; and
- d. Cause the Title Department to issue the final title policy to the Buyer.

CLOSING AGREEMENT AND ADDENDUM

Page 5 of 8  
(7-1-11)

- 6.12 Closing Agent has no obligation to investigate, collect for, or pay any utilities that may be due any utility purveyor. Closing Agent shall have no liability for any good faith actions undertaken pursuant to the instructions set forth in this Section 6.
- 6.13 Closing shall occur as soon as reasonably practicable once (i) Closing Agent has possession of all funds and documents required to close the transaction; and (ii) Closing Agent has clearance from the title department for the issuance of the title policies; provided in no event shall Closing occur later than July 12, 2011 unless mutually extended by Buyer and Seller.

7. **Post-Closing Covenants And Obligations.**

- 7.1 *DOE Permit Transfer:* Buyer shall be responsible for procuring any required approvals or permits for the appropriation of sub-surface waters within the Open Space Tracts described in Exhibit D to the PSA. Apex Water Supply and Ace Paving, Inc., together with their respective principals shall cooperate with Buyer and execute such transfer/assignment forms as may be reasonably necessary to transfer the Sellers interest in any water rights, permits or applications to Buyer. Buyer shall be responsible for the payment of the transfer fee charged by the Washington State Department of Ecology.
- 7.2 *Personal Property Taxes:* In the event the Kitsap County Treasurer claims personal property taxes are due on any components of the Water System, Seller will assume the defense thereof and pay any pro-rated taxes through the Closing date, including the prorated accelerated pickup tax for taxes billed in February 2012, and all penalties on the foregoing. Buyer shall pay its prorated share of any personal property taxes lawfully due.
- 7.3 *Use Tax Issues:* In the event the Washington State Department of Revenue audits the transactions and asserts Use Tax liability, Buyer shall assume the defense of same and pay any Use Taxes and/or penalties that may be lawfully required.
- 7.4 *Real Estate Taxes:* Real property taxes for Resultant Parcels A and C, together with their parent parcels may be required to be paid for the entire 2011 calendar year. Seller shall be responsible for seeking the refund of any tax overpayments by reason of the sale of Parcels A and C to Buyer which is a tax-exempt municipal corporation. Buyer agrees to cooperate with Seller in procuring any such refunds that may be due.


7.5 *Liabilities And Claims.* Other than mortgage loans identified in the preliminary commitment for Resultant Parcels A and C and the Ace Parcel which shall be cleared at closing, Apex warrants there are no outstanding liabilities of Apex or any liens against any of its assets. In the event any person or entity asserts any claim against Buyer on account of a liability incurred or suffered by Apex, or claims any right, title or interest in any of the assets being transferred to Buyer, by or through Apex in breach of any warranty contained in the Deed, Apex will save, defend, indemnify and hold Buyer harmless therefrom. Notwithstanding the foregoing and/or the warranties and covenants set forth in the Bill of Sale and the Deed and Assignment, the following matters are specifically disclaimed and excluded:

- a. Claims of lien claimants of Lot Owners who executed the Utility Easements B and C;
- b. Claims of lien claimants of Lot Owners of the Open Space on which Utility Easement A is located;
- c. Collectability of any outstanding account receivables assigned by Apex;
- d. Warranties of condition, fitness and utility regarding any tangible assets, including the land, the easements, fixtures, structures, appurtenances and improvements transferred to Buyer; and
- e. The Schedule B-1 permitted exceptions set forth in the Preliminary Commitments approved by Buyer.

7.6 *Utilities.* The Parties shall prorate any utilities outside of escrow.

8. *Miscellaneous.*

8.1 *Sharing Of Certain Attorney Fees.* Buyer agrees to pay the share of the attorney fees allocated to Buyer as provided in Section 6.8.

8.2 *Other Amendments And Ratification.* Notwithstanding Paragraph 15 of the PSA, the PSA and Addendum One, as amended hereby, are revised and the expiration date is extended to no later than ~~July 31, 2011~~ or such other date as the Parties may hereafter mutually agree in writing. 

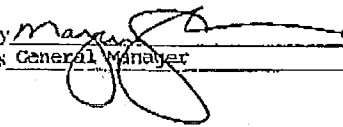
All other provisions of the PSA inconsistent with this Agreement are amended hereby. As so amended, the Parties ratify the PSA.

8.3 *Survival.* The terms of this Agreement survive Closing.

8.4 *Signature Authority:* Richard N. Christopherson has the authority to sign all closing documents and instruments, and all other documents related to this transaction on behalf of Ace, Apex, 5Cs and Backhoe and if he is unavailable, Roy T. Christopherson or Bruce C. Christopherson each have the signature authority to act on behalf of any and all of said entities.

SILVERDALE WATER DISTRICT

Dated: August 1, 2011

By   
Its General Manager

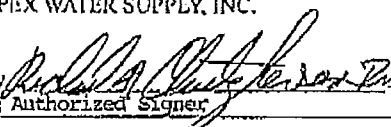
ACE PAVING, INC.

Dated: July 29, 2011

By   
Its Authorized Signer

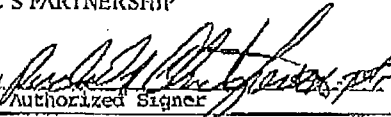
APEX WATER SUPPLY, INC.

Dated: July 29, 2011

By   
Its Authorized Signer

5C'S PARTNERSHIP

Dated: July 29, 2011

By   
Its Authorized Signer

BACKHOE SERVICES, INC.

Dated: July 29, 2011

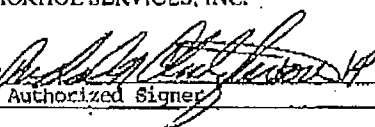
By   
Its Authorized Signer



Exhibit IV  
to  
Closing Agreement

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, That APEX WATER SUPPLY, INC., a Washington Corporation, the party of the first part, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration received from the SILVERDALE WATER DISTRICT, a Municipal Corporation, the party of the second part, the receipt whereof is hereby acknowledged, do by these presents grant, bargain, sell, convey and warrant unto the said party of the second part, its executors, administrators and assigns

All of First Party's right, title an interest in and to the customer accounts, including all receivables now outstanding and all future charges that may hereafter become due on account of water service provided to the customers identified in Exhibit I hereto.

TO HAVE AND TO HOLD the same to the said party of the second part, their executors, administrators and assigns forever. And the party of the first part do for their heirs, executors and administrators, covenant and agree to and with the said party of the second part, their executors, administrators and assigns, to warrant and defend the sale of the said property, goods and chattels hereby made unto the said party of the second part, their executors, administrators and assigns, against all and every person and persons whomsoever lawfully claiming or to claim the same.

IN WITNESS WHEREOF, we have hereunto set our hands the \_\_\_\_ day of April, 2011.

FIRST PARTY  
APEX WATER SUPPLY, INC.

By \_\_\_\_\_  
Its \_\_\_\_\_

SECOND PARTY  
SILVERDALE WATER DISTRICT

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF WASHINGTON     )  
  ) N.B.  
COUNTY OF KITSAP        )

I hereby certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she is authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of APEX WATER SUPPLY, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: \_\_\_\_\_  
residing in: \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the State of Washington  
\_\_\_\_\_  
(Printed Name)

STATE OF WASHINGTON )  
 )  
COUNTY OF KITSAP )

I hereby certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she is authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of SILVERDALE WATER DISTRICT to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: \_\_\_\_\_  
residing in: \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the State of Washington  
\_\_\_\_\_  
(Printed Name)

PACIFIC NW TITLE 201108010091  
 Deed Rec Fee: \$ 131.00  
 08/01/2011 12:29 PM Page: 1 of 8  
 Walter Washington, Kitsap Co Auditor

After recording return to:  
 Silverdale Water District  
 5300 NW Newberry Hill Road  
 Silverdale, WA 98383

Grantor: 5C's Partnership, a Washington General Partnership; Buckhoe Services, Inc., a Washington Corporation; Ace Paving, Inc., a Washington Corporation; Apex Water Supply, Inc., a Washington Corporation  
 Grantee: Silverdale Water District, a Municipal Corporation  
 Abbr. Legal: N1/2 of Tract 6; Blk 1, Port Washington Orchard Tracts; S1/2 of Tract 6; Blk 1, Port Washington Orchard Tracts; N1/2 of Tracts 5 and 6; Blk 1, Port Washington Orchard Tracts; Ptn Govt Lot 1 and NE 1/4, NW 1/4, Sec. 18, Twp 25 N., Rge 1 E., W.M.; Ptn Govt Lot 1, NW 1/4, NW 1/4 and Govt Lot 2, SW 1/4, NW 1/4, Sec. 18, Twp 25 N., Rge 1 E., W.M.  
 Tax Acct. #: 4449-001-005-0301; 4449-001-006-0102; 5019-000-006-0002; 5240-000-016-0001

Ref # 201108010090

**SPECIAL WARRANTY DEED  
 AND ASSIGNMENT**

AUDITOR'S NOTE  
 LEGIBILITY FOR RECORDING AND COPYING  
 UNSATISFACTORY IN A PORTION OF THIS  
 INSTRUMENT WHEN RECEIVED.

The Grantors, 5C's PARTNERSHIP, a Washington General Partnership ("5C's"), BACKHOE SERVICES, INC., a Washington Corporation ("Backhoe"), ACE PAVING, INC., a Washington Corporation ("Ace") and Apex Water Supply, Inc., a Washington Corporation ("Apex"), in and for \$10.00 in hand paid and other good and valuable consideration does hereby warrant, convey, assign, transfer and/or quit claim to the Grantee, the SILVERDALE WATER DISTRICT, a Municipal Corporation, the following described property as their interests appear:

- A. Resultant Parcels A And C. 5Cs as to Parcel I and Backhoe as to Parcel II conveys and warrants to the Grantee the real property described in Exhibit A, together with its interests in the Parcel III Easement described in Exhibit A, subject

DEED  
 7-5-11

KITSAP COUNTY TREASURER EXCISE

08/01/2011

2011EX03957

Total: \$4,277.00

Clerk's Initial

*HB*

to the easements, covenants, restrictions and/or reservations set forth in Exhibit B hereto.

**B. Utility Easement A.** Apex and Ace assign to the Grantee their respective interests in the following easements:

1. The 40 foot Access and Utility Easement depicted on the face of the Plat of Apex Airpark, Div. 2, Phase 2 filed under Volume 27, pages 149, 150 and 151, records of Kitsap County with the special warranties of title set forth in RCW 64.04.030 for a Bargain And Sale Deed; and
2. *Utility Easements B and C* recorded under Auditor's Recording No. 20110801 0090, with the special warranties of title set forth in RCW 64.04.030 for a Bargain And Sale Deed.

**C. Other Easements.** Apex and Ace quit claim to the Grantee, without warranties of title, all right, title and interest in and to any easements they may have, whether arising by prescription, implication or reservation for ingress, egress and the maintenance of the Apex Water System Appurtenances described in Paragraph D below and all waterlines serving Apex Water Supply customers, whether on the Open Space Tracts carried under Kitsap County Assessor's Tax Parcel Account Nos. 5019-000-006-0002 and 5240-000-016-0001 or otherwise.

**D. Real Property Appurtenances.** Apex warrants and conveys and Ace quit claims to the Grantee all right, title and interest in and to the following real property interests, attachments, fixtures, buildings and appurtenances (collectively, the "Appurtenances") owned and operated by Apex as part of the Apex Water Supply System:

1. Apex's interest in that certain Water Rights Certificate No. G123137P issued by the Washington State Department of Ecology; and
2. All water lines and mains, two water reservoirs, a pump station, including a building and associated fixtures, controls and appurtenances, and 3 water wells operated by Apex, all of which are located on portions of the land described in Exhibit C, together with any right Apex and/or Ace may have to appropriate groundwaters beneath such Land.

3. **Subject To:**

Any restrictions, limitations, conditions and/or requirements arising under applicable law and/or imposed by the Washington State Department of Ecology, the Washington State Utilities Commission, the Washington State



5C'S PARTNERSHIP to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: July 29, 2011

*Arlene M. Clayton*  
Notary Public in and for the State of Washington

Residing at: Bremerton

My commission expires: 5/16/13 Arlene M. Clayton

Print Name

STATE OF WASHINGTON )  
: ss.  
COUNTY OF KITSAP )

**Notary Public**  
**State of Washington**  
**Arlene M Clayton**  
**Commission Expires 5-16-13**

I hereby certify that I know or have satisfactory evidence that Richard N. Christopherson is the person who appeared before me and said person acknowledged that he/she signed this instrument, on oath stated that he/she is authorized to execute the instrument and acknowledged it as the Authorized Signer of ACE PAVING, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: July 29, 2011

*Arlene M. Clayton*  
Notary Public in and for the State of Washington

Residing at: Bremerton

My commission expires: \_\_\_\_\_ Arlene M. Clayton

Print Name

STATE OF WASHINGTON )  
: ss.  
COUNTY OF KITSAP )

**Notary Public**  
**State of Washington**  
**Arlene M Clayton**  
**Commission Expires 5-16-13**

I hereby certify that I know or have satisfactory evidence that Richard N. Christopherson is the person who appeared before me and said person acknowledged that he/she signed this instrument, on oath stated that he/she is authorized to execute the instrument and acknowledged it as the Authorized Signer

APEX WATER SUPPLY, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: July 29, 2011 *Arlene M Clayton*  
Notary Public in and for the State of Washington  
Residing at: Bremerton  
My commission expires: 5/16/13 Arlene M. Clayton  
Print Name

STATE OF WASHINGTON )  
; ss.  
COUNTY OF KITSAP )

Notary Public  
State of Washington  
Arlene M Clayton  
Commission Expires 5-16-13

I hereby certify that I know or have satisfactory evidence that Richard N. Christopherson is the person who appeared before me and said person acknowledged that he/she signed this instrument, on oath stated that he/she is authorized to execute the instrument and acknowledged it as the Authorized Signer of BACKHOE SERVICES, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: July 29, 2011 *Arlene M Clayton*  
Notary Public in and for the State of Washington  
Residing at: Bremerton  
My commission expires: 5/16/13 Arlene M. Clayton  
Print Name

Notary Public  
State of Washington  
Arlene M Clayton  
Commission Expires 5-16-13

## EXHIBIT A

## PARCEL I:

THE NORTH 163 FEET OF THE SOUTH 243 FEET OF THE NORTH HALF OF TRACT 6, BLOCK 1, PORT WASHINGTON ORCHARD TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE(S) 22, IN KITSAP COUNTY, WASHINGTON;  
EXCEPT THE EAST 119 FEET THEREOF;  
(ALSO KNOWN AS A PORTION OF RESULTANT PARCEL A OF BOUNDARY LINE ADJUSTMENT TO BE RECORDED CONCURRENTLY HEREWITH).

## PARCEL II:

THE NORTH 310 FEET OF THE SOUTH HALF OF TRACT 6, BLOCK 1, PORT WASHINGTON ORCHARD TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE(S) 22, IN KITSAP COUNTY, WASHINGTON;  
(ALSO KNOWN AS RESULTANT PARCEL C OF BOUNDARY LINE ADJUSTMENT TO BE RECORDED CONCURRENTLY HEREWITH).

## PARCEL III:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER, UNDER AND ACROSS THE SOUTH 60 FEET OF THE NORTH HALF OF TRACTS 5 AND 6, BLOCK 1, PORT WASHINGTON ORCHARD TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE(S) 22, IN KITSAP COUNTY, WASHINGTON;  
EXCEPT THE EAST 30 FEET THEREOF FOR DICKEY ROAD.

(PARCEL III BENEFITS PARCELS I AND II)



## EXHIBIT "B"

1. Easement affecting a portion of said premises and for the purposes hereinafter stated, as granted by instrument recorded May 6, 1988, in the office of the recording officer of Kitsap County, Washington under Auditor's File No. 8805090092;

In favor of: PUGET SOUND POWER AND LIGHT COMPANY AND/OR PUGET SOUND ENERGY  
For: Underground and/or overhead transmission and electric lines and appurtenances thereto;  
Affects: the legal description contained therein is insufficient to specifically locate said easement

2. Covenants, conditions, restrictions, assessments and easements in declaration of restrictions, but omitting covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law;

Recorded: August 21, 2008  
Recording No.: 200808210138

3. Easement for ingress, egress and utilities over the West 30 feet as disclosed by Boundary Line Adjustment recorded concurrently herewith.

EXHIBIT C

DESCRIPTION:

PARCEL I:

OPEN SPACE, APEX AIRPARK DIVISION NO. 2, ACCORDING TO THE PLAT RECORDED TO THE PLAT RECORDED IN VOLUME 23 OF PLATS, PAGES 114 AND 115, RECORDS OF KITSAP COUNTY, WASHINGTON.

PARCEL II:

OPEN SPACE, APEX AIRPARK, DIVISION NO. 2, PHASE 2, ACCORDING TO THE PLAT RECORDED IN VOLUME 27 OF PLATS, PAGES 149, 150 AND 151, RECORDS OF KITSAP COUNTY, WASHINGTON.