

## AMENDMENT

THIS AMENDMENT is to that certain Water System Improvement and Fire Suppression Agreement ("Agreement") entered into the 1st day of December, 2009, by and between South Bainbridge Water Systems, Inc., a Washington corporation (referred to in the Agreement as "Owner") and Romerkoff, LLC, a Washington limited liability company (referred to in the Agreement as "Customer").

## RECITALS

1. Under Paragraph 9 of the Agreement, Customer is to provide a construction performance and maintenance bond. However, Customer is having difficulty in obtaining such bond and has requested that Owner accept an Assignment of Funds in lieu thereof. Owner is willing to accept said Assignment of Funds. As a result, the Agreement needs to be amended as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and benefits to be derived, Owner and Customer agree to amend the Agreement as follows:

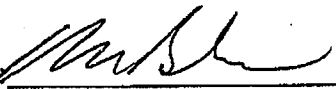
## AMENDMENT

1. Paragraph 9 of the Agreement is hereby amended to read as follows:
  9. Customer shall provide an Assignment of Funds which allows Owner access to said funds upon the negligence of Customer, its agents, or to release liens, address third party liability and repair defective materials and supplies. A copy of said Assignment of Funds is attached hereto as Exhibit B and by this reference incorporated herein.
2. This Amendment shall be submitted to the Washington Utilities and Transportation Commission for approval and shall take effect upon said approval or, if not otherwise suspended, upon thirty (30) days from the date of filing with the Washington Utilities and Transportation Commission, whichever occurs first.
3. Customer shall pay the cost of Owner's attorney to develop this Amendment and seek approval by the Washington Utilities and Transportation Commission in the amount of Seven Hundred Fifty Dollars (\$750.00), which payment is due upon execution of this Amendment by Customer.
4. In all other respects, the Agreement shall remain in full force and effect except as expressly amended herein.

Entered into the date first set forth above.

OWNER:

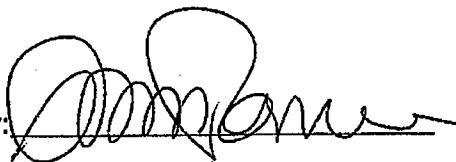
SOUTH BAINBRIDGE WATER  
SYSTEMS, INC.

By: 

Its: President

CUSTOMER:

ROMERKOFF, LLC

By: 

Its: member

## **EXHIBIT B**

### **ROMERKOFF, LLC ASSIGNMENT OF FUNDS**

THIS AGREEMENT ("Agreement") is for the Assignment of Funds from Romerkoff, LLC, a Washington limited liability company (the "Customer") and is entered into this 1<sup>st</sup> day of March, 2010.

#### **I. RECITALS**

A. The Customer is the owner of certain real property located in the City of Bainbridge Island, Washington, and legally described on Exhibit 1 attached hereto and incorporated herein by this reference.

B. The Customer is in the process of obtaining a water system extension from South Bainbridge Water Systems, Inc. ("Owner") to serve said property (the "Project").

C. As a portion of the requirements to complete the Project, the Customer is required to reserve certain funds for the exclusive purpose of work to be performed under the Water System Improvement and Fire Suppression Agreement, dated the 1st day of December, 2009 (the "Extension Agreement").

#### **II. AGREEMENT**

Now, therefore, in consideration of the mutual covenants and benefits herein, the Customer agrees as follows:

1. The Customer hereby reserves the sum of Thirty Thousand Six Hundred Twenty Dollars (\$30,620.00) for the benefit of Owner in conjunction with work to be performed under the Extension Agreement (said funds shall be referred to as the "Performance/Maintenance Funds").

2. The Performance/Maintenance Funds shall be held with Frontier Bank, City of Bainbridge Island branch, in an exclusive account for the purposes under this Agreement.

3. In the event the Customer fails to perform the work required under the Extension Agreement, Owner shall have the right to utilize the Performance/Maintenance Funds to repair or complete the work required under the Extension Agreement, provided Owner has provided: (a) written notice to the Customer of any such violations of the Extension Agreement and (b) a thirty (30) day opportunity to the Customer to complete the required work under the Extension Agreement.

4. The Performance/Maintenance Funds under this Assignment shall be released one (1) year after Owner has accepted the System Extension in accordance with the Extension Agreement terms.

5. All notices provided for herein may be transmitted by Federal Express or other overnight courier service or delivered or mailed registered or certified mail, return receipt requested. If a notice is mailed, it shall be considered delivered three (3) days after deposit in such mail. If notice is sent via overnight courier, it shall be deemed received upon the next business day. The addresses to be used in connection with such correspondence and notices are the following, or such other address as a party shall from time to time direct:

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

Customer: Romerkoff, LLC  
265 Maiden Lane E  
Seattle, WA 98112

IN WITNESS WHEREOF, the Customer has executed this Agreement for Assignment of Funds on the date and year set forth above.

ROMERKOFF, LLC

By: 

Steve Romein

Its: Managing Member

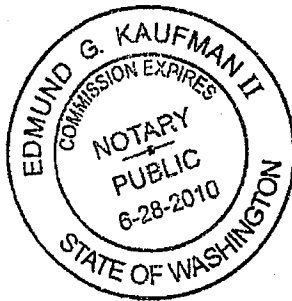
Date: 2/25/10

[acknowledgement continued on next page]

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KITSAP )

I certify that I know or have satisfactory evidence that Steve Romein is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Managing Member of Romerkoff, LLC, a Washington limited liability company, to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes mentioned in the instrument

GIVEN under my hand and official seal this 25<sup>th</sup> day of February ~~March~~, 2010.



Edmund G. Kaufman II

[printed name of notary]

NOTARY PUBLIC in and for the State  
of Washington, residing at Bainbridge Island  
My Commission Expires: 6/28/10

ASSIGNMENT OF ACCOUNT

South Bainbridge Water Service, Inc. 4573 Point White Drive  
Northeast, Bainbridge Island, WA 98110-4025

NOTE TO ASSIGNOR: This account cannot be released until one year after the date of successful final inspection by the South Bainbridge Water Service, Inc...

This assignment is for the purpose of fulfilling the requirement of BIMC 15.12.025. The undersigned does hereby assign, transfer and set over unto the South Bainbridge Water Service, Inc. all right, title, and interest in and to \$ 30,620.00 (Thirty Thousand Six Hundred Twenty Dollars and no/100 Dollars) of Account No. [REDACTED] in the (bank name) Frontier Bank with full power and authority to demand, collect, and receive said deposit and to give receipt and a quittance therefore for the uses and purposes prescribed by said BIMC 15.12 as surety for the work authorized by Bainbridge Island Right-of-Way Construction Permit ROW16088 for which the undersigned has applied. It is understood and agreed that (bank name) Frontier Bank holds the said savings account or time deposit in its possession and agrees to hold \$30,620.00 until work has been completed and approved by South Bainbridge Water Service, Inc.. After work completion and approval seventy five percent (75%) of this account will be released. Twenty-five percent (25%) of the account will be held for one (1) year after completion and approval, after which South Bainbridge Water Service, Inc. will release the account in full. In the event that the undersigned fails to faithfully, perform all obligations and agreements of above stated Right-of-Way Construction Permit in a timely manner the deposit will be released to the South Bainbridge Water Service, Inc. after 30 days notice on demand and with no other conditions of release.

The undersigned represents and warrants that the above-described account is owned solely by the undersigned and is free and clear of all liens and encumbrances, and that the undersigned has full power, right, and authority to execute and deliver this assignment. If the account requires a passbook or other medium evidencing ownership, such medium has been delivered and is assigned and pledged to South Bainbridge Water Service, Inc.

The undersigned acknowledges that the above assignment was complete, with all blanks filled in, prior to execution of this document. Any penalty arising from a demand for payment by the South Bainbridge Water Service, Inc. from the bank shall be assessed solely against the Assignor.

Signed and dated at Bainbridge Is. Washington, this 26 day of FEBRUARY 2010.

  
Signature of Depositor

205 MAIDEN LN E.

Address

SEATTLE WA 98112

City

State

Zip Code

ACCEPTANCE -To be completed by bank personnel

The undersigned hereby accepts the foregoing assignment of account or time deposit and agrees to hold the funds until an authorized release is received by the South Bainbridge Water Service, Inc.

D. J. Noulton (SM) 2/26/2010  
Signature of Bank Officer and Title Date

901 Hildebrand Ln Ne Bainbridge  
Bank Address Branch

Bainbridge Island<sup>WA</sup> 98110 206-780-4480  
City-State Zip Code Phone Number

NOTARIZED SIGNATURE OF AUTHORIZED BANK PERSONNEL

Subscribed and sworn to before me this date: 2/26/2010

Edmund S. Kaufman II  
Notary Public in and for the State of Washington

Bainbridge Island  
Residing at

6/28/2010  
My commission expires

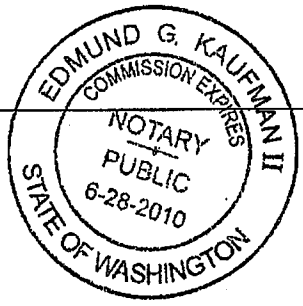


EXHIBIT 1

Historic Lynwood Center  
Legal Description

(LOT 1 OF SHORT PLAT NO 2832 RECD UNDER AUD NO 8207260095) TH PTN OF GOVT LOT 5 SEC 4 MORE PART DAF BAT E QTR COR OF SD SEC 4 TH ALG E LN OF SD SEC 4 NO 58'08E 1377.82 FT TO NE COR OF S 60 FT OF SD GOVT LOT 5 TH ALG THE N LN OF SD S 60 FT GOT LOT 5 N88 43'21W 704.08 FT TO W R/W OF PLEASANT BEACH DR ALSO BEING TPOB TH ALG SD W R/W N23 52'22