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Recording Fee $77.00 Page 1 of 16
Agreement
Island County Washington

Return Recorded Instrument to:
Stuart Young
5500 NE Penrith Road
Seattle, WA 98105

WATER SERVICE, OPERATION AND MAINTENANCE AGREEMENT BURN'S VIEW RIDGE WATER SYSTEM

Grantor: Saratoga Passage Investments, LLC

Grantee: Saratoga Passage Investments, LLC and The Public

Legal Description (Abbrev.): Well Site Benefited Parcel assigned Parcel Number R23013-217-2460 and seven other Benefited Properties all located in Section 13, Township 30 North, Range 2 East of the Willamette Meridian, Island County, Washington as described in Exhibit A attached hereto and made a part hereof.

Tax Parcel Numbers: R23013-166-1640, R23013-231-1580, R23013-166-2140, R23013-149-2430, R23013-252-1850, R23013-235-2130, R23013-217-2460, R23013-250-2950.

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THIS WATER SERVICE, OPERATION AND MAINTENANCE AGREEMENT is made and entered into this 22 day of July, 2010, by and between Saratoga Passage Investments, LLC Grantor, and The Public and Saratoga Passage Investments, LLC, Grantee.

RECITALS

Saratoga Passage Investments, LLC owns real property (the "Well-Site Parcel") located in Island County, Washington, which is legally described as follows:

> Assessor's Parcel Number 23013-217-2460 located in the East half of the East Half of the Northeast Quarter of the Southwest Quarter lying north of Saratoga Road in Section 13, Township 30W, Range 2E of the Willamette Meridian, Island County, Washington

There is currently located upon the Well-Site Parcel a water well and other water system components (the "Water System"). Saratoga Passage owns additional contiguous parcels of real property which it wishes to include as a Benefited Property as well as a contiguous parcel it does not own (which may be substituted with another parcel at any time) which it wishes to include as a Benefited Property, all of which are legally described on the attached Exhibit A.

Saratoga Passage Investments, LLC desires to develop the Water System (to be named Burn's View Ridge Water System) as required to obtain Island County Health Department approval as an eight-party, public water system that will serve the domestic water needs (restricted to 625 gallons of water per residence per day calculated on a quarterly basis as outlined in Paragraph 7A) of its 7 parcels as well as 1 additional parcel which it does not own (which parcel may be substituted with another parcel at any time), all of which are described on the attached Exhibit A.

Each of the eight parcels described in Exhibit A are referred to below, individually, as a "Benefited Property", and/or collectively, as the "Benefited Properties". The owner of any Benefited Property may be referred to below, individually, as an "Owner" and the owners of all Benefited Properties may be referred to below, collectively, as the "Owners".

Saratoga Passage Investments, LLC has formulated the method of development, ownership, operation, maintenance and use of the Water System and desires to reduce the terms and conditions to writing as set forth herein.

NOW, THEREFORE, in consideration of the recitals set forth above, the benefits to be derived from this Agreement and the covenants set forth below, Saratoga

Passage Investments, LLC agrees as follows:

1. All Water System components (including the well and all related hardware) located upon the Well-Site Parcel, along with all Water System main lines and related components located upon the Benefited Properties shall be and hereby are co-owned in equal shares (1/8) by the Owners. Each Owner shall own one Water System share for each Benefited Property owned and shall be entitled to use of water from the Water System (subject to the limits and under the conditions described below). Such Water System ownership shall run with ownership of each of the Benefited Properties. However, individual service lines and/or meters located upon and serving the Well-Site Parcel and the additional Benefited Properties shall be owned solely by the owners of each of those properties.

2. Each party hereby grants, bargains, sells and conveys to the others, without warranty, its interest (if any) in Water System components, as may be necessary to effect the co-ownership interests described in paragraph 1., above and each party hereby assumes joint responsibility with the other parties for performance of the water system operation and maintenance duties imposed upon water system owners by applicable law.

3. All decisions concerning the Water System ownership, as well as policy decisions concerning Water System operation and maintenance, the employment of third parties to perform such operation and maintenance and similar matters related to the Water System, shall be based upon the affirmative vote of the owners of a majority of the Benefited Properties. In taking such votes, each Owner shall have one vote per Benefited Property owned by that Owner and those Owners (including husbands and wives owning lots as community property) co-owning any Benefited Property shall have only one vote between them per Benefited Property owned by them. Provided, however, that Saratoga Passage shall have one vote for each Benefited Property which it owns until the 8 individual parcels are sold to third parties. Such votes may be cast by the Owners in person, by mail or as otherwise (such as e-mail) determined by such majority vote.

4. The Owners shall enter into an agreement with an approved, Satellite Management Agency, which shall serve as Water System purveyor (the "Purveyor"), to perform ongoing Water System operation and maintenance services. Upon approval of the Water System by the Island County Health Department to serve the eight Benefited Properties described above, the Purveyor shall supply those properties with potable water from the Water System which meets or exceeds the health department's requirements. In addition, the Purveyor shall be responsible for and shall perform, or have third parties perform, all actions necessary to ensure the proper functioning of the Water System, including, but not necessarily limited to, making provision for required testing, reading the master meter and reporting such readings to relevant governmental agencies, and, making regular (at least once, every three months) visual Water System inspections (including leak detection inspections) and making any necessary repairs of main water line leaks detected during such inspections. Each User (defined in paragraph 6, below)

shall be individually responsible for repairing leaks in that User's individual service line at their own expense.

5. The Purveyor shall select, and shall (if required) notify the Island County Health Department or the State of Washington, Department of Health, of the name, address and telephone number of a person or persons who will act as alternate purveyor, in the event the Purveyor is unable to perform the Purveyor's duties under this Agreement. In addition, the Purveyor shall provide the Island County Health Department and, if required, the State of Washington, Department of Health, with any other information required by applicable law.

6. The Purveyor shall devise, and the Owner(s) and/or other occupants (collectively referred to as "User") of each Benefited Property hooked-up (that is, physically connected) to the Water System shall comply with specific plans for conserving water under both normal conditions and during periods of water shortages. Such plans shall include provision for installation of flow restriction devices on faucets and shower heads, low-usage toilets, and, in the event of water shortages, limitation of water use to drinking and other uses directly related to health maintenance and to levels necessary to respond adequately to the situation existing at the time. The Purveyor shall notify all Users and, if required, the Island County Health Department and other applicable governmental agencies as soon as possible after the Purveyor becomes aware of any water shortage problems.

7. Each User's water usage shall be limited as follows:

A. Domestic Use: Each water share and membership in the water system shall represent the right to connect to and draw water from the said well and water system for the reasonable domestic purposes of, and in quantities reasonably necessary to serve one single family residential dwelling per share, however, in no event shall any water share user utilize more than 625 gallons of water from said well and water system within any 24 hour period calculated on a quarterly basis prior to obtaining a State Water Right Permit that would allow a higher volume of water usage . For purposes of this Agreement, a "domestic use" means water is being supplied to and for the normal household purposes of the occupants of a maximum of one single-family residence to include a guest house on each Benefited Property. "Domestic use" would include water for animals kept as pets, as well as livestock kept for household rather than commercial purposes. It is contemplated that Saratoga Passage Investments, LLC will contract with a Satellite Management Agency to manage the water system and to calculate water usage for each water share user on a quarterly basis and report the usage of each water user to each water user of the water system (or the non-profit corporation as and when it is formed) and, if required, the Island County Health Department.

B. Personal Use: Water shall not be supplied by any Owner or other

User, by sale or otherwise, to or for the use of third parties (other than the User's guests), either on or off of any Benefited Property. The Purveyor may supply water to additional parties only upon prior authorization from the Island County Health Department or other governmental agencies, as required by applicable law.

C. Consumption: Notwithstanding any other provisions of this Agreement to the contrary, the Purveyor reserves the right to limit any User's water consumption if the Purveyor deems that consumption excessive under the circumstances existing at the time. Violation of such limitations after two, written notices from the Purveyor to the User in question, may (in the Purveyor's sole discretion) result in temporary disconnection of that User's water service in accordance with the procedures described in paragraph 14, and may subject the User to the reconnection charge described in paragraph 15, below.

8. The Owners shall share, in the manner described below, all Water System maintenance and repair costs, and each User shall install an individual meter on the service line serving that party's Benefited Property as a condition of continued or new water service by the Purveyor. However, only Users (as opposed to non-User Owners) shall be required to pay the day-to-day operational costs (such as electric power charges, testing fees and the charges of a third-party purveyor) of the Water System through periodic use charges. However in order not to place an undo hardship on those few water users who have hooked-up to the system and are using water, there shall be a minimum monthly charge of $5.00 for any non-User Owners which may be paid semi-annually or annually at the non-User Owners option.

Except as provided otherwise in this Agreement, the Owners shall set the periodic water use charge at, and adjust it to, a rate which will encourage conservation and discourage overuse. The initial periodic charge for use of water from the Water System shall be: $20 for use of 0 to 9,000 gallons per month; plus, $2.75 for use of each one thousand gallons, or any part thereof, from 9,000 gallons to 12,000 gallons per month; plus, $3.50 for use of each one thousand gallons, or any part thereof, beyond 12,000 gallons per month. However, in no event shall any water user use in excess of 18,750 gallons of water during any month, otherwise a $250 fine shall be levied by the purveyor against the water user for the first such violation and a $500 fine for the second violation after which any further violation shall result in the water to the violator being shut off.

The Owners may increase or decrease the periodic water use charge once each six months subsequent to the date on which this Agreement becomes effective, upon thirty (30) days' prior written notice to all Users, by a maximum of ten percent of the periodic use charge existing immediately prior to the increase.

By separate agreement with the Owners, the Users may elect to share (on a pro rata basis per Benefited Property served) payment of all electric power, testing and other routine operational costs, rather than paying periodic use charges on the basis of metered readings.

If applicable, the Purveyor shall read the water meter of each User and, in any event, shall bill each such User for operation (as opposed to maintenance and repair) costs every quarter unless desired more often at the option of the purveyor, and each such User shall pay each water bill by the tenth day of the month following the month indicated on the bill.

9. Any sums received for periodic use on the basis of metered readings, or otherwise in relation to water use, shall be deposited by the Purveyor into an account (the "Reserve Fund") which shall be established at a local bank selected by the Purveyor or, at their election, by the Owners.

Each Owner other than Saratoga Passage Investments, LLC shall annually, during the month of June, contribute the sum of $200, per Benefited Property owned, to the Reserve Fund, until the Reserve Fund balance reaches $3,000; thereafter, each Owner shall pay his pro rata share (per Benefited Property owned), up to $200 per year, as necessary to maintain the Reserve Fund balance at a minimum of $3000.

To the extent possible, the Purveyor shall pay all Water System operation, maintenance and repair (including replacement of damaged, defective or worn Water System components) costs first out of any sums contained in the Reserve Fund. In the event the Reserve Fund balance at any time is not sufficient to pay then current operation, maintenance and repair costs, the Purveyor shall bill each Owner for that party's pro rata share (per Benefited Property owned) of any portion of such costs beyond the sums contained in the Reserve Fund. Each Owner shall pay that bill within ten (10) days of the postmark date on the mailing envelope in which the bill is enclosed. All sums in the Reserve Fund account shall be used solely for unscheduled maintenance and repair of the Water System.

Only the Purveyor or an Owner designated by the Owners shall be authorized to withdraw funds from the Reserve Fund. The Purveyor shall maintain records of such withdrawals from, as well as of deposits into, the Reserve Fund and, upon the request of any Owner, shall allow such Owner to review and copy those records.

10. The Purveyor and the Purveyor's authorized agents or employees shall have access to the property of each Owner at reasonable hours for purposes of meter reading, as well as maintenance, repair, testing or inspection, connection and disconnection of Water System components. In addition, each Owner shall grant the other Owners any easements which may be reasonable and necessary for Water System operation, maintenance, repair and other purposes. The Purveyor's duty to supply each Owner with water under this Agreement is conditioned on such Owner granting the access rights and the easements described in this paragraph, and the Purveyor may disconnect a User's water service, as provided below, if that User refuses to grant, and until such User does grant such access rights and/or easements. Any access rights and easements granted the Owners pursuant to this Agreement shall be transferred automatically with any transfer of the Water System.

11. Except as provided otherwise in this Agreement, Saratoga Passage Investments, LLC, shall bear all costs of the initial installation and construction of main and lateral water distribution lines, the master meter at the well and other Water System hardware and components, as needed to obtain Island County Health Department approval of the Water System as an eight-party, public water system. Each Owner, individually, shall pay for the installation, maintenance, repair and replacement of that Owner's individual water meter and service line on that Owner's Benefited Property. Saratoga Passage Investments, LLC intends to install an individual water meter which will accommodate a ¾ inch line for each of the eight benefited properties and for which Saratoga Passage Investments, LLC shall be reimbursed $500 at the closing of the sale of the benefited parcel with said water share right. The cost for a water meter which will accommodate a water line in excess of ¾ inch shall be agreed upon by the owner of the benefited parcel and Saratoga Passage Investments, LLC. In addition, each Owner shall pay $6,000 to Saratoga Passage Investments, LLC at closing for the right to hook up to the water system.

Except for individual water meters and service lines, the Purveyor shall perform all maintenance, repair and replacement work, which shall be paid for from the Reserve Fund described above. However, neither the Owners nor the Purveyor (1) shall have any duty to drill a new well, to perform maintenance, to make other repairs to the Water System or to replace Water System hardware or other components if such work would cost, at any one time, in excess of the Reserve Fund balance existing at that time; and, (2) shall not be required to commence any such work which the Purveyor reasonably believes would cost in excess of that sum, until the Owners have paid the Purveyor the sums necessary to complete that work. The duty to supply water to each Benefited Property shall be suspended pending the receipt of such funds from the owner of that Benefited Property, and completion of such work.

Notwithstanding any provisions of this Agreement to the contrary, in the event that the cost to maintain, repair or replace Water System components, at any one time, would, in the Purveyor's estimation, exceed $3,000 beyond the Reserve Fund balance existing at that time, then the Owners shall not be required to pay any sums beyond that Reserve Fund balance until after negotiation and agreement between the Owners concerning the cost and other aspects of completion of such work; PROVIDED, nothing contained in this Agreement shall be construed to obligate an Owner to enter into any such negotiation or, absent further written agreement by that Owner, to pay any portion of the cost of such maintenance, repair and/or replacement work; and, in the event that some, but not all, of the Owners reach agreement concerning payment of the costs of such work (i.e., when those costs exceed $3,000 beyond the Reserve Fund balance existing at the time) and the work has been completed and paid for, any non-participating Owner shall not be entitled to re-establishment of that User's water supply from the Water System until that User has paid his pro rata share of such costs. If the Water System is not functioning and cannot be made to function without such agreement, and in the event that no such agreement is concluded within thirty days of the date the Water System has ceased functioning, then, this Agreement may be terminated at the written election of the Owners, along with all rights and duties (except any then-existing duty to

make monetary payments) of the Owners at that time.

12. Each User shall assume all responsibility on that User's property for water supplied from the Water System. The other Users shall be exempt from liability for loss or damage caused by leakage or escape of water furnished from the Water System, upon any individual User's Benefited Property. All service pipes and fixtures on any User's Benefited Property must be kept in repair and protected from freezing and other hazards at the expense of that User. Where there are leaking or defective pipes or fixtures, the water may be turned off, at the option of the Purveyor, until proper repairs are made. The Purveyor may require any service to be equipped with a stop and waste cock to be used during freezing weather instead of permitting water to run continuously from faucets. Each Owner shall promptly repair any damage to the Water System caused by that Owner, or by that Owner's agents, employees or tenants, or by persons for whose acts that Owner otherwise bears responsibility. Each Owner shall notify the Purveyor as soon as possible after that Owner becomes aware of any damage to or operational problems concerning the Water System, and in a timely manner concerning complaints about water service and the Purveyor shall take appropriate and timely steps to investigate and correct any such problems for which the Purveyor bears responsibility under this Agreement or applicable law.

13. The Purveyor shall make a diligent effort to render uninterrupted service and supply of water and, in cases where shut-off is necessary for repair, reconstruction, damage prevention or similar cause, the Purveyor shall endeavor to give advance notice to the individual Users of such expected shut-off. However, neither the Purveyor nor the Owners shall be responsible for any damage which may result from cessation of service such as indicated above, or for failure to give notice of shut-off when circumstances are such that it is impossible to give notice as indicated above. In addition, neither the Purveyor nor the Owners shall be liable, in any respect whatever, to any individual User or other User of water from the Water System, for any injury or inconvenience to persons (including third parties), or damage to property, which results from failure, suspension, or diminution in water quality or quantity below the required levels, and which is caused by non-negligent or non-intentional acts of the Purveyor, the Purveyor's authorized agents or employees, or persons for whose acts the Purveyor bears responsibility.

The Purveyor shall notify each User and, if required, the Island County Health Department and State of Washington, Department of Health, as soon as possible after the Purveyor becomes aware of water quality problems; and, the Purveyor shall take appropriate and timely steps to investigate and correct any such problems for which the Purveyor bears responsibility under this Agreement or applicable law.

14. The Purveyor and the Owners reserve the right to disconnect a User's water service, in the manner described below, if such User:

A. Fails to maintain his connections, service pipes, or fixtures in good order.

B. Damages any service pipe, meter, curb stop valve, seal or other Water

System component.

C. Vacates the premises.

D. Willfully wastes water through improper or imperfect pipes, fixtures or otherwise.

E. Fails to make any required payments for water service, or fails to make any other payments required to be made under this Agreement when due.

F. Refuses to permit the Purveyor, or an authorized agent or employee of the Purveyor, to have reasonable access to a Benefited Property for purposes of meter reading, testing, or inspection, connection, disconnection, installation, construction, maintenance, repair, replacement or removal of meters or other components of the Water System.

G. Makes fraudulent use of the service.

H. Violates any of the terms, conditions or provisions of this Agreement or applicable governmental rules, regulations or laws.

The right to disconnect service may be exercised whenever and as often as any of the foregoing situations shall occur, and neither delay nor omission on the part of the Purveyor to enforce the provisions of this paragraph, at any one or more times, shall be deemed a waiver of the Purveyor's right to enforce the same at any time, as long as the situation continues.

A minimum of twenty (20) days' prior written notice shall be given any User before service is disconnected for the reasons listed above, except in the case of fraudulent use of service, or in the case of danger to life or property, when the Purveyor may disconnect service on less than twenty (20) days' written notice. If service is not disconnected within ten (10) working days of the date indicated in the written notice for disconnection, that disconnection notice shall become void and a new notice shall be required before the service can be disconnected. Except as otherwise provided in this Agreement, the Purveyor shall restore service when the cause of the disconnection has been removed and payment of all proper charges due, including the reconnection charge specified in paragraph 15. below has been made.

15. A charge of $150 shall be made for any reconnection of a User's service to the Water System. Such charge is to apply only in cases where service has been discontinued due to delinquent account, request of the User, refusal to make proper repairs, or other reasons listed in paragraph 14. above. No charge shall be made for reconnection of service if the shut-off was made for the convenience of the Purveyor in making repairs, changes, etc.

16. This water system is subject to the provisions of Chapter 246-291 WAC and

may be subject to other state and local regulations. At the time that this system was originally developed and approved, water quality results indicated that the levels of iron and/or manganese exceeded Maximum Contaminant Levels established by WAC 246-291. Iron levels were reported to be 0.84 mg/L. The Maximum Contaminant Level for iron is 0.3 mg/L. Manganese levels were reported to be 0.82 mg/L. The Maximum Contaminant Level for manganese is 0.05 mg/L.

Iron and manganese are both considered to be secondary contaminants and do not pose a significant health hazard. The Maximum Contaminant Levels for both iron and manganese are based upon unpleasant aesthetic effects. Elevated levels of either iron or manganese can cause an "off" taste to the water and may lead to the staining of plumbing fixtures and/or the discoloration of clothes when laundered.

Treatment of iron and/or manganese is not required as a condition of approval of this water system. The requirement for future treatment of these secondary contaminants will be based upon the degree of customer acceptance of the water quality and the customer's willingness to bear the cost of treatment to meet the secondary contaminant standards.

Customer acceptance will be based upon the receipt of complaints associated with a secondary contaminant. Should the Island County Health Department receive five or more specific complaints associated with a secondary contaminant from either different individuals or a group petition from five or more different individuals within a twelve month period, whole system treatment may be required.

Nothing herein is intended to preclude a user of the system from installing a household treatment system for the removal of a secondary contaminant. Such installation shall be in conformance with the Uniform Plumbing Code and shall be equipped with an appropriate backflow prevention device to protect the system from cross contamination.

This disclosure is not to be removed from the title of any property served by this water system without the written consent from the Island County Health Department. This disclosure shall run with the land and shall provide disclosure to the benefit of each owner thereof.

17. In the event that either the Purveyor or any Owner defaults in the performance of the duties established by this Agreement, the defaulting party shall pay any costs and reasonable attorney fees incurred by the non-defaulting party, whether or not suit or action is commenced.

18. Except as provided in paragraph 14. above, anything in this Agreement to the contrary notwithstanding, this Agreement shall be terminated with regard to a particular Owner and shall be of no further force or effect regarding that Owner, upon mutual agreement of that Owner and the other Owners, subject to the approval of any party holding a mortgage on that Owner's Benefited Property.

19. Except as provided otherwise in this Agreement, no Owner shall construct, maintain or otherwise situate, or allow to be constructed, maintained, or otherwise situated, within One Hundred feet (100') of the Water System Well, and for as long as that well is capable of and actually supplying water for public consumption, any of the following: structures, residences, cesspools, sewers, privies, septic tanks, drain fields, manure piles, garbage of any kind or description, barns, chicken houses, rabbit hutches, pigpens, or other enclosures or structures for the keeping or maintenance of animals, or for the storage of liquid, gaseous, or dry chemicals, herbicides, insecticides or any other matter which could contaminate the well and the water it supplies.

Saratoga Passage Investments, LLC hereby declares, confirms, and conveys a well-site easement for the benefit of the herein referenced public water system and for the Benefited Properties for the installation, repair, and maintenance of water system utilities, over, under, and across a circular portion of Parcel Number R23013-217-2460, with a radius of thirty (30) feet and the center point of said well-site easement being the site of the well head itself, as described in the Recitals above. The uses of this well-site easement shall also be deemed to include, without limitation, the installation, repair, and maintenance of a well house, water pump, water storage reservoir, pressure tank, water pipeline(s), electric utilities, and such other purposes reasonably necessary for the operation of the water system, and the ingress and egress necessary for such purposes.

Saratoga Passage Investments, LLC hereby declares, confirms, and conveys an easement for access and the installation, repair, and maintenance of water system utilities, over, under, and across a strip of land fifteen (15) feet in width, the centerline of which is the water line as it is now constructed and commences at the well head and runs North 68°19'46" West a distance of 110.04 feet, thence North 13°25'17" East a distance of 198.29 feet to an existing water line located within a private road easement (Exhibit B).

The uses of the above described easements shall also be deemed to include, without limitation, the installation, repair, and maintenance of electric power lines, water pipelines, and such other utilities reasonably necessary for the operation of the water system, and the ingress and egress necessary for such purposes, subject to the condition that no water pipeline shall be installed within ten (10) feet of a septic tank or within ten (10) feet of sewage disposal drain field lines.

20. This Agreement shall bind and inure to the benefit of any successors, assigns or transferees of the parties hereto, and the benefits and burdens thereof shall run with the land, or any portion thereof, which is described on the attached Exhibit "A".

21. Except as provided below in this paragraph, this Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon any party except to the extent incorporated in this Agreement.

22. Any modification of this Agreement or additional obligation assumed by the parties in connection with this Agreement shall be binding only if evidenced in a writing

signed by a majority of the Owners of Benefited Properties or their authorized representatives.

23. The parties shall execute and deliver such additional documents as may be necessary, from time to time, to carry out the terms or to affect the intent of this Agreement.

24. Invalidation of any one of the terms and conditions of this Agreement by judgment or court order shall in no way affect any of the other terms and conditions which shall remain in full force and effect.

The effective date of this Agreement shall be the month, day and year first written above.

In Witness Whereof, the parties to this Agreement have executed it below.

GRANTOR:
SARATOGA PASSAGE INVESTMENTS, LLC

By: _____
Stuart Young, Member

GRANTEE:
SARATOGA PASSAGE INVESTMENTS, LLC

By: _____
Stuart Young, Member

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STATE OF WASHINGTON)
) ss.
COUNTY OF Island)

I certify that I know or have satisfactory evidence that Stuart Young on behalf of Saratoga Passage Investments, LLC is the person who appeared before me, and said that he acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: this 17th day of Sept, 2010.

JERRY G MORRISON
Commission Expires
NOTARY
PUBLIC
09-21-2011
STATE OF WASHINGTON

Jerry G Morrison

Notary Public in and for the
State of Washington
My appointment expires: 9-21-2011

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Exhibit A

Legal Description of Benefited Properties

Well-Site Benefited Parcel:

R23013-217-2460 known as Lot 17

Well Site Parcel located located in the East Half of the East Half of the Northeast Quarter of the Southwest Quarter lying north of Saratoga Road located in Section 13, Township 30 North, Range 2 East of the Willamette Meridian, Island County, Washington.

Other Benefited Properties:

R23013-252-1850 known as Lot 15

The Northwest Quarter of the Northeast Quarter of the Southwest Quarter of Section 13, Township 30 North, Range 2 East, of the Willamette Meridian, lying Northeast of Saratoga Road.

Situated in Island County, Washington.

R23013-235-2130 known as Lot 16

The West Half of the East Half of the Northeast Quarter of the Southwest Quarter of Section 13, Township 30 North, Range 2 East, of the Willamette Meridian, lying North of Saratoga Road.

Situated in Island County, Washington.

R23013-231-1580 known as Lot 18

The Northwest Quarter of the Northeast Quarter of the Southwest Quarter of Section 13, Township 30 North, Range 2 East, of the Willamette Meridian, lying Southwest of Saratoga Road.

Situated in Island County, Washington

R23013-166-1640 known as Lot 19

The Southwest Quarter of the Northeast Quarter of the Southwest Quarter of Section 13, Township 30 North, Range 2 East, of the Willamette Meridian.

Situated in Island County, Washington.

R23013-166-2140 known as Lot 20

The West Half of the East Half of the Northeast Quarter of the Southwest Quarter of Section 13, Township 30 North, Range 2 East, of the Willamette Meridian, lying South of Saratoga Road.

Situated in Island County, Washington.

R23013-149-2430 known as Lot 21

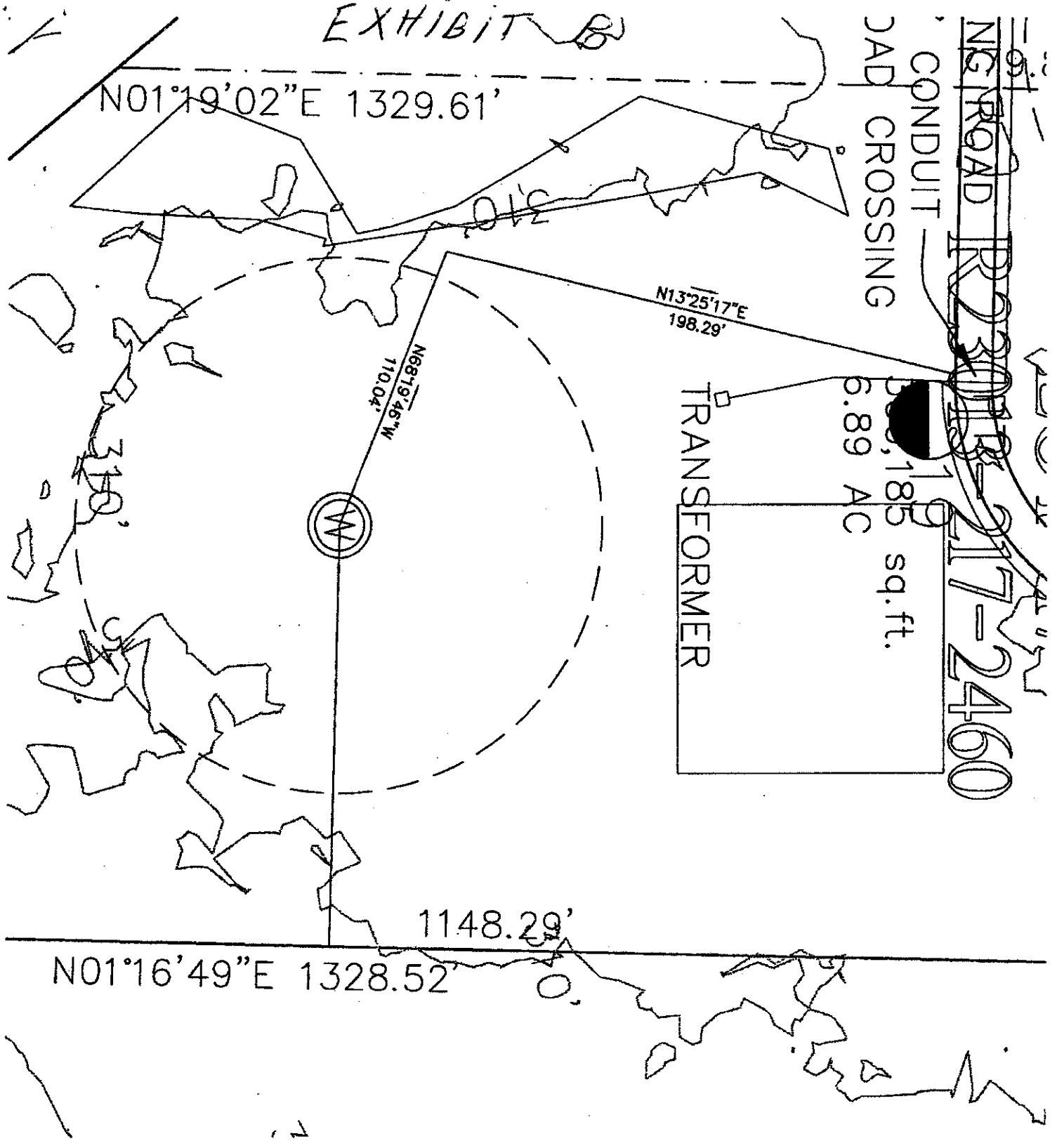
The East Half of the East Half of the Northeast Quarter of the Southwest Quarter of Section 13, Township 30 North, Range 2 East, of the Willamette Meridian, lying South of Saratoga Road.

Situated in Island County, Washington.

R23013-250-2950

This parcel located in Section 13, Township 30 North, Range 2 East of the Willamette Meridian, Island County, Washington may be substituted by Saratoga Passage Investments, LLC with any other parcel located nearby the well.

EXHIBIT B



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