



CHICAGO TITLE  
COMPANY

1616 Cornwall Avenue, Suite 115  
Bellingham, WA 98225  
Phone: (360)734-7000 / Fax: (360)752-4461

SSA Marine  
1131 SW Kickitat Way  
Seattle, WA 98134

**Date:** March 7, 2012  
**Order No.:** 245345713-EC  
**Borrower:** Pacific International Terminals, Inc.

Enclosed is your Title Policy or Guarantee in connection with the above referenced transaction.  
Please call us immediately if you have any questions or concerns.

Sincerely,

Eric Cuello  
Title Officer  
eric.cuello@ctt.com

# SUBDIVISION

Issued By:



CHICAGO TITLE INSURANCE COMPANY

Guarantee/Certificate Number:

**245345713**

**CHICAGO TITLE INSURANCE COMPANY**  
a corporation, herein called the Company

## GUARANTEES

Pacific International Terminals, Inc.

herein called the Assured, against actual loss not exceeding the liability amount stated in Schedule A which the Assured shall sustain by reason of any incorrectness in the assurances set forth in Schedule A.

### LIABILITY EXCLUSIONS AND LIMITATIONS

1. No guarantee is given nor liability assumed with respect to the identity of any party named or referred to in Schedule A or with respect to the validity, legal effect or priority of any matter shown therein.
2. The Company's liability hereunder shall be limited to the amount of actual loss sustained by the Assured because of reliance upon the assurance herein set forth, but in no event shall the Company's liability exceed the liability amount set for in Schedule A.

Please note carefully the liability exclusions and limitations and the specific assurances afforded by this guarantee. If you wish additional liability, or assurances other than as contained herein, please contact the Company for further information as to the availability and cost.

**Chicago Title Insurance Company**

By:

\_\_\_\_\_  
President

Countersigned By:

\_\_\_\_\_  
Authorized Officer or Agent



Attest:

\_\_\_\_\_  
Secretary

## SCHEDULE A

Liability	Premium	Tax
\$1,000.00	\$250.00	\$21.75

Effective Date: February 29, 2012 at 08:00AM

The assurances referred to on the face page are:

That, according to those public records which, under the recording laws, impart constructive notice of matter relative to the following described property:

**For APN/Parcel ID(s): 87566/390117 065466 0000, 87570/390117 205467 0000, 87567/390117 067334 0000, 112880/395124 546546 0000, 87589/390119 092500 0000, 87590/390119 172456 0000, 87600/390119 424335 0000, 87591/390119 198377 0000, 87593/390119 214451 0000, 87597/390119 327425 0000, 87598/390119 349425 0000, 87604/390119 469346 0000, 87585/390118 117050 0000, 87599/390119 388424 0000, 87592/390119 199451 0000, 87601/390119 438360 0000, 87594/390119 246354 0000, 87578/390117 473110 0000, 87596/390119 298423 0000, 87595/390119 252449 0000, 87603/390119 454299 0000, 87573/390117 278062 0000, 87602/390119 440480 0000, 87605/390119 502484 0000, 87607/390119 512341 0000, 87608/390120 095477 0000, 87614/390120 135359 0000, 87619/390120 151212 0000, 87622/390120 337323 0000, 87624/390120 340476 0000 and 87606/390119 505246 0000**

Parcel 1:

The Northwest quarter of Section 17, Township 39 North, Range 1 East of W.M., except the North 20 feet thereof, conveyed to Whatcom County for road purposes by deeds recorded as Auditor's File Nos. 299416 and 299424, and except the South 25 feet thereof, conveyed to Whatcom County for road purposes by deeds recorded as Auditor's File Nos. 430242 and 430244.

The Southwest quarter of Section 17, Township 39 North, Range 1 East of W.M., except the East half of the East half of the Southeast quarter of the Southwest quarter; except the South 20 feet thereof conveyed to Whatcom County for road purposes by deed recorded under Auditor's File No. 147105; and except the North 25 feet thereof conveyed to Whatcom County for road purposes by deeds recorded as Auditor's File Nos. 430242 and 430244.

The Southeast quarter of Section 17, Township 39 North, Range 1 East of W.M., except the West half of the Southwest quarter of the Southeast quarter; except the South 20 feet thereof conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 147104; except the North 25 feet thereof, conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 430242; except Kickerville Road along the East line thereof; and except that portion of the East half of the Southeast quarter conveyed to the Great Northern Railway Company by deeds recorded as Auditor's File Nos. 948022, 948023, 948024, 950788, 951050 and 951148.

The Northeast quarter of Section 18, Township 39 North, Range 1 East of W.M., except the North 20 feet thereof conveyed to Whatcom County for road purposes by deeds recorded as Auditor's File Nos. 299416 and 299615; except the South 25 feet of the Southeast quarter of the Northeast quarter conveyed to Whatcom County by deed recorded as Auditor's File No. 430244; except the South 20 feet of the Southwest quarter of the Northeast quarter conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 244189; and except the East 25 feet of the West half of the Northeast

**SCHEDULE A**

(continued)

quarter and the West 25 feet of the East half of the Northeast quarter as conveyed to Whatcom County for road purposes by deeds recorded as Auditor's File Nos. 194272 and 194273.

The Southeast quarter of Section 18, Township 39 North, Range 1 East of W.M., except the South 20 feet thereof conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 147105; except the North 25 feet of the Northeast quarter of the Southeast quarter as conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 430432; except the North 20 feet of the Northwest quarter of the Southeast quarter as conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 244189; and except the East 25 feet of the West half of the Southeast quarter and the West 25 feet of the East half of the Southeast quarter as conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 194272.

The East half of the Northwest quarter of Section 18, Township 39 North, Range 1 East of W.M., except the North 20 feet thereof conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 299416; and except the South 20 feet thereof conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 244188.

The East half of the Southwest quarter of Section 18, Township 39 North, Range 1 East of W.M., except the South 20 feet thereof conveyed to Whatcom County for road purposes by deeds recorded as Auditor's File Nos. 147102 and 147103; and except the North 20 feet thereof conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 244188.

That portion of the Southwest quarter of the Southwest quarter of Section 18, Township 39 North, Range 1 East of W.M., lying Southeasterly of a line drawn from the Northeast corner thereof to the Southwest corner thereof, except the North 10-1/2 feet thereof; and except the South 20 feet of said subdivision conveyed to Whatcom County for road purposes by deed recorded as Auditor's File No. 147106.

That portion of Government Lot 1, Section 24, Township 39 North, Range 1 West of W.M., lying Southeasterly of an extension of a line drawn through the Northeast corner and the Southwest corner of the Southwest quarter of the Southwest quarter of Section 18, Township 39 North, Range 1 East of W.M.

Government Lot 1, and the West 375 feet of Government Lot 2, Section 19, Township 39 North, Range 1 East of W.M., except the North 20 feet thereof conveyed to Whatcom County for road purposes by deeds recorded as Auditor's File Nos. 147107 and 147111.

**Parcel 2:**

The East 1/3 of the West half of Government Lot 4, Section 19, Township 39 North, Range 1, East of the W.M., Whatcom County, Washington, together with the second class tidelands abutting thereon. Except County Road #340 (Gulf Road) as conveyed to Whatcom County for road purposes by Quit Claim Deed recorded under Auditor's File Nos. 510264 and 510394.

Situate in Whatcom County, Washington.

**Parcel 3:**

A tract of land located in the West 2/3 of the West half of Government Lot 4, Section 19, Township 39

**SCHEDULE A**

(continued)

North, Range 1 East, W.M., Whatcom County, Washington, described as follows:

Beginning at the intersection of the East line of said West 2/3 of the West half of Government Lot 4 aforesaid and the Southerly line of County Road No. 340; thence Northwesterly along the Southerly line of County Road No. 340, a distance of 138 feet six inches; thence Northeasterly a distance of 234 feet on a bearing so that the Northerly end of said 234 feet is a point exactly 67 feet West of the East line of the West 2/3 of the West half of said Government Lot aforesaid; thence Southeasterly to a point on said East line 246 feet North of the point of beginning; thence South along said East line aforesaid 246 feet to the point of beginning. Except County Road #340 (Gulf Road) as conveyed to Whatcom County for road purposes by Quit Claim Deed recorded under Auditor's File No. 510394.

Also all uplands lying Southerly of said County Road #340 and within the East and Westerly lines of the above described tract projected Southerly.

Together with all tidelands of the second class abutting upon the uplands last herein described lying Southerly of said County Road No. 340.

Situate in Whatcom County, Washington.

Parcel 4:

The West two-thirds of the West half of Government Lot 4, Section 19, Township 39 North, Range 1 East, W.M., Whatcom County, Washington, together with all tidelands of the second class abutting thereto, except County Road No. 573 (Powder Plant Road) on the West side thereof and except County Road No. 340 (Gulf Road), as conveyed to Whatcom County for road purposes by deeds recorded under Auditor's File Nos. 510394 and 194273.

Except:

Beginning at a point on the center line of Whatcom County Road No. 573, two thousand thirty-six feet South of the Northwest corner of the Northeast Quarter of the Northeast Quarter of said Section 19, thence South along the center line of Road No. 573, one hundred fifty feet; thence East 175 feet; thence North 150 feet; thence West 175 feet to the point of beginning.

And except:

Beginning at the intersection of the East line of said West 2/3 of the West half of Government Lot 4 aforesaid and the Southerly line of County Road No. 340; thence Northwesterly along the Southerly line of County Road No. 340 a distance of 138 feet 6 inches; thence Northeasterly a distance of 234 feet on a bearing so that the Northerly end of said 234 feet is a point exactly 67 feet West of the East line of the West 2/3 of the West half of said Government Lot 4 aforesaid; thence Southeasterly to a point on said East line 246 feet North of the point of beginning; thence South along the said East line aforesaid 246 feet to the point of beginning. Also all uplands lying Southerly of said County Road No. 340 and within the East and Westerly lines of the above described tract projected Southerly, together with all tidelands of the second class abutting thereto.

Situate in Whatcom County, Washington.

**SCHEDULE A**

(continued)

## Parcel 5:

A tract of land in Government Lot 4, Section 19, Township 39 North, Range 1 East, W.M., Whatcom County, Washington, described as follows to-wit:

Beginning at a point on the center line of Whatcom County Road No. 573, two thousand thirty-six feet South on the Northwest corner of the Northeast Quarter of the Northeast Quarter of Section 19; thence South along the center line of Road No. 573, one hundred fifty feet; thence East 175 feet; thence North 150 feet; thence West 175 feet to the point of beginning. Except County Road 573 (Powder Plant Road) on the West side thereof, as conveyed to Whatcom County for road purposes by deed recorded under Auditor's File No. 194273.

Situate in Whatcom County, Washington.

## Parcel 6:

The East 32 Rods of the Northwest Quarter of the Northeast Quarter and Government Lot 3, Section 19, Township 39 North, Range 1 East, W.M., Whatcom County, Washington, together with all tidelands of the second abutting thereto. Except County Road No. 573 (Powder Plant Road) on the East side thereof and County Road No. 495 (Henry Road) of the North side thereof, as conveyed to Whatcom County for road purposes by deeds recorded under Auditor's File Nos. 147105 and 194272.

Situate in Whatcom County, Washington.

## Parcel 7:

The West 14 Rods of the East 46 Rods of the Northwest Quarter of the Northeast Quarter of Government Lot 3, Section 19, Township 39 North, Range 1 East, W.M., Whatcom County, together with all tidelands of the second class abutting thereto. Except County Road No. 495 (Henry Road) off the North side thereof, as conveyed to Whatcom County for road purposes by deed recorded under Auditor's File No. 147105.

Situate in Whatcom County, Washington.

## Parcel 8:

The West 14 Rods of the East 60 Rods of the Northwest Quarter of the Northeast Quarter of Government Lot 3, Section 19, Township 39 North, Range 1 East, W.M., Whatcom County, Washington, together with all tidelands of the second class abutting thereto. Except County Road No. 495 (Henry Road) off the North side thereof, as conveyed to Whatcom County for road purposes by deed recorded under Auditor's File No. 147105.

Situate in Whatcom County, Washington.

**SCHEDULE A**  
(continued)

## Parcel 9:

The Northwest Quarter of the Northeast Quarter and Government Lot 3, Section 19, Township 39 North, Range 1 East, W.M., Whatcom County, Washington, except the East 60 Rods and except County Road No. 495 (Henry Road) off the North side thereof, as conveyed to Whatcom County for road purposes by deed recorded under Auditor's File No. 147105, together with all tidelands of the second class abutting thereto.

Situate in Whatcom County, Washington.

## Parcel 10:

Government Lot 2, Section 19, Township 39 North, Range 1 East of W.M., Whatcom County, Washington, except the West 700 feet thereof, together with all tidelands of the second class abutting thereto. Except County Road No. 495 (Henry Road) off the North side thereof, as conveyed to Whatcom County for road purposes by deeds recorded under Auditor's File Nos. 147111 and 430524.

Situate in Whatcom County, Washington.

## Parcel 11:

The East 325 feet of the West 700 feet of Government Lot 2, Section 19, Township 39 North, Range 1 East of W.M., Whatcom County, Washington, except County Road No. 495 (Henry Road) off the North side thereof, conveyed to Whatcom County for road purposes by deed recorded under Auditor's File No. 147111.

Situate in Whatcom County, Washington.

## Parcel 12:

All second class tidelands abutting the East 325 feet of the West 700 feet of Government Lot 2, Section 19, Township 39 North, Range 1 East, W.M., Whatcom County, Washington.

## Parcel 13:

The West One-Half of the Southwest Quarter of the Southeast Quarter, and the East One-Half of the East One-Half of the Southeast Quarter of the Southwest Quarter of Section 17, Township 39 North, Range 1 East of W.M.; Except right-of-way for Henry Road lying along the Southerly line thereof.

**SCHEDULE A**

(continued)

## PARCEL A:

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 19, TOWNSHIP 39 NORTH, RANGE 1 EAST OF THE W.M., WHATCOM COUNTY, WASHINGTON; EXCEPT THE EAST 2/3 THEREOF; EXCEPT POWDER PLANT ROAD ON THE WEST SIDE THEREOF; AND EXCEPT COUNTY ROAD #496 (HENRY ROAD) ON THE NORTH SIDE THEREOF, AS CONVEYED TO WHATCOM COUNTY FOR ROAD PURPOSES BY DEED RECORDED UNDER AUDITOR'S FILE NO. 147105.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

## PARCEL B:

THE EAST 2/3 OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 19, TOWNSHIP 39 NORTH, RANGE 1 EAST OF THE W.M., WHATCOM COUNTY, WASHINGTON; EXCEPT COUNTY ROAD #496 (HENRY ROAD) ON THE NORTH SIDE THEREOF, AS CONVEYED TO WHATCOM COUNTY FOR ROAD PURPOSES BY DEED RECORDED UNDER AUDITOR'S FILE NO. 147105.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

## PARCEL C:

THE EAST HALF OF GOVERNMENT LOT 4, SECTION 19, TOWNSHIP 39 NORTH, RANGE 1 EAST OF W.M., INCLUDING THAT PORTION OF VACATED GULF ROAD LYING WITHIN SAID EAST HALF AS VACATED BY WHATCOM COUNTY AUDITOR'S FILE NO. 940510068. TOGETHER WITH SECOND CLASS TIDELANDS AS CONVEYED BY THE STATE OF WASHINGTON, SITUATE IN FRONT OF, ADJACENT TO, OR ABUTTING THEREON.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

## PARCEL D:

A TRACT OF LAND LOCATED IN THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 1 EAST OF W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT A BRASS MONUMENT MARKING THE NORTHWEST SECTION CORNER; THENCE SOUTH 2°42'07" WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER, 20 FEET TO THE SOUTH LINE OF HENRY ROAD AND THE POINT OF BEGINNING; THENCE SOUTH 88°11'01" EAST ALONG SAID LINE, APPROXIMATELY 1860 FEET; THENCE SOUTH 2°42'07" WEST, APPROXIMATELY 602 FEET TO THE NORTH EDGE OF THE SEASONAL RAVINE; THENCE GENERALLY SOUTHWEST ALONG THE NORTH EDGE OF THE SEASONAL RAVINE, APPROXIMATELY 1461 FEET; THENCE NORTH 88°12'55" WEST, APPROXIMATELY 712 FEET TO A CONCRETE MONUMENT, PER RECORD OF SURVEY FOR PUGET POWER FILED UNDER AUDITOR'S FILE NO. 1512236; THENCE NORTH 2°42'07" EAST, APPROXIMATELY 1296 FEET TO THE POINT OF BEGINNING. EXCEPT RIGHT-OF-WAY FOR HENRY ROAD LYING ALONG THE NORTHERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

**SCHEDULE A**

(continued)

## PARCEL E:

THE NORTHWEST QUARTER, AND ALL OF GOVERNMENT LOT 1, EXCEPT THE EAST 366 FEET OF GOVERNMENT LOT 1, ALL IN SECTION 20, TOWNSHIP 39 NORTH, RANGE 1 EAST OF W.M., INCLUDING THAT PORTION OF VACATED GULF ROAD LYING WITHIN SAID PARCEL AS VACATED BY WHATCOM COUNTY AUDITOR'S FILE NO. 940510068. TOGETHER WITH SECOND CLASS TIDELANDS AS CONVEYED BY THE STATE OF WASHINGTON, SITUATE IN FRONT OF, ADJACENT TO, OR ABUTTING THEREON.

EXCEPT THAT PORTION MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A BRASS MONUMENT MARKING THE NORTHWEST SECTION CORNER; THENCE SOUTH 2°42'07" WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER, 20 FEET TO THE SOUTH LINE OF HENRY ROAD AND THE POINT OF BEGINNING; THENCE SOUTH 88°11 '01" EAST ALONG SAID LINE, APPROXIMATELY 1860 FEET; THENCE SOUTH 2°42'07" WEST, APPROXIMATELY 602 FEET TO THE NORTH EDGE OF THE SEASONAL RAVINE; THENCE GENERALLY SOUTHWEST ALONG THE NORTH EDGE OF THE SEASONAL RAVINE, APPROXIMATELY 1461 FEET; THENCE NORTH 88°12'55" WEST, APPROXIMATELY 712 FEET TO A CONCRETE MONUMENT, PER RECORD OF SURVEY FOR PUGET POWER FILED UNDER AUDITOR'S FILE NO. 1512236; THENCE NORTH 2°42'07" EAST, APPROXIMATELY 1296 FEET TO THE POINT OF BEGINNING.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

## PARCEL F:

THE EAST 366 FEET OF GOVERNMENT LOT 1, AND THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER IN SECTION 20, TOWNSHIP 39 NORTH, RANGE 1 EAST OF W.M., INCLUDING THAT PORTION OF THE VACATED GULF ROAD LYING WITHIN SAID PARCEL AS VACATED BY WHATCOM COUNTY AUDITOR'S FILE NO. 940510068.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

## PARCEL G:

THE SOUTH HALF OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER, AND THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER, ALL IN SECTION 20, TOWNSHIP 39 NORTH, RANGE 1 EAST OF W.M., EXCEPTING TAX NO. 8.8 CONVEYED TO THE GREAT NORTHERN RAILROAD COMPANY FOR RAILWAY SPUR AS DESCRIBED IN AUDITOR'S FILE NO. 951147; FURTHER EXCEPTING THEREFROM THE RIGHT OF WAY FOR KICKERVILLE ROAD, LYING ALONG THE EASTERLY LINE THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

## PARCEL H:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, LESS THE SOUTH 5 ACRES THEREOF, IN SECTION 20, TOWNSHIP 39 NORTH, RANGE 1 EAST OF W.M., EXCEPT THE RIGHT OF WAY FOR HENRY ROAD LYING ALONG THE NORTHERLY LINE THEROF, BEING THE WEST HALF, EXCEPT ROAD OF THE FOLLOWING DESCRIBED PROPERTY: THE NORTH HALF OF THE

**SCHEDULE A**

(continued)

NORTHEAST QUARTER OF SAID SECTION 20, EXCEPT THE SOUTH 10 ACRES THEREOF.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

Title to said real property is vested in:

Pacific International Terminals, Inc., a Washington corporation, formerly known as Home Port Properties, Inc as to Parcels 1 through 12 ; and The Watts Family Partnership as to Parcel 13; and Cherry Point Industrial Park Ltd., a Washington corporation, who also appears of record as Cherry Point Industrial Park, Inc., a corporation, as to Parcels A, B, C, E, F, G and H; Cherry Point Industries, LLC, a Washington limited liability company, as to Parcel D

subject to the matters shown below under Exceptions, which Exceptions are not necessarily shown in the order of their priority.

**END OF SCHEDULE A**

**SCHEDULE B**

## GENERAL EXCEPTIONS

- A. Rights or claims of parties in possession, or claiming possession, not shown by the Public Records.
- B. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
- C. Easements, prescriptive rights, rights-of-way, liens or encumbrances, or claims thereof, not shown by the Public Records.
- D. Any lien, or right to a lien, for contributions to employee benefit funds, or for state workers' compensation, or for services, labor, or material heretofore or hereafter furnished, all as imposed by law, and not shown by the Public Records.
- E. Taxes or special assessments which are not yet payable or which are not shown as existing liens by the Public Records.
- F. Any lien for service, installation, connection, maintenance, tap, capacity, or construction or similar charges for sewer, water, electricity, natural gas or other utilities, or for garbage collection and disposal not shown by the Public Records.
- G. Unpatented mining claims, and all rights relating thereto.
- H. Reservations and exceptions in United States Patents or in Acts authorizing the issuance thereof.
- I. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- J. Water rights, claims or title to water.
- K. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

## SPECIAL EXCEPTIONS

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Unpatented mining claims; reservations or exceptions in the United States Patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

**SCHEDULE B**

(continued)

3. Title to any property beyond the lines of the real property expressly described herein, or title to streets, roads, avenues, lanes, ways or waterways on which such real property abuts, or the right to maintain therein vaults, tunnels, ramps, or any other structure or improvement; or any rights or easements therein unless such property, rights or easements are expressly and specifically set forth in said description.
  
4. Easement for drainage purposes 20 feet in width granted to Whatcom County, Washington by instrument dated June 2, 1936, filed in Volume 32 of Commissioners proceedings at page 39, as to the Southwest quarter of the Southeast quarter of Section 18, Township 39 North, Range 1 East of W.M.
  
5. Easement, including its terms, covenants and provisions as granted by instrument;  
Dated: August 27, 1935  
Recorded: August 31, 1935  
Recording No.: 449052  
In Favor Of: Puget Sound Power & Light Company  
For: Electric transmission and/or distribution line.  
Affects: Portion of Government Lot 1, Section 19
  
6. Easement, including its terms, covenants and provisions as granted by instrument;  
Recorded: December 14, 1939  
Recording No.: 519543  
In Favor Of: Whatcom County, Washington  
For: Drainage ditch  
Affects: Portion of the Northwest quarter of the Northeast quarter of Section 18
  
7. Easement, including its terms, covenants and provisions as granted by instrument;  
Recorded: November 2, 1951  
Recording No.: 726081  
In Favor Of: Puget Sound Power and Light Company  
For: Electric transmission and/or distribution line.  
Affects: The West 20 feet of the North half of the Northeast quarter of the Southwest quarter of Section 18
  
8. Easement, including its terms, covenants and provisions as granted by instrument;  
Recorded: May 21, 1965  
Recording No.: 987452  
In Favor Of: The United States of America  
For: Electric transmission and/or distribution line.  
Affects: Portion of the Southeast quarter of Section 17

**SCHEDULE B**

(continued)

9. Easement, including its terms, covenants and provisions as granted by instrument;  
Recorded: August 4, 1965  
Recording No.: 991490  
In Favor Of: The United States of America  
For: Electric transmission and/or distribution line.  
Affects: Portion of the Southeast quarter of Section 17
10. Easement, including its terms, covenants and provisions as granted by instrument;  
Recorded: August 6, 1965  
Recording No.: 991681  
In Favor Of: United States of America  
For: The right to enter and erect, maintain, repair, rebuild, operate and patrol one power line  
Affects: Portion of the Southeast quarter of Section 17
11. Easement, including its terms, covenants and provisions as granted by instrument;  
Recorded: August 9, 1965  
Recording No.: 991767  
In Favor Of: The United States of America  
For: Electric transmission and/or distribution line.  
Affects: Portion of the Southeast quarter of Section 17
12. Easement, including its terms, covenants and provisions as granted by instrument;  
Recorded: September 16, 1965  
Recording No.: 993906  
In Favor Of: The United States of America  
For: Electric transmission and/or distribution line.  
Affects: Portion of the Southeast quarter of Section 17
13. Agreement, including its terms, covenants and provisions;  
Between: Standard Oil Company of California and Atlantic Richfield Company  
Dated: November 23, 1970  
Recorded: December 14, 1970  
Recording No.: 1086508  
Regarding: Easement for pipeline  
Affects: Portion of the East half of Section 18

**SCHEDULE B**

(continued)

14. Agreement, including its terms, covenants and provisions;  
Between: Standard Oil Company of California and Puget Sound Power & Light Company  
Dated: February 22, 1971  
Recorded: April 7, 1971  
Recording No.: 1091782  
Regarding: Easement to construct, maintain, operate, renew and remove a stub pole and anchor and necessary wires and fixtures  
Affects: The Northwest quarter of the Northwest quarter of Section 17
15. Agreement, including its terms, covenants and provisions;  
Between: Standard Oil Company of California and Olympic Pipe Line Company  
Dated: March 12, 1971  
Recorded: April 23, 1971  
Recording No.: 1092794  
Regarding: Easement for pipeline  
Affects: Portion of the Southwest quarter and the Southeast quarter of Section 17
16. Agreement, including its terms, covenants and provisions;  
Between: Standard Oil Company of California and Puget Sound Power & Light Company  
Dated: September 10, 1974  
Recorded: October 31, 1974  
Recording No.: 1175477  
Regarding: Easement to construct, maintain, operate, renew and remove a stub pole and anchor and necessary wires and fixtures  
Affects: Portion of the Northwest quarter of Section 17
17. Easement, including its terms, covenants and provisions as granted by instrument;  
Dated: August 1, 1986  
Recorded: August 22, 1986  
Recording No.: 1547136  
In Favor Of: ARCO Petroleum Products Company  
For: Pipeline  
Affects: Portion of the Northwest quarter, Southwest quarter, Southeast quarter and Northeast quarter in Section 17

**SCHEDULE B**

(continued)

18. Easement, including its terms, covenants and provisions as granted by instrument;  
Dated: September 6, 1989  
Recorded: September 18, 1989  
Recording No.: 890918090  
In Favor Of: Atlantic Richfield Company  
For: Pipe line  
Affects: Portion of the Southeast quarter of Section 17
- Said easement was amended by instrument recorded January 8, 1990 under Recording No. 900108135.
19. Easement, including its terms, covenants and provisions as granted by instrument;  
Dated: September 6, 1989  
Recorded: September 18, 1989  
Recording No.: 890918120  
In Favor Of: Atlantic Richfield Company  
For: Pipe line  
Affects: Portion of the Northwest quarter of Section 17
- Said easement was amended by instrument recorded January 8, 1990 under Recording No. 900108136.
20. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: Puget Sound Power & Light Company  
Purpose: Electric transmission and/or distribution systems  
Recording Date: May 12, 1992  
Recording No.: 920512054  
Affects: Portion of Sections 17 and 18
21. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: Cascade Natural Gas Corporation, a Washington corporation  
Purpose: Right of way agreement for the transportation of oil, gas and the products thereof  
Recording Date: May 11, 1993  
Recording No.: 930511016  
Affects: Portion of Section 17
22. Any question that may arise due to shifting or change of the line of high water of the Georgia Strait or due to the Georgia Strait having shifted or changed its line of high water.
23. Any question that may arise as to the location of the lateral boundaries of the tidelands or shorelands described herein.

**SCHEDULE B**

(continued)

24. Any prohibition or limitation on the use, occupancy or improvements of the land resulting from the rights of the public or riparian owners to use any waters which may cover the land or to use any portion of the land which is now or may formerly have been covered by water, and the right of use, control or regulation by the United States of America in exercise of power over navigation.

25. Reservations contained in instrument;  
Recorded: March 14, 1919  
Recording No: 215941  
From: W. L. Hart and Ada L. Hart, husband and wife  
Affects: Portion of the Northeast quarter of Section 18  
As Follows: All mineral rights

Release of mineral rights by Quit Claim Deed, except for that portion that lies below 500 feet vertically in depth below the surface of said property, as recorded July 19, , 1967 under Auditor's File No. 1030727, as to the Northeast quarter of the Northeast quarter of Section 18, Township 39 North, Range 1 East W.M.

NOTE: No representation is made as to the present ownership of the above mineral rights.

26. Reservations contained in instrument;  
Recorded: January 19, 1951  
Recording No: 711609  
From: Myrtle Davis, Trustee and Jared Davis, husband and wife  
Affects: Portion of the Northeast quarter and Northwest quarter of Section 18  
As Follows: All mineral rights reserved

Interest in said reservation now held of record by John E. Brown and Arthur Dole Mercy, as to the Southwest quarter of the Northeast quarter and the Northeast quarter of the Northwest quarter and the North half of the Southeast quarter of the Northwest quarter of Section 18, Township 39 North, Range 1 East W.M., as disclosed by Quit Claim Deeds recorded under Auditor's File Nos. 1027642 and 1030396.

NOTE: No representation is made as to the present ownership of the above mineral rights.

**SCHEDULE B**

(continued)

27. Reservations contained in instrument;  
Recorded: September 18, 1951  
Recording No: 723788  
From: Myrtle Davis Trustee and Jared Davis, husband and wife  
Affects: Portion of the Northwest quarter of Section 17  
As Follows: All mineral rights reserved

Interest in said reservation now held of record by Gayle V. McDermott, as to the North half of the Southwest quarter of the Northwest quarter of Section 17, Township 39 North, Range 1 East W.M., as disclosed by Quit Claim Deed, recorded July 19, 1967 under Auditor's File No. 1030655, and interest in said reservation now held of record by Joyce Doolittle, as to the South half of the Southwest quarter of the Northwest quarter of Section 17, Township 39 North, Range 1 East. W.M., as disclosed by Quit Claim Deed, recorded July 19, 1967 under Auditor's File No. 1030654.

NOTE: No representation is made as to the present ownership of the above mineral rights.

28. Reservations contained in instrument;  
Recorded: January 9, 1964  
Recording No: 961089  
From: Martin Lonseth and Alice Lonseth, his wife  
Affects: Portion of the Southwest quarter of Section 18  
As Follows: The right and easement to drain across said property, as said drainage has heretofore existed and said reservation shall be considered and construed as a covenant running with the land and binding upon and inure to the benefit of the successors in interest of the sellers and purchasers herein

29. Reservations contained in instrument;  
Recorded: July 19, 1967  
Recording No: 1030684  
From: Ruth M. Weber and Ralph R. Weber, also known as R. R. Webber, her husband  
Affects: Portion of the Northwest quarter of Section 17  
As Follows: All mineral rights lying below a depth of 500 feet vertically from the surface of said property, without right of surface entry

NOTE: No representation is made as to the present ownership of the above mineral rights.

30. Reservations contained in instrument;  
Recorded: July 19, 1967  
Recording No: 1030683  
From: Raymond B. Turner and Helen B. Turner, his wife  
Affects: Portion of the Northwest quarter and the Southwest quarter of Section 17  
As Follows: All mineral rights lying below a depth of 500 feet vertically from the surface of said property, without right of surface entry

NOTE: No representation is made as to the present ownership of the above mineral rights.

**SCHEDULE B**

(continued)

31. Oil and gas lease affecting the premises hereinafter stated upon and subject to all the provisions therein contained;

Lessor: Dora Arnteen

Lessee: Puget Sound Development Co., Inc.

Recorded: April 4, 1963

Recording No.: 946370

Affects: Southeast quarter of Section 18

Surrender of lease by Puget Sound Development Co., Inc. of the forgoing lease. EXCEPT as to rights 500 feet vertically in depth below the surface of said property, without limiting the right to trill into or through said premises from other lands, recorded July 19, 1967 under Auditor's File No. 1030730, as to the Southwest quarter of the Southeast quarter and the Northwest quarter of the Southeast quarter of Section 18, Township 39 North, Range 1 East W.M.

32. Oil and gas lease affecting the premises hereinafter stated upon and subject to all the provisions therein contained;

Lessor: Ray Freeman and Helen Freeman, his wife

Lessee: Puget Sound Development Co., Inc.

Dated: January 28, 1961

Recorded: April 4, 1963

Recording No.: 946376

Affects: Portion of the Southwest quarter of Section 17 and other property

Surrender of lease by Puget Sound Development Co., Inc. of the forgoing lease, EXCEPT as to rights 500 feet vertically in depth below the surface of said property, without limiting the right to drill into or through said premises from other lands, recorded July 19, 1967 under Auditor's File No. 1030695, as to the West half of the West half of the Northeast quarter of the Southwest quarter of Section 17, Township 39 North, Range 1 East W.M.

33. Easement, including its terms, covenants and provisions as granted by instrument;

Recorded: August 30, 1940

Recording No.: 532912

In Favor Of: Whatcom County, Washington

For: Construct, improve, repair and maintain a county road known as Power Plant Road, County Road No. 573

Affects: The West 5 feet of the East 30 feet of Lot 3 and Northwest Quarter of the Northeast Quarter of Section 19, Township 38 North, Range 1 East

**SCHEDULE B**

(continued)

34. Easement, including its terms, covenants and provisions as granted by instrument;  
Recorded: May 5, 1958  
Recording No.: 855017  
In Favor Of: Whatcom County  
For: The right to enter upon the above-described land to install an 18-inch drainage pipe to provide adequate clearance and to eliminate interference with, or hazards to, the structures, improvements or utilities placed on, over or under said land; and included as an appurtenance to said easement is a right to access thereto over any other lands owned by first parties  
Affects: A 20 foot strip of land along the East side of the East third of the West half of Government Lot 4, less road. Section 19, Township 39 North, Range 1 East, Willamette Meridian extending from the South line of the Gulf Road to the shore of Georgia Strait
35. Exceptions and reservations contained in Deed whereby the Grantor excepts and reserves all oils, gases, coal, ores, minerals, fossils, etc., and the right of entry for opening, developing and working mines, etc., provided that no rights shall be exercised until provision has been made for full payment of all damages sustained by reason of such entry;  
From: The State of Washington  
Recording No.: 161658  
Affects: A portion fo tidelands abutting Government Lots 2, 3 and 4
36. Exceptions and reservations contained in Deed whereby the Grantor excepts and reserves all oils, gases, coal, ores, minerals, fossils, etc., and the right of entry for opening, developing and working mines, etc., provided that no rights shall be exercised until provision has been made for full payment of all damages sustained by reason of such entry;  
From: The State of Washington  
Recording No.: 303828  
Affects: A portion of tidelands abutting Government Lot 4
37. Exceptions and reservations contained in Deed whereby the Grantor excepts and reserves all oils, gases, coal, ores, minerals, fossils, etc., and the right of entry for opening, developing and working mines, etc., provided that no rights shall be exercised until provision has been made for full payment of all damages sustained by reason of such entry;  
From: The State of Washington  
Recording No.: 308950  
Affects: A portion of Government Lot 3
38. Possible encroachment of fence on West side of property and right of way of County Road 340 (Gulf Road) based upon existing traveled surface as set out on Survey recorded July 24, 1985 under Auditor's File No. 1512236.

**SCHEDULE B**

(continued)

39. Terms, covenants and conditions contained in Application for Current Use Classification, entered into pursuant to RCW 84.34 (including potential liability for future applicable taxes, penalties and interest upon breach of, or withdrawal from, said classification); notice of approval being recorded under;

Recording No.: 900524001  
Classification: Forest Land  
Records Of: Whatcom County, Washington  
Affects: Tax parcel 87573/390117 278062 0000 (Watts)

Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

40. Memorandum of Option to Purchase and Real Estate Purchase and Sale Agreement;  
Grantor: Watts Family Partnership, a Washington general partnership  
Grantee: Pacific International Terminals, Inc., a Washington corporation

Recording Date: May 25, 2011  
Recording No.: 2110502493  
Affects: Parcel 13

41. Exceptions and reservations contained in Deed whereby the Grantor excepts and reserves all oils, gases, coal, ores, minerals, fossils, etc., and the right of entry for opening, developing and working mines, etc., provided that no rights shall be exercised until provision has been made for full payment of all damages sustained by reason of such entry;

From: The State of Washington  
Recording No.: 161658  
Records Of: Whatcom County, Washington  
Affects: Parcel C and other property

42. Exceptions and reservations contained in Deed whereby the Grantor excepts and reserves all oils, gases, coal, ores, minerals, fossils, etc., and the right of entry for opening, developing and working mines, etc., provided that no rights shall be exercised until provision has been made for full payment of all damages sustained by reason of such entry;

From: The State of Washington  
Recording No.: 303828  
Records Of: Whatcom County, Washington  
Affects: Parcel C and other property

**SCHEDULE B**

(continued)

43. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Puget Sound Power and Light Company, a Massachusetts Corporation  
Purpose: Electric transmission and/or distribution line  
Recording Date: February 9, 1958  
Recording No.: 811322  
Affects: Parcel A and other property

44. Exceptions and reservations contained in Deed whereby the Grantor excepts and reserves all oils, gases, coal, ores, minerals, fossils, etc., and the right of entry for opening, developing and working mines, etc., provided that no rights shall be exercised until provision has been made for full payment of all damages sustained by reason of such entry;

From: The State of Washington  
Recording No.: 894940  
Records Of: Whatcom County, Washington  
Affects: Portion of Parcel E

45. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Dated: January 28, 1961  
Lessor: Norman W. Bliss and Bertha Bliss  
Lessee: Puget Sound Development Co., Inc.  
Recording Date: April 4, 1966  
Recording No.: 946374  
Affects: Parcel G

46. Reservations contained in instrument;

Recorded: April 4, 1966  
Recording No: 977208  
From: Norman R. Townsend and Margaret I. Townsend, husband and wife  
Affects: Parcels D, E, and H  
As Follows: Except oil and mineral rights upon the premises which are reserved to the grantors

No representation is made as to the current ownership of said reserved rights.

47. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: United States of America  
Purpose: Electric power transmission and lines  
Recording Date: August 9, 1965  
Recording No.: 991768  
Affects: Portion of Parcel G

**SCHEDULE B**

(continued)

48. Open Space Access Agreement, including ther terms and provisions contained therein;  
Recorded: March 1, 1973  
Recording No.: 1133023  
In Favor of: Public  
Regarding: Access to and pedestrian use of the beach  
Affects: Parcel C and a portion of Parcel E
49. Matters disclosed by a Survey;  
Recorded: July 24, 1985  
In: Volume 1 of Surveys, Page 9  
Recording No.: 1512236  
Records of: Whatcom County, Washington  
Affects: Parcels A, B and C
50. Matters disclosed by a Survey of said premises;  
Recorded: May 15, 1978  
In: Volume 1 of Surveys, Page 10  
Recording No.: 1288836  
Records of: Whatcom County, Washington  
Affects: Parcels B, C, D, E, F, and H

We note this record of survey depicts existing fence lines which are at variance with deed lines of record. Said fence lines may indicate a potential for claims and may be subject to issues of unwritten title.

51. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Puget Sound Power and Light Company, a Washington corporation  
Purpose: Electric transmission and/or distribution line  
Recording Date: June 12, 1992  
Recording No.: 920612069  
Affects: Portion of Parcel G

52. Terms and provisions contained in Final Order of Vacation;  
Executed by: Whatcom County Council  
Recorded: May 10, 1994  
Recording No.: 940510068  
Affects: Portion of Parcels C, E and F

Said instrument finalizes that certain Preliminary Order of Vacation filed October 15, 1993, under Whatcom County Auditor's File No. 931022096.

53. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Lessor: Katherine T. Prehm, a married woman  
Lessee: Jordan Exploration Company, L.L.C.  
Recording Date: October 28, 1999  
Recording No.: 1991003752  
Affects: Portion of Parcel E

**SCHEDULE B**

(continued)

54. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.
- Dated: July 21, 1999  
Lessor: Norman R. Townsend Revocable Trust  
Lessee: Jordan Exploration Company, LLC  
Recording Date: October 28, 1999  
Recording No.: 1991003796  
Affects: Parcels D, E and H
55. As to any portion of said land now, formerly or in the future covered by water: Questions or adverse claims related to (1) lateral boundaries of any tidelands or shorelands; (2) shifting in course, boundary or location of the body of water; (3) rights of the State of Washington if the body of water is or was navigable; and (4) public regulatory and recreational rights (including powers of the USA) or private riparian rights which limit or prohibit use of the land or water.
56. Terms, covenants and conditions contained in Application for Current Use Classification, entered into pursuant to RCW 84.34 (including potential liability for future applicable taxes, penalties and interest upon breach of, or withdrawal from, said classification); notice of approval being recorded under;
- Recording No.: 1162383  
Classification: Farm and Agricultural  
Records Of: Whatcom County, Washington  
Affects: Parcels C and E
- We note partial removal of said classification affecting Parcel D as recorded April 26, 1996 and recorded under Auditor's File No. 960426005.
57. Terms, covenants and conditions contained in Application for Current Use Classification, entered into pursuant to RCW 84.34 (including potential liability for future applicable taxes, penalties and interest upon breach of, or withdrawal from, said classification); notice of approval being recorded under;
- Recording No.: 1351280  
Classification: Farm and Agricultural  
Records Of: Whatcom County, Washington  
Affects: Parcel G
58. Questions or claims based upon the exact location of the Westerly line of Parcel C.
59. Questions or claims based upon the exact location of the East and South boundary lines of Parcel D and the Northerly and most Northwesterly lines of Parcel E.

**SCHEDULE B**  
(continued)

60. A deed of trust to secure an indebtedness in the amount shown below,

Amount:	\$8,000,000.00
Dated:	January 28, 1999
Trustor/Grantor	Cherry Point Industrial Park, Ltd., a Washington corporation
Trustee:	Shropshire Law Firm
Beneficiary:	Galfour Development Corporation
Recording Date:	January 29, 1999
Recording No.:	1990104258
Affects:	Parcels A, B, C, E, F, G, H and other property

61. Unrecorded leaseholds and/or month-to-month tenancies, if any.

62. Any security interest in personal property, such as crops or equipment, located on said premises created under the provisions of the Uniform Commercial Code RCW 62-A. A complete search regarding "UCC" information may be obtained from the Department of Licensing in Olympia, Washington.

**END OF SCHEDULE B**