

Guarantee No.: 40307-1-W-139195-2017.81030-211014463

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND THE CONDITIONS AND STIPULATIONS OF THIS GUARANTEE,

COMMONWEALTH LAND TITLE INSURANCE COMPANY
a Florida company, herein called the Company

WHATCOM COUNTY
PLANNING & DEVELOPMENT SERVICES

APR 10 2017 ACI

GUARANTEES

RECEIVED

the Assured named in Schedule A against actual monetary loss or damage not exceeding the liability stated in Schedule A, which the Assured shall sustain by reason of any incorrectness in the assurances set forth in Schedule A.

Countersigned:

By: *Elin Luce*
Authorized Officer or Agent

Whatcom Land Title Company Inc
2011 Young St
Bellingham, WA 98225-4052
Tel: 360-676-8484
Fax: 360-671-0982



COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: *Raymond M. Frank*

President

Attest: *[Signature]*

Secretary

SCHEDULE OF EXCLUSIONS FROM COVERAGE OF THIS GUARANTEE

1. Except to the extent that specific assurances are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
 - (a) Defects, liens, encumbrances, adverse claims or other matters against the title, whether or not shown by the public records.
 - (b) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or (2) Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the public records.
 - (c) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the public records.

2. Notwithstanding any specific assurances which are provided in Schedule A of this Guarantee, the Company assumes no liability for loss or damage by reason of the following:
 - (a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the land expressly described in the description set forth in Schedule A of this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways to which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any structure or improvements; or any rights or easements therein, unless such property, rights or easements are expressly and specifically set forth in said description.
 - (b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the public records; (1) which are created, suffered, assumed or agreed to by one or more of the Assureds; (2) which result in no loss to the Assured; or (3) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of the assurances provided.
 - (c) The identity of any party shown or referred to in Schedule A.
 - (d) The validity, legal effect or priority of any matter shown or referred to in this Guarantee.

GUARANTEE CONDITIONS AND STIPULATIONS

1. Definition of Terms.

The following terms when used in the Guarantee mean:

(a) "the Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.

(b) "land": the land described or referred to in Schedule A and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.

(c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(d) "public records": records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.

(e) "date": the effective date.

2. Notice of Claim to be Given by Assured Claimant.

An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

3. No Duty to Defend or Prosecute.

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

4. Company's Option to Defend or Prosecute Actions; Duty of Assured Claimant to Cooperate

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

(a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms

of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph it shall do so diligently

(b) If the Company elects to exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.

(c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.

(d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, an Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, an Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

5. Proof of Loss or Damage.

In addition to and after the notices required under Section 2 of these Conditions and Stipulations have been provided to the Company, a proof of loss or damage signed and sworn to by the Assured shall be furnished to the Company within ninety (90) days after the Assured shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matters covered by this Guarantee which constitute the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudice by the failure of the Assured to provide the required proof of loss or damage, the

Company's obligation to such assured under the Guarantee shall terminate. In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

6. Options to Pay or Otherwise Settle Claims: Termination of Liability.

In case of a claim under this Guarantee, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Liability or to Purchase the Indebtedness.

The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage or a lienholder, the Company shall have the option to purchase the indebtedness secured by said mortgage or said lien for the amount owing thereon, together with any costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

Such purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness, together with any collateral security, to the Company upon payment of the purchase price.

Upon the exercise by the Company of the option provided for in Paragraph (a) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 4, and the Guarantee shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant.

To pay or otherwise settle with other parties for or in the name of an Assured claimant any claim assured against

under this Guarantee, together with any costs, attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of the option provided for in Paragraph (b) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 5.

7. Determination and Extent of Liability.

This Guarantee is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to exclusions stated in Paragraph 2.

The liability of the Company under this Guarantee to the Assured shall not exceed the least of:

(a) the amount of liability stated in Schedule A;

(b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 7 of these Conditions and Stipulations or as reduced under Section 10 of these Conditions and Stipulations, at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or

(c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to a defect, lien or encumbrance assured against by this Guarantee.

8. Limitation of Liability.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.

(c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

9. Reduction of Liability or Termination of Liability.

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 5 shall reduce the amount of liability pro tanto.

10. Payment of Loss.

(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

11. Subrogation Upon Payment or Settlement.

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assure claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not full cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

12. Arbitration.

Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association.

Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance of the breach of a Guarantee provision or other obligation. All arbitrable matters when the Amount of Liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be

arbitrated only when agreed to by both the Company and the Assured. The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

13. Liability Limited to This Guarantee; Guarantee Entire Contract.

(a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.

(c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

14. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at: **COMMONWEALTH LAND TITLE INSURANCE COMPANY, Claims Department, P.O. Box 45023, Jacksonville, FL 32232-5023.**

WLT Order No.: **W-139195**
Policy No.: **81030-211014463**
SCHEDULE A, continued

4. General Taxes for 2017, which become delinquent after April 30, 2017, if first half not paid;
First Half Amount: \$2,453.41
Full Year Amount: \$4,906.76
Parcel No.: 380117 492411 0000 PID 179679
Improvements: \$0.00
Land: \$410,000.00
Total: \$410,000.00
Tax Code: 2070
Affects: Parcel A
5. General Taxes for 2017, which become delinquent after April 30, 2017, if first half not paid;
First Half Amount: \$455.75
Full Year Amount: \$911.42
Parcel No.: 380117 535540 0031 PID 39830
Improvements: \$7,200.00
Land: \$68,955.00
Total: \$76,155.00
Tax Code: 2070
Affects: Parcel B
6. Dues, assessments, and charges, if any, levied by the LUMMI TRIBAL WATER & SEWER DISTRICT [(360) 758-7167].
7. Deed of Trust, to secure an indebtedness, including any interest, advances, or other obligations secured thereby, in the principal amount of \$5,000,000.00;
Dated: August 29, 2007
Recorded: August 29, 2007
Recording No.: 2070804817
Grantor: SC DIVISION I, L.L.C., A Washington Limited Liability Company
Trustee: WHATCOM LAND TITLE COMPANY, INC.
Beneficiary: LIBERTY BANKERS LIFE INSURANCE COMPANY, An Oklahoma Life Insurance Company
Affects: Parcel A
- A Successor Trustee was appointed for said Deed of Trust by instrument;
Recorded: August 3, 2009
Recording No.: 2090800041
New Trustee: BRUCE J. BLOHOWIAK

SEE ATTACHED EXHIBITS "A" AND "B" FOR FURTHER SPECIAL EXCEPTIONS TO SCHEDULE A.

EXHIBIT "A"

SOUTH CAPE AT SANDY POINT, PHASE 1

1. Dues, assessments, and charges, if any, levied by the SANDY POINT IMPROVEMENT COMPANY, INC., a Washington corporation, and/or SANDY POINT COMMUNITY CLUB ASSOCIATION.
 2. Dues, assessments, and charges, if any, levied by the SOUTH CAPE COMMUNITY COUNCIL.
 3. Easement including the terms, covenants and provisions thereof for electric transmission and/or distribution line, together with necessary appurtenances, as granted by instrument;
Recorded: January 16, 1957
Recording No.: 830522
Records of: Whatcom County, Washington
To: PUGET SOUND POWER AND LIGHT COMPANY
Affects: Said premises and other property
 4. Covenants, conditions and restrictions contained in instrument;
Recorded: August 2, 1957
Recording No.: 841341
Records of: Whatcom County, Washington
Executed by: RICHARD C. FINKBONNER and LUCY ALTINA FINKBONNER, husband and wife
 5. Easement including the terms, covenants and provisions thereof, as disclosed by instrument;
Recorded: December 7, 1962
Recording No.: 940644
Records of: Whatcom County, Washington
In favor of: BELLINGHAM MARINE, INC., A Washington Corporation
For: Access and utility purpose
Affects: An undetermined portion of said premises
 6. Covenants, conditions, restrictions and easements contained in instrument;
Recorded: June 8, 1965
Recording No.: 988366
Executed by: SANDY POINT CO., A Washington Corporation
- Said instrument has been amended or modified by the following instrument;
Recorded: June 8, 1965
Recording No.: 988367

SOUTH CAPE AT SANDY POINT, PHASE 1

7. Covenants, conditions, restrictions and reservations contained in instrument;
 Recorded: July 10, 1967
 Recording No.: 1030207
 Executed by: SANDY POINT CO., A Washington Corporation
8. Covenants, conditions and restrictions in declaration of restrictions;
 Recorded: August 17, 1967
 Recording No.: 1032126
 Records of: Whatcom County, Washington
 Executed by: R. E. ROGERS AND ROBERT R. WALKER, et al.
- Said covenants, conditions and restrictions are amended by instrument recorded April 10, 1980, under Auditor's File No. 1354346.
9. Easement including the terms, covenants and provisions thereof for electric transmission and/or distribution line, together with necessary appurtenances, as granted by instrument;
 Recorded: April 2, 1968
 Recording No.: 1042260
 Records of: Whatcom County, Washington
 To: PUGET SOUND POWER AND LIGHT COMPANY
 Affects: Said premises and other property
10. Easement including the terms, covenants and provisions thereof, as disclosed by instrument;
 Recorded: January 18, 1974
 Recording No.: 1153781
 Records of: Whatcom County, Washington
 In favor of: WILLIAM CAMPBELL MASSEY, JOHN H. GARDINER and JOHN FREDERICK REID, DDS, FICD
 For: Ingress and egress
 Affects: Said premises
11. Exceptions and reservations as contained in instrument;
 From: CAMPBELL INVESTMENT COMPANY
 Recorded: January 16, 1984
 Recording No.: 1469604
 Records of: Whatcom County, Washington
 As follows: Subject to the reservation of an easement over the most Northerly and Westerly 50 feet of the above-described 150 feet strip for the provision and control of free access and navigability to be retained by the Grantor and for the benefit of its successors, transferees and assigns

SOUTH CAPE AT SANDY POINT, PHASE 1

12. Notice to Public of Water System Connection and continuation charges;
 Executed by: SANDY POINT IMPROVEMENT COMPANY
 Recorded: February 10, 1987
 Recording No.: 1563763
 Records of: Whatcom County, Washington
13. South Cape Short Plat, including the terms and conditions thereof;
 Recorded: May 11, 1988
 Recording No.: 1597100
14. Easement as delineated or dedicated on the face of South Cape Short Plat;
 For: 45-foot shoreline setback; 50-foot easement reservation for navigation controls
 Affects: Portion of said premises
15. The right to make all necessary slopes for cuts and fills and the right to continue to drain said roads and ways over and across any lot or lots where water might take a natural course in the original reasonable grading of the roads and ways shown hereon.
- Following original reasonable grading of roads and ways shown hereon, no drainage waters on any lot or lots shall be diverted or blocked from their existing course so as to discharge upon any public road rights of way or to hamper property road drainage, any enclosing of drainage waters in culverts Or drains or rerouting thereof, across any lot as may be undertaken by or for the owner of any lot, shall be done by and at the expense of such an owner.
16. Terms and conditions of Memorandum of Agreement;
 Executed by: SANDY POINT IMPROVEMENT COMPANY and SC DIVISION I, LLC
 Recorded: August 20, 2014
 Recording No.: 2140801817
 Affects: Said premises
17. Easement including the terms, covenants and provisions thereof, as granted by instrument;
 Recorded: November 13, 2014
 Recording No.: 2141101098
 Records of: Whatcom County, Washington
 In favor of: PUGET SOUND ENERGY, INC., a Washington corporation
 For: Underground distribution and electric lines and appurtenances thereto
 Affects: Portion of said premises

SOUTH CAPE AT SANDY POINT, PHASE 1

18. Covenants, conditions, restrictions, reservations and easements in Declaration, including the terms and provisions thereof;

Executed by: SC DIVISION 1, LLC

Recorded: November 7, 2014

Recording No.: 2141100522

Said instrument was originally recorded October 23, 2014, under Auditor's File No. 2141002431.

19. Notes on the plat, as follows:

A. GENERAL NOTES:

1. Phase 2 Development, as described in the Whatcom County Hearing Examiner LS 2-88 Amendment Decision granted July 1, 2014, shall receive preliminary approval from the Whatcom County Hearing Examiner prior to any development of Tract A. A final plat must be submitted in property form for final plat approval within 10 years from July 1, 2014, or South Cape at Sandy Point, Phase 2, development will be considered expired.
2. Water rights are allocated to the five lots on this plat in accordance with the Settlement Agreement filed under Auditor's File No. 2140801817.
3. There has been no review of critical areas for this subdivision.
4. A clause on each deed for lots within this plat shall state that the tidelands located adjacent to this plat are owned by the United States Government in Trust for the Lummi Tribe and that the tidelands may only be used by owners of property in the plat after appropriate arrangements have been made with the Tribe.
5. The building setback lines depicted on this plat conform with regulations in effect as of June 29, 1989. Prior to construction on any lot within this plat, the applicant is cautioned to check with planning and development services to determine the exact location of setback lines as of the time of application for building permit. Zoning or shoreline regulations may change and setback lines may not always be as shown on the plat.
6. Whatcom County recognizes that the Sandy Point Spit was formed by sediments carried from the North by Southerly littoral drift currents and that the existing canal entrance immediately North of this subdivision may diminish or cut off this sediment supply. This note is intended to inform potential lot purchasers of this situation. This note shall serve as notice to lot purchasers that erosion may reduce the size of lots over time.

SOUTH CAPE AT SANDY POINT, PHASE 1

7. This subdivision was approved by Whatcom County with knowledge of this shoreline program and zoning regulations effective at the date of application. It has been determined that reasonable uses of the lots are not precluded by the sizes and shapes of the lots approved. Therefore, it is intended that all residential and accessory structures comply with the zoning and shoreline setbacks.

B. COVENANTS, CONDITIONS AND RESTRICTIONS:

1. The lots in this place are subject to the covenants, conditions and restrictions for this plat, which were recorded on November 2, 2014, under Auditor's File No. 2141100522, records of Whatcom County, Washington.
2. The plat may be referred to as Southcape, the long plat of Southcape, the Southcape Long Division, the Southcape Subdivision, and/to the Southcape Long Plat.
3. The lots in this plat are subject to the conditions shown on South Cape Short Plat as recorded under Auditor's File No. 1597100.
4. The declarations for Sandy Point Shores #3 as recorded under Auditor's File Nos. 1032126 and 1354346, explicitly state that those declarations do not apply to this parcel. Those declarations were erroneously added as a restriction on the deed filed under Auditor's File No. 1469604.

C. 10-FOOT UTILITY EASEMENT:

A 10-foot utility easement is shown along Mayne Lane on Sheet 3 of this plat. This easement is for the benefit of utility owners as described in Section 16 of the Covenants recorded under Auditor's File No. 2141100522. This easement also represents the surveyed location of Puget Sound Energy's facilities as described under Auditor's File No. 2141101098.

D. SPECIAL FLOOD HAZARD NOTES:

1. Lots 1 through 5 in this plat are located within a 100 year flood hazard area and residential units must be built to meet minimum criteria of FEMA "AE8" Zone.
2. All future development within this plat is subject to Whatcom County "Flood Damage Prevention Code" (Title 17) and the associated requirements of the Endangered Species Act.

SOUTH CAPE AT SANDY POINT, PHASE 1

3. Westerly portions of undeveloped Tract "A" are located within flood hazard velocity zone.
4. The finished ground floor of all dwellings shall be elevated to at least 5 feet above mean higher high water or as otherwise required by flood ordinances.

E. NOTES:

1. Ordinary high water mark represents the limit of vegetation as delineated by Northwest Ecological in August 2013.
2. Gross lot areas extend from the right-of-way to the mean higher high tide. Net lot areas extend from the right-of-way to the ordinary high water mark.

F. OCCUPATIONAL INDICATORS:

This survey has depicted existing fence lines and/or encroachments in accordance with WAC Chapter 332-130; these occupational indicators may indicate a potential for claims of unwritten ownership. The legal resolution of ownership based upon unwritten title claims has not been resolved by this survey. Whatcom County, by approval of this long plat, makes no determination as to the validity of such claims should they arise.

G. MAP NOTES:

1. The legal description of the predecessor Tract B of South Cape Short Plat indicates that the limit of ownership is based on the mean lower low water of the main basin as it existed March 1, 1966. The boundary is 150 feet from the mean lower low water where its width exceeds 300 feet, and at the center of the channel where its width is less than 300 feet. The boundary is approximated using South Cape Short Plat as reference.
2. The debris and vegetation line for the North Cape Peninsula was not surveyed. It was drawn from 2008 aerial photography and is shown for reference only.
3. Dimensions of the tide line and vegetation lines are as found at time of survey.

SOUTH CAPE AT SANDY POINT, PHASE 1

20. Easement(s) as delineated or dedicated on the face of said plat;
For: Utilities, community easement, restricted access, private road and navigation control
Affects: Portions of plat and other property
21. Any prohibition or limitation on the use, occupancy or improvement 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.
22. Any question that may arise due to shifting or change of the line of high water of Lummi Bay, due to the bay 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 tideland or shorelands.
24. The property lies within the exterior boundaries of the Lummi Indian Reservation and may be subject to the rules and regulations of the Lummi Tribal Government.

... END OF EXHIBIT "A" ...

EXHIBIT "B"

SANDY POINT MARINA CONDOMINIUM

1. Assessments and charges, if any, levied by SANDY POINT IMPROVEMENT COMPANY.
 2. Dues, assessments, and charges, if any, levied by the LUMMI TRIBAL WATER & SEWER DISTRICT [(360) 758-7167].
 3. 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.
 4. Any question that may arise due to shifting or change of the line of high water of Georgia Strait and/or Lummi Bay, due to the strait and/or bay having shifted or changed its line of high water.
 5. Any question that may arise as to the location of the lateral boundaries of the tideland or shorelands.
 6. Covenants, conditions, restrictions and easements contained in instrument;
Recorded: June 8, 1965
Recording No.: 98366
Executed By: SANDY POINT CO., A Washington Corporation
- Said instrument has been amended or modified by the following instrument;
Recorded: June 8, 1965
Recording No.: 988367

SANDY POINT MARINA CONDOMINIUM

7. Covenants, conditions, restrictions and easements in declaration of restrictions;
 Executed by: BELLINGHAM MARINE, INC.
 Recorded: August 21, 1967
 Records of: Whatcom County, Washington
 Recording No.: 1032285
- Said covenants, conditions and restrictions have been modified by instrument;
 Recorded: March 27, 1986
 Recording No.: 1532786
 Records of: Whatcom County, Washington
 Executed by: BELLINGHAM MARINE, INC.
- Said instrument has been amended or modified by the following instrument;
 Recorded: November 6, 2001, and November 23, 2005
 Recording No.: 2011100914 and 2051104121, respectively
8. The property lies within the exterior boundaries of the Lummi Indian Reservation and may be subject to the rules and regulations of the Lummi Tribal Government.
9. Notice to Property Owners including the terms and provisions thereof;
 Executed by: BELLINGHAM MARINE, INC.
 Recorded: January 28, 1992
 Recording No.: 920128006
 Records of: Whatcom County, Washington
10. Notice to Public of Water System Connection and Continuation Charges including the terms and provisions thereof:
 Dated: March 9, 1984
 Recorded: August 6, 1987
 Recording No.: 1580041
 Executed by: SANDY POINT IMPROVEMENT COMPANY
 Affects: Said premises and other property
11. Dedication contained on the face of the plat of North Cape, Sandy Point, as follows:

 The owner, in fee simple of the land, hereby declares this plat in lieu of dedication of the roads thereof, hereby grants to the owners of each lot a perpetual easement for ingress, egress and utility purposes over and across the other lots in the location shown on the plat.
12. Easement as delineated or dedicated on the face of the plat of North Cape, Sandy Point;
 For: Private road easement
 Affects: North 50 feet of Lot M-3 through M-7 and the
 Westerly 25 feet of Lots M-9 and M-10

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13. Easement including the terms, covenants and provisions thereof, as granted by instrument;
 Recorded: May 19, 1966
 Recording No.: 1007341
 Records of: Whatcom County, Washington
 In favor of: CAMPBELL INVESTMENT COMPANY, A
 Washington Corporation
 For: Access and water line
 Affects: Portion of said premises
14. Easement including the terms, covenants and provisions thereof, as granted by instrument;
 Recorded: April 14, 1988
 Recording No.: 1599806
 Records of: Whatcom County, Washington
 In favor of: SANDY POINT IMPROVEMENT COMPANY, A
 Washington Corporation
 For: Installation and maintenance of a water transmission
 line or lines and facilities attendant to the said
 installation and maintenance of water transmission
 line or lines
 Affects: Portion of said premises
15. Restrictions, regulations, requirements, easements and liability to assessments contained in
 Chapters 64.32 and 64.34 of the Revised Code of Washington (Condominiums) and
 amendments thereto and contained in condominium declaration as hereto attached:
 Recorded: April 18, 2007
 Recording No.: 2070402938
16. Terms and conditions of Storm Drain Line Easement;
 Executed by: DONALD C. WALKER and GLORIA WALKER,
 husband and wife
 Recorded: November 13, 2007
 Recording No.: 2071101410
 Affects: Said premises
17. Except from Unit 31 (Ocean Unit) the property described as follows:
 a. That portion described in Deed to JERRY SCHUMM and LOUISE SCHUMM
 recorded October 16, 2001 under Auditor's File No. 2011002211, re-recorded
 November 29, 2001 under Auditor's File No. 2011104548.
 b. The portion lying North of Lots C-39 to C-48 of Sandy Point Tracts No. 4 as
 described in Deed to MAPAT CANAL ASSOCIATION recorded April 12, 1996
 under Auditor's File No. 960412010.
 c. That portion lying North of Lot C-20 of Sandy Point Tracts No. 4 as described in
 Deed to George Fujimoto and Masako Fujimoto recorded June 3, 1996 under
 Auditor's File No. 960603047.

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- d. That portion lying West of Puffin Road, North of Lots C-16 to C-19 of Sandy Point Tracts No. 4 and East of said Fujimoto tract.
 - e. That portion lying within the boundaries of the property described in "Description No.2" of Deed to CAMPBELL INVESTMENT COMPANY, A Washington Corporation recorded May 19, 1966 under Auditor's File No. 1007341, which lies in front of and adjacent to the plat of Sea Ranch, South Cape, a Condominium, recorded under Auditor's File No. 118892.
18. Rights of various adjacent property owners as disclosed by Section 5.2.1.1 of Article 5 in the Declaration recorded under Auditor's File No. 2070402938.
Affects: Unit 31 (Ocean unit)

... END OF EXHIBIT "B" ...

... END OF SCHEDULE A ...

**EXHIBIT C
LEGAL DESCRIPTION**

PARCEL A:

LOT A, PLAT OF SOUTH CAPE AT SANDY POINT, PHASE 1, ACCORDING TO THE PLAT THEREOF, RECORDED ON MAY 6, 2015, UNDER AUDITOR'S FILE NO. 2150500568, RECORDS OF WHATCOM COUNTY, WASHINGTON.

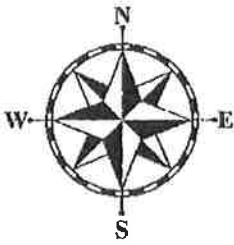
SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL B:

UNIT 31 OF SANDY POINT MARINA CONDOMINIUM, ACCORDING TO THE DECLARATION THEREOF, RECORDED UNDER WHATCOM COUNTY AUDITOR'S FILE NO. 2070402938, AND ANY AMENDMENTS THERETO; RECORDS OF WHATCOM COUNTY, WASHINGTON.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

... END OF EXHIBIT C ...

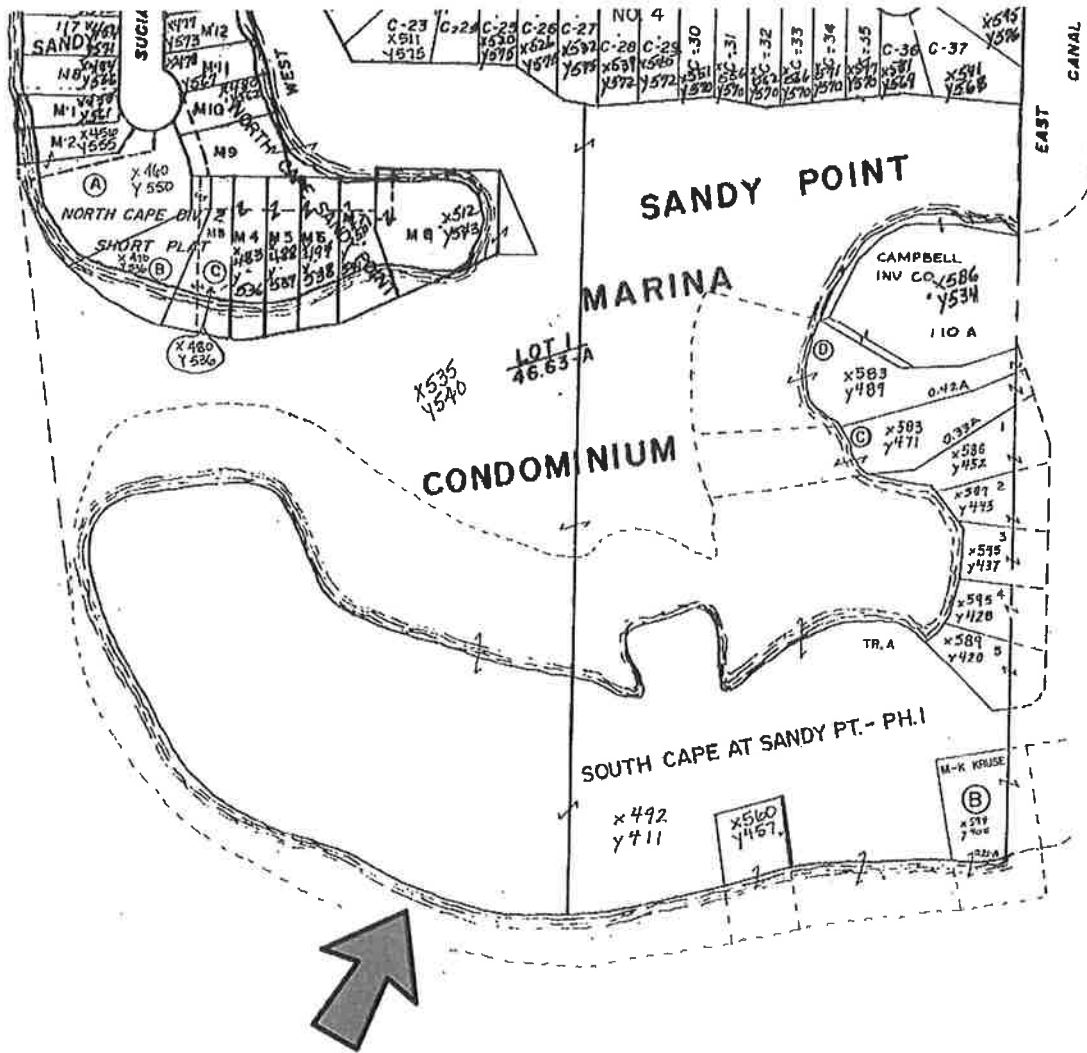


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