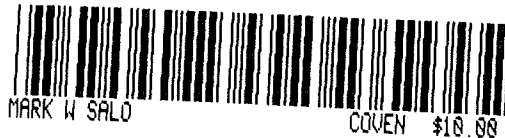


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Apanage Corporation
26236 Pioneer Way NW
Poulsbo, WA 98370



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Kitsap Co, WA

RESTRICTIVE COVENANT

TWELVE TREES BUSINESS PARK, APANAGE CORPORATION

This Declaration of Restrictive Covenant affects the following described property:

Parcel B of the binding site plan of the Twelve Trees Business Park recorded under Auditors File Number 3098212, Volume 15, Page 2, Records of Kitsap County, Washington. Said parcel located in Section 27, Township 27 North, Range 1 East. W.M., Kitsap County. Washington. Assessors Account Number 272701-4-063-2009.

This Declaration of Restrictive Covenant is made pursuant to RCW 70.105D.030 (1) (f) and (g) and WAC 173-340-440 by Apanage Corporation, its successors and assigns, and the State of Washington Department of Ecology, its successors and assigns (hereafter "Ecology").

An independent remedial action (hereafter "Remedial Action") occurred at the property that is the subject of this Restrictive Covenant. The Remedial Action conducted at the property is described in the following document [s]:

1. Independent Remedial Action Report, Twelve Trees Business Park (former North Kitsap Gravel Pit and Asphalt Plant), 26236 Pioneer Way NW, Poulsbo, WA, prepared by Specialized Environmental Consulting, Inc., dated November 20, 1997.
2. Letter RE: Twelve Trees Business Park Independent Remedial Action Report dated November 20, 1997, prepared by Specialized Environmental Consulting, Inc., dated March 11, 1998.
3. Letter RE: Site Assessment Twelve Trees Business Park, prepared by J.O.J.C. Associates, Inc., dated March 23, 1993.
4. Groundwater Quality Site Assessment, 12 Trees Business Park, Kitsap County, Washington, Prepared by Shannon & Wilson, Inc., dated January 1994.

These documents and related correspondence are on file at Ecology's Northwest Regional Office.

This Restrictive Covenant is required because the Remedial Action resulted in residual concentrations of trichloroethylene (TCE) which exceed the Model Toxics Control Act Method A Residential Cleanup Level for groundwater established under WAC 173-340-720.

The undersigned, Apanage Corporation, is the fee owner of real property (hereafter "Property") in the County of Kitsap, State of Washington, that is subject to this Restrictive Covenant. The Property is legally described as follows: Parcel B of the binding site plan of the Twelve Trees Business Park recorded under Auditors File Number 3098212, Volume 15, Page 2, Records of Kitsap County Washington.

Apanage Corporation makes the following declaration as to limitations, restrictions, and uses to which the Property may be put and specifies that such declarations shall constitute covenants to run with the land, as provided by law and shall be binding on all parties and all persons claiming under them, including all current and future owners of any portion of or interest in the Property (hereafter "Owner").

Section 1. No groundwater may be taken for any use from the Property. Groundwater in Well No.2 on the property has been found to contain TCE above MTCA Method A residential standards. Although TCE above cleanup standards has not been found in the five other supply and monitoring wells on the property, to be safe this prohibition applies to all wells on the property. When four quarters of compliance monitoring of the affected well has demonstrated that the TCE has degraded to levels below cleanup standards, then this deed restriction may be lifted provided that Ecology concurs in writing (see Section 8).

Section 2. Any activity on the Property that may interfere with the integrity of the Remedial Action and continued protection of human health and the environment is prohibited.

Section 3. Any activity on the Property that may result in the release or exposure to the environment of a hazardous substance that remains on the Property as part of the Remedial Action, or create a new exposure pathway, is prohibited without prior written approval from Ecology.

Section 4. The Owner of the property must give thirty (30) days advance written notice to Ecology of the Owner's intent to convey any fee interest in the property. No conveyance of title, easement, lease, or other interest in the Property shall be consummated by the Owner without adequate and complete provision for continued monitoring, operation, and maintenance of the Remedial Action.

Section 5. The Owner must restrict leases to uses and activities consistent with the Restrictive Covenant and notify all lessees of the restrictions on the use of the Property.

Section 6. The Owner must notify and obtain approval from Ecology prior to any use of the Property that is inconsistent with the terms of this Restrictive Covenant. Ecology may approve any inconsistent use only after public notice and comment.

Section 7. The Owner shall allow authorized representatives of Ecology the right to enter the Property at reasonable times for the purpose of evaluating the Remedial Action; to take samples, to inspect remedial actions conducted at the property, and to inspect records that are related to the Remedial Action.



MARK W SALO

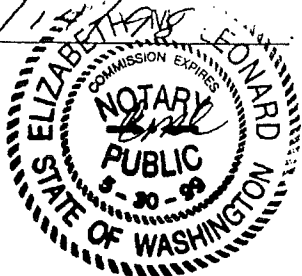
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Section 9. By way of further clarification, Sections 2,3,4,5, and 6 of this Restrictive Covenant set forth above, shall not be construed and are not intended to prohibit the Owner of the Property from constructing, maintaining and operating on the Property a business park, consisting of buildings used by Owner or leased to third parties for office and light industrial purposes as permitted by applicable zoning ordinances, together with associated driveways, parking areas, storm drainage and landscaping; provided that (a) such use does not interfere with the integrity of the Remedial Action and continued protection of human health and the environment; and (b) such activity does not result in the release or exposure to the environment of a hazardous substance that remains on the Property as part of the Remedial Action or create a new exposure pathway. Further, the Owner of the Property shall not be required to notify or obtain approval from Ecology prior to the use of the Property in accordance with this Section 9; nor shall the Owner of the Property be required to give advance written notice to Ecology of Owner's intent to lease portions of the Property for business park use, so long as such leases (1) provide a mechanism for continued monitoring, operation and maintenance of the Remedial Action; (2) restrict the use of the leased premises to activities consistent with this Restrictive Covenant; and (3) expressly reference the terms of this Restrictive Covenant.

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

Dated:



My appointment expires 5-30-1999



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