

STATE OF WASHINGTON
LAND DEVELOPMENT REGISTRATION

PUBLIC OFFERING STATEMENT
DEVELOPER REGISTRATION BY AFFIDAVIT

FOR AN OFFERING
KNOWN AS: SOUTH BAY No. 1, 2 and 3 EFFECTIVE DATE OF LATEST
AMENDMENT OF REGISTRATION: July 29, 1983

COUNTY OF Jefferson EFFECTIVE DATE OF
ORIGINAL REGISTRATION August 6, 1980

STATE OF Washington WASHINGTON STATE
REGISTRATION NUMBER L/D 0333-B

DEVELOPER NAME POPE & TALBOT DEVELOPMENT, INC.

ADDRESS 781 Walker Way
Port Ludlow, WA 98365

PHONE (206) 437-2237

IMPORTANT: ALL PURCHASERS OR THOSE WANTING INFORMATION ABOUT THE PROPERTIES
BEING OFFERED IN THIS DEVELOPMENT—YOU SHOULD READ THIS DOCUMENT
CAREFULLY BEFORE SIGNING ANYTHING!

The state of Washington's Land Development Registration Act (RCW 58.19) requires that under certain circumstances subdivisions must be registered with the Department of Licensing, state of Washington prior to making sales. The developer of this offering has registered by means of an abbreviated format. This type of registration has been granted on the premise that purchasers will be adequately protected by the conditions and controls required by the county and the affidavits being made by the developer. Therefore, this registration is conditional that the developer comply with all county requirements and affidavits made in this statement.

Registration is in two parts: (1) a compilation of documents called the Statement of Record; and (2) a public disclosure report about the property, known as the Public Offering Statement. This entire document constitutes the developer's public offering statement. The developer should have given you a copy before selling you a lot. You are requested to sign a receipt for having received your copy. That receipt protects you and the developer.

DISCLAIMER. The Real Estate Division, Department of Licensing neither approves nor disapproves of the merits of this offering. The agency has taken reasonable precautions to assure that statements made and conditions attested to by the developer are true and correct; however, the Division disclaims any responsibility for the veracity of the developer's statements or failure of the developer to perform on any promises. Except where otherwise noted, statements and affidavits made are those of the developer, not the agency.

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STATE OF WASHINGTON

DEVELOPER/SELLER
PUBLIC OFFERING STATEMENT
REGISTRATION BY AFFIDAVIT

PURCHASERS RIGHT OF RESCISSION: THE DEVELOPER MUST GIVE EACH PURCHASER A COPY OF THIS PUBLIC OFFERING STATEMENT PRIOR TO A SALE. THE LAND DEVELOPMENT ACT PROVIDES THAT A PURCHASER HAS THE RIGHT TO REVOKE ANY CONTRACT OR AGREEMENT FOR 48 HOURS AFTER RECEIVING THIS DISCLOSURE STATEMENT. THE TIME PERIOD OF 48 HOURS DOES NOT INCLUDE SATURDAYS, SUNDAYS, OR LEGAL HOLIDAYS. ANY REVOCATION REQUEST SHOULD BE BY MEANS OF A WRITTEN CERTIFIED NOTICE, DELIVERED TO THE DEVELOPER OR HIS AGENT.

PURCHASER COMPLAINTS: Purchasers who believe that conditions are not actually as stated, or that the developer or its agents have not complied with the affidavits as made in this statement, are requested to contact the Real Estate Division in the Department of Licensing. The state's Public Disclosure Act (RCW 42.17) provides that complaints to state agencies are to be kept confidential unless the complainant grants permission for disclosure.

For additional information about the registration Act, or if you wish to discuss this development, you may contact Land Development Registration, Real Estate Division, Department of Licensing, P. O. Box 247, Olympia, WA 98504, or telephone Olympia (206) 753-1061 or Seattle (206) 622-9375 (direct).

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STATE OF WASHINGTON
PUBLIC OFFERING STATEMENT

LAND DEVELOPMENT REGISTRATION
DEVELOPERS AFFIDAVIT INFORMATION
AND AGREEMENTS OF REGISTRATION

PART I

I/We, the undersigned, hereby certify under penalty of perjury and revocation of this registration that I/we are the owners ~~[x]~~, or contract purchasers [], and developers (as defined in RCW 58.19.020(7)) of:

A development known or platted as South Bay No. 1, 2 and 3 sited in the county of Jefferson, state of Washington; and, that to the best of ~~(my)~~(our) knowledge, all information, statements and affidavits made herein are true and correct; namely:

DEVELOPERS
OFFICIAL
ADDRESS

1. THAT, ~~my~~/our name(s) as developer(s) (is)(~~are~~) Pope & Talbot Development, Inc.; AND, ~~my~~/our official address of registration is: 781 Walker Way, Port Ludlow, Washington, 98365; AND, telephone number (206) 437-2237; AND,

INFORMATION
CONCERNING
THE PLATS

2. THAT, the plats and lots included in this development have been recorded with the county as shown:

<u>Plat (Division)</u>	<u>Number of Lots</u>	<u>Date Recorded</u>
<u>South Bay No. 1</u>	<u>57</u>	<u>March 3, 1975</u>
<u>South Bay No. 2</u>	<u>18</u>	<u>March 3, 1975</u>
<u>South Bay No. 3</u>	<u>35</u>	<u>January 15, 1975</u>

; AND,

REGISTERED
INVENTORY
OF LOTS

3. THAT, the lots or parcels in said plats herein registered and available for sale purposes are as follows (lots must be identified and should conform with those shown on the title opinion on file in the Statement of Record):
a) South Bay 2, Lot 8
b) Lots in South Bay No. 3 as follows: 6, 13 thru 18, 23 thru 32 (Note lots 26 and 27 are combined) and lots 34 and 35; AND,

LOTS
EXCLUDED
FROM
SALE

4. THAT, either (check the appropriate statement):

All the lots in the developers ownership are included in this registration; OR,

STATE OF WASHINGTON
PUBLIC OFFERING STATEMENT

LAND DEVELOPMENT REGISTRATION
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LOTS NOT
FOR SALE

4. Affidavits concerning lots registered, continued:

The following lots, parcels or units are not being included in the registration inventory and are not available for sale for the reasons indicated:

_____ ; AND,

TITLE
OPINION

5. THAT, a condition of title or title opinion dated July 10, 1980 is on file with the Real Estate Division, Department of Licensing and shows one of the following (X the appropriate statement):

BLANKET
ENCUMBRANCES

(1) The developer has unencumbered title; OR,

(2) There are blanket encumbrances but the developer will be complying with the blanket encumbrance and clear title requirements of the Act (RCW 58.19.180) in the following manner:

_____, Statutory Warranty Deeds and Deeds of Trust ; AND,

PURCHASERS
SHOULD MAKE
CERTAIN THIS
IS DONE

6. ~~(xx)~~ (We) agree to prorate and pay all past due taxes; to record any real estate contracts used in the sales program; to pay at the time of closing required state excise taxes and to furnish all purchasers with either an opinion of title or title insurance at time of closing of a sale; AND,

RESTRICTIONS
ON
LAND USE

7. THAT, there are no covenants and restrictions except those attached to and considered part of this public offering statement. Copies of the covenants on all other plats or divisions within the development are included in the developer's statement of record and will be shown to all purchasers prior to a sale; AND, →

WARNING
FROM THE
AGENCY

NOTICE TO PURCHASERS: ENFORCEMENT OF COVENANTS IS THE RESPONSIBILITY OF ALL THE LOT OWNERS. COUNTY AGENCIES DO NOT ORDINARILY ENFORCE COVENANTS. THE DEVELOPER DOES DOES NOT INTEND TO TAKE LEGAL ACTION TO CORRECT ANY VIOLATION OF THE COVENANTS.

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STATE OF WASHINGTON
PUBLIC OFFERING STATEMENT

LAND DEVELOPMENT REGISTRATION
DEVELOPERS AFFIDAVIT INFORMATION
AND AGREEMENTS OF REGISTRATION

ROADS:
ACCESS
TO YOUR
LOT

8. THAT, either (check the appropriate statements and boxes):

- (1) There will be available at time of sale a paved gravelled road with access to each lot either completed or performance bonded to plat requirements or county standards ; OR,
- (2) Roads are not completed or bonded; road access is discussed elsewhere in this statement; AND,

THE
DOMESTIC
WATER
SITUATION

9. THAT, either (check the appropriate statements and boxes):

- (1) Domestic water will be supplied by a qualifying Ludlow Utilities Company, a utility wholly owned by Developer ^{water company,} ; OR,
- (2) A domestic water hook-up will be available to each lot at time of sale at an estimated cost of \$ 350.00 and the community water system has been certified as entirely complete to the state's Department of Social and Health Services on September 30, 1979 (date) by ~~(xxx)~~ (our) engineer C. M. MacLearnsberry, P.E. ; OR,
- (3) (I) (We) intend to supply domestic water by means of a community water system, but the system is not yet complete and certified; the water system will be discussed in Part II of this statement; OR;
- (4) (I) (We) do not intend to be responsible for domestic water and the water situation will be discussed in Part II of this statement; AND,

ELECTRICAL
POWER

10. THAT, either (check the appropriate statements and boxes):

- (1) There will be electricity available for each lot at time of sale, for an estimated hook-up cost of \$ 250.00 ; OR,
- (2) (I) (We) are not supplying or responsible for electrical service. It is the purchasers responsibility and the situation will be discussed in Part II of this statement; AND,

SEWERAGE
DISPOSAL

11. THAT, either (check the appropriate statements or boxes):

- (1) At time of sale each lot will be provided with a hook-up into a region-wide sewerage treatment facility, identified as: Sewerage disposal system owned by Ludlow Utilities Company, a utility wholly owned by the Developer. A use charge of \$350.00 will be paid by a home owner when his home is hooked up to the sewage main servicing his home.

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SEWERAGE
(continued)

11. Affidavit concerning sewerage, continued:

- (2) Sewage disposal will be by means of individual on-site disposal systems, and (I) (we) agree (as detailed in the earnest money agreement) to make each sale conditional to the lot receiving approval by the county for an on-site septic system. The time period for obtaining this approval shall be _____; AND,

COMMUNITY
ASSOCIATION:
ASSESSMENTS

12. THAT, either (check the appropriate statements and boxes):

- (1) There will be no community association, commonly-owned properties or collection of assessments; OR,
- (2) There ~~is a community association known as~~ _____ are _____ ~~and/or~~ commonly-owned properties or ~~assessments, namely:~~ See Part II (Paragraph 5) for _____ details _____; AND,

IMPROVEMENTS
AND
FACILITIES

13. THAT, there are no other promised, advertised or county-required amenities, improvements or structures, not already noted elsewhere in this statement, except as follows (if none so state): none

_____; AND,

HAZARDS

14. THAT, the development and surrounding area is subject to no known hazards, as defined in RCW 58.19.020(7), except as follows (if none so state): See Part II (Paragraph 8) for partial list of hazards.

_____; AND,

15. THAT, ~~(X)~~ (we) will use only those sale documents on file and of record with the Real Estate Division; AND,

ADVERTISING
AND
PROMOTIONAL
AGREEMENT

16. THAT, ~~(X)~~ (we) affidavit NOT TO SELL LOTS SIGHT UNSEEN, not to actively or knowingly advertise or promote a program of selling for investment purposes, not to advertise facilities or amenities not actually in existence or bonded, and not to engage in those types of advertising and promotional activities noted and prohibited

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ADVERTISING
(continued)

16. Affidavit concerning promotional activity, continued:

in the agency's rules and regulations (WAC 308-126C-090) and, unless the agency is first notified, to conduct no other advertising or promotional activity, except as here summarized: Periodical advertising in newspapers and magazines, and broadcast advertising on radio or T.V. Brochures are mailed on request. Directional and sales signs are placed on the Developer's property along County Roads in the vicinity of Port Ludlow. Displays and other material are on exhibit within the sales office. A South Bay scale model is displayed near the Port Ludlow Marina. ; AND,

RESCISSION
AGREEMENT
FOR PRIOR
PURCHASERS

17. THAT, (xx) (we) agree to provide all persons with whom (xx) (we) might have made unlawful and unregistered sales in this development prior to the date of registration, a copy of this public offering statement and a notice of their rights of revocation under the Land Development Act; and, if a proper request is made from any such person, that (xx) (we) shall refund all monies paid and rescind their agreement; AND,

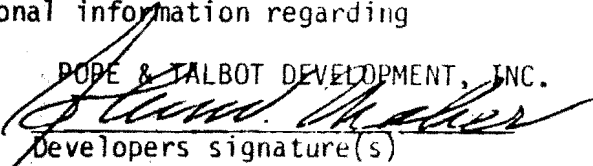
DEVELOPERS
AGREEMENT
TO CONTACT
THE AGENCY

18. THAT, should there be a bulk sale of the lots registered in this offering, a material change in conditions, or a change in the developer's plan of advertising and promotion, (xx) (we) will immediately notify the Real Estate Division, Department of Licensing, Olympia, Washington, and also provide a copy of the bulk sale agreement to the Division; AND,

19. THAT, in addition to the information, statements and affidavits that are to be found in this part of your public offering statement. (xx) (WE) ARE PROVIDING YOU WITH SUPPLEMENTAL INFORMATION ABOUT (xxx) (OUR) DEVELOPMENT TO BE FOUND NARRATED, BY CAPTIONED ATTACHMENT, AS FOLLOWS:

See: Part II ... Page 9 - Additional information regarding South Bay No. 1, 2 and 3.

POPE & TALBOT DEVELOPMENT, INC.


Developers signature(s)

President

DEVELOPERS CONSENT TO SERVICE: On the next page you will find the developer consent to service. The developer's signature on this consent means that if anyone were to file a lawsuit against the developer alleging violation of provisions of the Land Development Registration Act, service of process on the Director at the Department of Licensing would constitute service on the developer.

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STATE OF WASHINGTON
LAND DEVELOPMENT REGISTRATION
DEVELOPER'S CONSENT TO SERVICE

POPE & TALBOT DEVELOPMENT, INC. of Port Ludlow,
has obtained or is about to obtain a land development registration from the State
of Washington for development South Bay No. 1, 2 and 3 sited in
Jefferson County, State of Washington, and pursuant to
the requirements of RCW 58.19.060(1), hereby consents that suits and actions against
the developer, or its agents, involving any proceeding arising under RCW 58.19 may
be commenced against the developer by delivery of service of the process or plead-
ings directly to the Real Estate Division, Department of Licensing, Olympia, Wash-
ington. Such service shall constitute legal service on the developer.

The Director (Real Estate Division) shall within five working days after receipt of
such service or process, mail to the developer at the official registration address
on file with the Director written notice and a copy of any process or pleadings de-
livered to the Division. I agree that it shall be ~~(my)~~(our) responsibility to
notify the director (Real Estate Division, Department of Licensing) immediately of
any change in ~~(my)~~(our) official address. This consent shall run until the state's
statute of limitations extinguishes the cause of action arising under the Act, or
subject of the complaint.

John W. Maher
signature

John W. Maher, President
typed or printed name (and title)

Signed this 27th day of June, 1983.

Ronald M. Percival
signature

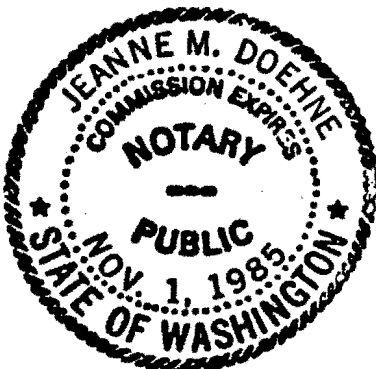
Ronald M. Percival, Assistant Secretary
typed or printed name (and title)

Signatory must be the developer, or an authorized agent of the developer. If the
developer(s) ~~(x)~~(are) married individuals both spouses must sign; if a corporation,
the appropriate officer must sign.

STATE OF WASHINGTON)
) ss
COUNTY OF KITSAP)

I, Jeanne M. Doehne, a duly appointed, acting and qualified
notary public for said county and state do hereby certify that on this day personally
appeared before me, known to be the individual described in and who executed the with-
in instrument, and acknowledged that he signed and sealed the same as a free and vol-
untary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 27th day of June, 19 83.



Jeanne M. Doehne
NOTARY PUBLIC in and for the State of
Washington, residing at Bremerton

(flip over)

[Handwritten signature]

STATE OF WASHINGTON
LAND DEVELOPMENT REGISTRATION

PART II. ADDITIONAL INFORMATION OF BENEFIT TO PURCHASERS OF THE DEVELOPMENT
KNOWN AS:

SOUTH BAY NO. 1, 2 and 3
Jefferson County, Washington

THE DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS APPLICABLE TO THE ABOVE
SUBDIVISION IS AVAILABLE FOR YOUR EXAMINATION AT THE PORT LUDLOW SALES OFFICE.

1. Owners of lots within South Bay 1, 2 & 3 are not allowed to use the Common Area facilities of Port Ludlow "Community A" owned by the Ludlow Maintenance Commission (LMC), i.e. the Beach Club (with its swimming pool, tennis courts, and other facilities), Kehele Park (with its tennis courts, playground facilities, etc.), greenbelts and beach areas, unless they purchase an annual, non-proprietary, "contract guest membership" in the Ludlow Maintenance Commission. The facilities owned by the Ludlow Maintenance Commission, Inc. are available only for use by owners of lots or condominiums in Port Ludlow "Community A" (and their invited guests, including Admiralty resort rental guests) and other Port Ludlow owners who have purchased annual non-proprietary, contract guest memberships. The current fee for a contract guest membership is \$180.00 per year.
2. Owners of lots and/or condominium at Port Ludlow do not automatically acquire by virtue of their ownership any special right or interest in the use of any Developer-owned facilities available to the general public. Thus, owners cannot expect preferred treatment in the use of these facilities, and shall not be guaranteed any reduction in fees or charges or preferred reservations or priorities. However, the Developer may, at its sole option, offer, on an annual basis, reductions in moorage fees, golf course fees, etc. to owners of property at Port Ludlow including new or previous purchasers of lots in this offering. Such accommodations to property owners, if any are made, may change or cease to be available in any subsequent year. These Developer-owned facilities including the Harbormaster Restaurant, Cocktail Lounge, the Port Ludlow Marina, Port Ludlow Golf Course, etc. are open to the general public on the same basis as they are to Port Ludlow lot and/or condominium owners.
3. Lots within subdivisions subject to this filing are restricted to single-family detached residential structures by the Declaration of Restrictive and Protective Covenants for their respective subdivision. The Developer owns adjacent lands on which, however, multi-family and perhaps commercial buildings will be built by the Developer or sold to others for such development. Specifically, condominium clusters are planned for a number of locations adjacent to Port Ludlow Golf Course green and fairway locations and additional commercial or clubhouse facilities may be erected in the vicinity of the Port Ludlow Golf Course Clubhouse. Projected or possible locations for many of these non-single-family detached lot structures may be obtained from representatives of the Port Ludlow Sales Office.

4. It is unknown whether governmental authorities will continue to allow processed sewerage residues from the subdivision subject to this filing to be diffused into Admiralty Inlet. If changing environmental requirements prohibit or restrict this there is a possibility that the Developer may be required to place another sewage disposal plant with spray field approximately one (1) air mile south or southwesterly from the center of the filed subdivision.
5. Jefferson County, Washington, requires that at least ten percent (10%) of the gross land area of any subdivision be retained as "Open Space" (Section 6.204 of the Jefferson County Subdivision Ordinance adopted February 1, 1975 and corresponding prior ordinance). The required Open Space for this offering is shown on its plat wherein it was specifically dedicated, granted and quitclaimed for the benefit of the lots in the subdivision in an undivided 1/110th interest as appurtenant to each of the 110 lots subject to this filing.
6. Paragraph 9 of the Declaration of Restrictive and Protective Covenants for the subdivision, subject to this filing, specifies the methods by which lot owners may secure architectural approval of buildings or structures to be placed on lots within this offering. The Developer has a controlling interest in the Port Ludlow South Bay Community Architectural Control Committee. Developer's employees, officers and directors may act as members of the Port Ludlow South Bay Community Architectural Control Committee. Section 9 of the Restrictive and Protective Covenants allows the Developer to retain control as long as it owns more than one-half of the area of the total of the Port Ludlow South Bay Community (approximately 440 acres) and the Port Ludlow Golf Course (approximately 155 acres).
7. The Port Ludlow Golf Course is solely owned by Pope & Talbot Development, Inc.; the land, the grounds within the Golf Course and around the tees and fairways, and the facilities and equipment of the Golf Course is the sole property of Pope & Talbot Development, Inc. Ownership of a lot or condominium at Port Ludlow provides to that owner no equity in any form in the assets of the Port Ludlow Golf Course. Green fees, cart fees, annual ticket fees (if any) and any rental fees connected with the Port Ludlow Golf Course are subject to periodical review and may be changed at any time at the discretion of Pope & Talbot Development, Inc. Pope & Talbot Development, Inc. reserves the right to close the Course upon occasion at its discretion. Lot and condominium owners at Port Ludlow have no obligation to financially support, or to use in any way, developer-owned facilities including the Port Ludlow Golf Course, nor can they be assessed or liened for its construction, maintenance or operation.
8. Partial list of hazards (as defined in RCW 58.19.020(7)) subject to the subdivisions within this filing:
 - a. This subdivision contains many large coniferous and deciduous trees and is in the immediate proximity of large commercial tree farms and natural forests. For this reason, the subdivision may be in an area susceptible under certain infrequent conditions, including low humidity, fully committed area fire-fight equipment, etc. to forest brush fires.
 - b. Occasional sudden very high winds may arise in the Port Ludlow area. These high winds may, depending upon the intensity and direction, blow down all or parts of trees within the filing. Sudden winds, strong winds,

changing of tides, combinations of tides and winds, etc. may cause sudden dangers to boaters, people fishing or participating in beach activities.

c. The existence, severity and frequency of earthquakes in the area of the offering is unknown, but earthquakes are relatively common on the western seaboard of the United States.

d. The subdivision subject to this filing abut or are in the immediate proximity of the permanent existing Port Ludlow Golf Course and, despite designed safety factors, the potential safety hazard exists that flying golf balls may strike persons or property within the subdivision or that persons may fall into (or through ice over) water traps and large deep reservoirs within the golf course when using the facilities or trespassing thereon.

e. The existing permanent U.S. Navy base at Bangor, Kitsap County, Washington, is approximately 13 air miles from this offering. The base now serves submarines which carry nuclear weapons and are nuclear powered. Nuclear propelled and armed submarines proceeding to, or exiting from the Bangor U.S. Navy base pass within 3 air miles of this filing when entering or exiting from Hood Canal, upon which the base is located.

f. The permanent existing absence of sidewalks within the subdivision and in the general Port Ludlow vicinity may cause pedestrians, bicyclists, golf cart users, etc. to be injured while using streets.

g. Power outages may occur, and due to the rural location of Port Ludlow, persist for several hours or longer.

On-site nuisances include:

a. The possibility that golf balls in play on the Port Ludlow Golf Course, and golfers attempting to find or claim same, may occasionally enter lots within the subdivision.

b. There is no leash law in Jefferson County nor any other provision for animal control within this offering. Dogs, other domesticated pets and wild animals may enter a lot from adjacent streets, lots or the Port Ludlow Golf Course.

c. The permanent Port Ludlow Golf Course that is existing adjacent to, or near the lots in this offering wherein players, guests, possible tournament crowds, maintenance equipment and maintenance operations may temporarily create noise and/or activity that may offend some owners of lots or their guests. Activities within the permanent existing Golf Course Maintenance Building and yard may be noisy and occur during unusual hours. Equipment from this yard, as well as golf carts and other types of vehicles may use the road system within the Port Ludlow South Bay Community, thus causing delays and perhaps hazards to regular passenger vehicles. The permanent Port Ludlow Golf Course Clubhouse (with a pro shop, and lunch, beer and possible cocktail service) and adjacent 3 tennis courts located at approximately .2 road miles distance from the center of this offering may create noise and traffic at unusual hours.

STATE OF WASHINGTON
LAND DEVELOPMENT REGISTRATION
DEVELOPER'S OATH OF AFFIRMATION

(XX) (We), POPE & TALBOT DEVELOPMENT, INC.
developer(s), or the legal agents thereof, of a development known and registered
as South Bay No. 1, 2 and 3, do hereby affidavit
that (XX) (we) have processed the registration application and subsequently reviewed
and carefully studied this registration in its final form, as ordered by the state
of Washington; and, (XX) (we) further certify and affidavit that to the best of (XX)
(our) knowledge and belief, all the statements, promises and affidavits that (XX)
(we) have made and finally approved in this 13 page document are true, correct
and complete. (XX) (We) further agree and do voluntarily stipulate that all pro-
mises, affidavits and statements made herein which run to the benefit of the pur-
chasers in this development, shall constitute our binding contract and agreement
of performance with said purchasers. (XX) (We) further agree that the granting of
this registration by affidavit shall not serve to waive any of the developer's obli-
gations, duties and responsibilities as found in the Land Development Registration
Act of 1973, nor any of the powers of the Director, Department of Licensing, nor
any of the rights found in the Act running to the benefit of third parties or pur-
chasers. (XX) (We) understand that the state of Washington, in granting this abbre-
viated format of registration, has placed considerable reliance upon the affidavit
as found herein. Therefore, (XX) (we) agree and stipulate that should (XX) (we),
or any of (XX) (our) agents knowingly fail to complete or comply with any of the
conditions, affidavits or requirements of this registration by affidavit; or should
circumstances materially change so that a full narrative registration of this
development be in the best public interest, the revocation of this abbreviated
format of registration and a full narrative registration is hereby consented to.

Dated this 27th day of June, 19 83 at Port Gamble,
Washington

John W. Maher
signature

John W. Maher
name typed

President
title or authority for signature

Ronald M. Percival
signature

Ronald M. Percival
name typed

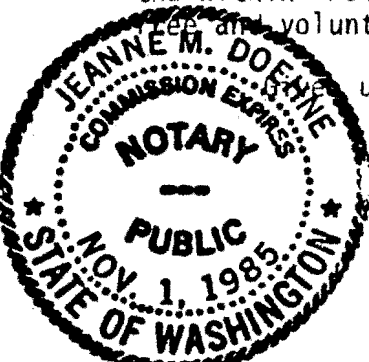
Assistant Secretary
title or authority for signature

STATE OF WASHINGTON)
) ss
COUNTY OF Kitsap)

I, Jeanne Doehne, duly appointed, acting and qualified
notary public for said county and state do hereby certify that on this day person-
ally appeared before me, known to be the individual(s) described in and who executed
the within instrument, and acknowledged that he signed and sealed the same as a
free and voluntary act and deed, for the uses and purposes therein mentioned.

under my hand and official seal this 27th day of June, 1983.

Jeanne M Doehne
NOTARY PUBLIC in and for the State of
Washington, residing at Bremerton



STATE OF WASHINGTON
LAND DEVELOPMENT REGISTRATION
PURCHASERS RECEIPT FOR
PUBLIC OFFERING STATEMENT

TO THE PURCHASER: You are requested to sign this receipt. Your doing so will protect both you and the developer. DO NOT SIGN THIS RECEIPT UNTIL you have received your copy of the disclosure statement and made certain that it is the one dated and referred to on this receipt page and that all pages and parts are intact. The following documents are considered to be part of this disclosure statement or else are to be made available for your inspection in the developer's sales office. They are: Copies of: (1) Final recorded subdivisions subject to this filing, and (2) Certification of completion of Ludlow Utilities Company water system serving subject subdivisions.

11-20-83
20 P.A.

RECEIPT: On the ~~15~~ day of November, 19 83, I received a public offering statement consisting of 13 pages for the development South Bay, No. 1, 2, & 3 and showed a AFFIDAVIT registration. I also received the above-noted attachments to the public offering statement and was given an opportunity to inspect those documents noted above to be in the developer's statement of record. (If applicable) I purchased lot No. 35 in Division 3.

Signed Janet Samples
S. WAYNE SAMPLES
JANET S. SAMPLES
Name printed or typed

10606 SE 226th ST
Address

KENT, WA 98031

INFORMATION FOR THE DEVELOPER: This receipt page is not a permanent part of your public offering statement. When the final approved public offering statement is returned to you, this printed or photocopied page should be attached at the end. When a person is given a public offering statement, remove this page and have the recipient read and sign it. Thereafter, keep this receipt in a safe place. It serves as your protection. You will not ordinarily be required to provide the Division with photocopies of the receipts. If there is complaint or information that purchasers are not properly receiving disclosure statements, the developer may be requested to submit photocopies of the receipts.

MACLEARNSBERRY, INC.
CIVIL ENGINEERS - LAND SURVEYORS - PLANNERS
208 MADRONE LANE NORTH
BAINBRIDGE ISLAND, WA 98110
(206) 842-5514

June 17, 1980

Pope & Talbot, Inc.
P.O. Box 67
Port Gamble, Wash.
98364

Re: Port Ludlow Water System Certification

Attention: Jack Maher

Dear Jack:

In 1975, while employed by Pope & Talbot Dev., Inc., as Area Engineer, I prepared and submitted to the Washington State Department of Social and Health Services, a certified Five-Year Report on the Port Ludlow Water System, regarding its size, make-up, current capacity, and anticipated expansion. That report was reviewed by the D.S.H.S. and accepted with no requests for additions or modifications to the system.

Since that time, I have designed and inspected the construction of the extensions to the system, for serving both the plats of Port Ludlow #5 and South Bay #3. I have certified to both of these extensions with the D.S.H.S., as to proper construction and testing.

The only other water system extension, to my knowledge, within the jurisdiction of Pope & Talbot Dev., Inc., and the Ludlow Utilities Co., that has been constructed since the 1975 Report, is Port Ludlow #6. This project was engineered by Pazooki & McMenamin of Silverdale. Information on Certification, as to proper completion of that extension, can most likely be obtained from them.

In addition to Pope & Talbot Dev., Inc.'s greater Port Ludlow development, Ludlow Utilities Co. provides water to the Highland Greens Condominiums, a project of about 36-units adjacent to their Port Ludlow Golf Course. I do not know if this project's water mains are part of the Port Ludlow Water System, (Ludlow Utilities Co.), or if Highland Greens is simply a separate water system, buying its water from Ludlow Utilities Co.. The reason I mention this here, is that certification of completion of the water mains in Highland Greens has never been made to the D.S.H.S.. Consequently, it is probably advisable to determine the status of the entity providing water to Highland Greens.

Sincerely,

Mathew C. MacLearnsberry, P.E.
MACLEARNSBERRY, INC.