

Water Letter of Availability

PUBLIC UTILITY DISTRICT
CONNECTING KITSAP

KITSAP PUD
1431 FINN HILL ROAD
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January 15, 2013

Jon Rose, President
Olympic Property Group
19950 7th Avenue NE, Suite 200
Poulsbo, WA 98370

Re: Water Service Availability for Port Gamble Redevelopment Project

Dear Mr. Rose:

This letter confirms Kitsap Public Utility District's (KPUD) commitment to provide water service to the proposed redevelopment of Port Gamble. The Port Gamble project application reflects approximately 456 ERUs (as summarized in the attachment).

KPUD is committed to provide water service subject to the following requirements:

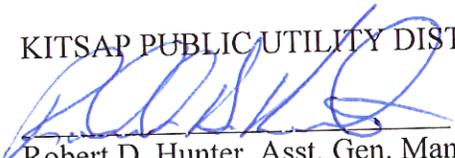
1. The project developer must enter into an acceptable developer's water extension agreement with KPUD to install, at the developer's expense, any necessary water system infrastructure needed to serve the Port Gamble project in accordance with KPUD standards and Kitsap County fire flow standards.
2. Payment to KPUD of standard connection charges and fees at the time development is ready for service.

KPUD understands this water availability commitment will be provided to Kitsap County in connection with a proposed plat/PDB application for the Port Gamble redevelopment project.

If I can be of further assistance, please contact me at (360) 626-7714.

Sincerely,

KITSAP PUBLIC UTILITY DISTRICT


Robert D. Hunter, Asst. Gen. Manager

Port Gamble Redevelopment Project

- Up to 296 dwelling units allowed by zoning (base density: 2.5 du/acre in RHT zone; 1 du/5 acres in RR zone; and 1 du/20 acres in RW zone).
- Hotel consisting of up to 100 rooms, restaurant, lobby and meeting spaces (range of approx. 60,000 – 75,000 sq ft) plus associated parking
- Continued marine science institutional use in existing building (aka New Fields – range of approx. 3,500 – 40,000 sq ft)
- Additional marine science/institutional uses (range of approx. 75,000 – 130,000 sq ft) and related parking
- Retail, office, restaurant, personal services, water related industrial uses, and tourism facilities (range of approx. 135,000 – 210,000 sq ft)
- Dock(s) for recreational, tourist, and water related uses in the RHTW
- Public waterfront park, private parks (for residential uses), plazas and waterfront trails
- Parking to serve the commercial, park, and docks uses (not for institutional)
- Roads and sidewalks and landscaping, water, sewer, and stormwater facilities to serve the development