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Public Utility District No. 1 of Skagit County
Post Office Box 1436, 1415 Freeway Drive
Mount Vernon, WA 98273



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Skagit County Auditor
9/26/2000 Page 1 of 2 9:26:32AM

WATER SERVICE CONTRACT
BETWEEN
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
AND
SKAGIT GARDENS, INC.

This Contract is entered into this 22nd day of September, 2000, between Public Utility District No. 1 of Skagit County, hereinafter referred to as the "District" and SKAGIT GARDENS, INC. or its successor or assigns, hereinafter referred to as the "Applicant".

The Applicant is entering into this Contract to secure a water service(s) for the property located at **3112 Old Highway 99 South Road, Mount Vernon**. The parcel is located in the NW 1/4 of the NW 1/4 of Section 32, Township 34 N., Range 4 E., under Assessor's Tax Number **P29522**. The District owns and operates a water distribution system at the location of the proposed service(s) and is willing to supply water to the Applicant under the following terms and conditions:

1. District Resolution 1877-99 (or its successor) requires a Water Service Contract for all new water meters serving a structure or irrigation load, when the summed weighting factor of the meter(s) is 8 or more (weighting factors are described in the Resolution). Said Resolution also requires the System Development Fee (SDF) charged by the District to be based on the summed meter weighting factor and the annual usage.
2. Meter installation costs. The Applicant shall be responsible for paying all costs associated with installing water services to the District system as provided for in Resolution No. 1626-94, or its successor.
3. System Development Fee (SDF): The District and the Applicant agree that the Applicant has the following new meter(s) that will serve this property:

<u>Meter size</u>	<u>Weighting Factor (from Resolution 1877-99)</u>
3-inch	15

TOTAL Weighting Factor: 15

Equivalent meter size (*): 3-inch

Projected Annual Usage: 1,992,672 gallons/year

Maximum Annual Usage, first 6% increment, 3-inch meter: 4,981,680 gallons/year (*)

(*) = From Exhibit A, Resolution 1877-99

Based on the cumulative weighting factor(s) or meter size and the total projected annual usage identified above, the Applicant agrees to pay a SDF of \$ 26,625.00, based on the first 6% increment of the flow capacity of an equivalent 3-inch metered water service.

Per Resolutions 1877-99 and 1878-99, if the Applicant's annual use through all meters in paragraph 3 exceeds the maximum annual usage of the indicated 6% increment, the District will, on or about January 1 of the following full calendar year, notify the Applicant and request that the Applicant reduce its annual usage to within the indicated 6% increment(s). If the customer has not reduced the annual use to the previously paid level by December 31st of that year, the Applicant shall be charged the additional SDF for the next 6% increment(s) being used, per the fee schedule in effect at the time of billing (currently \$26,625.00 per 6% increment), and this Contract will be amended in writing accordingly.

4. The cost of water shall be at the current water rate schedule at the time of each billing.
5. The District shall not be liable to the Applicant or the Applicant's agent(s) for damages, breach of Contract, or for interruption of service or curtailment of supply for any cause. The Applicant shall hold the District harmless from any claim for damages related to continuity of service by third parties, to the extent that the claim arises out of Applicant's negligence.
6. The Applicant agrees that if problems arise related to water system source capacity or hydraulics, water for irrigation or other non-domestic demands can be limited or discontinued. Water for irrigation is recommended during, and may be limited to, "off peak" hours of 10:00 p.m. to 5:00 a.m. each day, or such hours as the District may prescribe.

District Use: _____
Applicant Number: _____

7. The Applicant recognizes that all water will contain chlorinous compounds that are dangerous to aquatic life. Depending on hydraulic flows within the distribution system, pH levels may exceed 10. The Applicant shall pursue, with reasonable diligence, the protection of aquatic life onsite and offsite of the Applicant's property.

8. Water quality may vary in the future due to the result(s) of the Federal Safe Drinking Water Act or other requirements.

9. The Applicant agrees to install and to maintain a backflow prevention assembly approved for installation in Washington State on all irrigation service(s) and on such other water service(s) as may be required by the District and State/federal health authorities. The type of assembly (ies) necessary will be determined or approved by the District.

10. This Contract shall remain with the metered service(s), and shall be binding on the Applicant's successors or assigns. Increases in water volumes, meter sizes, meter quantities, and other material changes in water demand or ownership data shall be documented in a written amendment(s) to, or rewriting of, this Contract.

11. Applicant non-compliance with this Contract shall constitute cancellation of use of the service(s).

12. All or part of this Contract may be superseded, deleted, or enhanced by future District regulations.

This Contract and all disputes arising hereunder shall be governed by Washington State Law. Venue shall be in the Superior Court of the State of Washington for Skagit County.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract effective the day and year first above written.

SKAGIT GARDENS, INC.:

By: _____

Title: _____

PUBLIC UTILITY DISTRICT NO. 1
OF SKAGIT COUNTY

By: _____

Kenneth K. Kukuk, General Manager

STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Harry Riley is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated he was authorized to execute the instrument and acknowledged it as the Controller of **SKAGIT GARDENS, INC.** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

9/22/00

Dorothy Walk
Notary Public in and for the State of Washington

Residing in: Burlington, WA

My appointment expires: 7/9/04

SKAGIT COUNTY WASHINGTON
Real Estate Trusts

SEP 26 2000

Amount Paid \$ 0
Skagit Co. Treasurer
By fp Deputy

