

RETURN TO:

PUD #1 of Skagit County
Post Office Box 1436
Mount Vernon WA 98273-1436



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Skagit County Auditor

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AGREEMENT FOR NON-LIABILITY

This agreement is entered into this 23 day of MAY, 2002, between Public Utility District No. 1 of Skagit County, hereinafter referred to as the "District" and **PEMCOR PROPERTIES (BURLINGTON), LLP** their successors and assigns, hereinafter referred to as the "Owners".

The District has agreed to accept the Owner's request to construct a concrete foundation for a retail building to be constructed within the north three feet of the west 170 feet of the east 241 feet of the south 18 feet of Lot 2 (**P24043**) in Short Plat BURL 1-92 recorded under Auditor's file No. 9207270058, records of Skagit County, Washington, being a portion of the District's existing utility easements through Lot 2 of Short Plat BURL 1-92 and recorded under Auditor's File No. 890730011 and No. 8912110032, records of Skagit County, Washington.

The Owners, acknowledge and agree to indemnify and hold the District harmless for any damages, including but not limited to, damage to the building or property that is caused by leaks, breaks or failure of the District's existing or future water pipeline located within 10 feet of the building, for as long as the building and pipeline(s) exists.

The Owners will not interfere with the District's operation and maintenance of the water pipeline and agree to abide by all the rules and regulations of the District.

In the event of dispute between the Owners and the District over the terms and conditions thereof or over any claims pursuant hereto the prevailing party shall be entitled to their attorney fees and costs. Venue shall be in the Superior Court of the State of Washington for Skagit County.

This agreement shall remain with the land. The District shall record this agreement with the Assessor's Office of Skagit County.

Brian H. Paterson, Vice President PARTNER
PEMCOR PROPERTIES (BURLINGTON), LLC LLP

STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that **Brian H. Paterson** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the **Vice President** of **PEMCOR PROPERTIES (BURLINGTON), LLC** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument. **LLP**

Date: MAY 23, 2002

Notary Public in and for the State of Washington
My appointment expires: N/A

ALLAN J. COOMBE
Barrister and Solicitor
510 - 1040 W. Georgia Street
Vancouver, B.C. V6E 4H1
(604) 443-3652

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY:

Kenneth K. Kukuk, General Manager

6-3-02

Date