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Skagit County Auditor

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Public Utility District No. 1 of Skagit County
P.O. Box 1436
Mount Vernon, WA 98273

TEMPORARY WATER SERVICE AGREEMENT
BETWEEN
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
AND
CASCADE AGRICULTURAL SERVICES, INC.

This Agreement is entered into the 11th of February 2003, between **Public Utility District No. 1 of Skagit County**, hereinafter referred to as the "District" and **Cascade Agricultural Services, Inc.**, or its successor of assigns, hereinafter referred to as "Cascade".

Cascade is entering into this Agreement to secure a temporary water service to provide domestic water to the property located in the northwest quarter of the southeast quarter of Section 5, Township 33 North, Range 3 East under Assessor's Tax Number P112114 and P112115, lots 3 & 4 of SP # 96-092, respectively. The District owns and operates a water distribution system in the vicinity of the proposed service and is willing to temporarily supply water according to the following terms and conditions of this Agreement:

1. The property described above does not currently front on a water pipeline; however, the Dodge Valley Road extension will front the property. Access to the property is from Dodge Valley Road.
2. Due to the situation outlined in No. 1, above, it is agreed Cascade will be allowed to install a temporary standard 1-inch meter for the usual Type 1 meter installation fee. No System Development Fee will be collected. The meter will be connected to the pipeline on Valentine Road and placed on either P112113 or P15463. Upon completion of a water pipeline and meter installation on Dodge Valley Road or 180 days from the signing of this agreement, whichever occurs first, the meter on Valentine Road will be turned off and the meter removed.
3. Upon completion of the water pipeline on Dodge Valley Road a meter will be installed and a System Development Fee will be collected. The meter on Valentine Road will be relocated to Dodge Valley Road.
4. In the future, when a meter is requested for P112113 or P15463, and the meter box and service line meet current standards for the meter size requested, a Type 3 meter fee and a System Development Fee will be collected. If the existing meter box and/or service line are not usable or are damaged, a Type I meter fee will be collected and repairs made at the cost of the applicant.
5. Cascade shall be responsible for paying all costs associated with installing a water service to the District system as provided for in Resolution No. 1626-94, or its successor.
6. The District shall operate and maintain the metered delivery system in order to supply water for domestic purposes that meet the water quality standards of the Washington State Department of Health.
7. The cost of water through the metering system shall be at the current District water rate schedule at the time of each billing.
8. The District shall use reasonable diligence to provide regular and uninterrupted service to Cascade at the approved delivery or discharge point, but shall not be liable to Cascade for damages, breach of contract, or otherwise for interruption of service because of sabotage, war, fire, floods, earthquakes, or other catastrophes, strikes, or failure of the water distribution system. Cascade shall hold the District harmless from any claim for damages

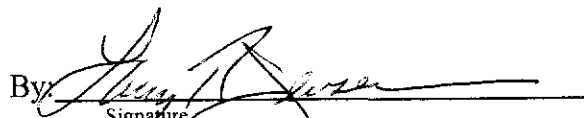
related to continuity of service by third parties by Cascade, to the extent that the claim arises out of Cascade's negligence.

9. Water pressures may vary depending upon the needs of the District to provide water to various locations within the District's service area. Pressures may exceed 90 pounds per square inch (psi) and/or pressures may fluctuate below 60 psi depending on customer demands and other hydraulic situations or emergencies.
10. Cascade recognizes that all water will contain chlorinous compounds which are dangerous to aquatic life. Cascade shall pursue, with reasonable diligence, the protection of aquatic life onsite and offsite of Cascade's property.
11. Cascade agrees to install and to maintain a backflow prevention assembly approved for installation in Washington State on the water service to protect the District's system from cross connection. The type and configuration of the assembly necessary will be determined by the District. This temporary connection will be disconnected once the new, final replacement source is connected
12. This Agreement remains in full force as long as the service is active.
13. The water service covered by this Agreement is for domestic purposes only. Change of use by Cascade in whole or part shall not be permitted without written consent of the District. Appropriate warnings will be posted once recycled water is utilized.
14. Non compliance of this Agreement by Cascade shall constitute cancellation of use of the service.
15. This Agreement shall remain with the land. The District shall record this Agreement with the Auditor's Office of Skagit County.
16. Water quality may vary in the future due to the result of the Federal Safe Drinking Water Act or other governmental requirements.
17. Depending on hydraulic flows within the distribution system, pH levels may exceed 10 (alkaline water).
18. The invalidity or enforceability of any provision of this Agreement shall not affect any other provision hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provision(s) were omitted.

This Agreement and all disputes arising thereunder shall be governed by Washington State Law. Venue shall be in the Superior Court of the State of Washington for the Skagit County. The prevailing party shall be compensated for attorney fees.

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

CASCADE AGRICULTURAL SERVICES, INC.

By: 
Signature
Name: LARRY R. JENSEN
Print
Title: VP/CFO

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

By: 
Kenneth K. Kukuk, General Manager



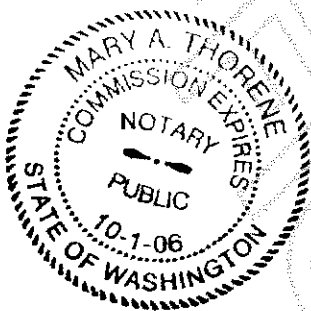
STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Larry R. Jensen
is the person who appeared before me, and said person acknowledged that she/he signed this
instrument, on oath stated she/he was authorized to execute the instrument and acknowledged it
as the Vice President/Chief Finance Officer of **CASCADE AGRICULTURAL
SERVICES, INC.** to be the free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

Date: February 11, 2003

Mary A. Thorene
Notary Public In and for the State of Washington

My appointment expires: 10-1-06



STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that **Kenneth K. Kukuk** 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 **General Manager of
Public Utility District No. 1 of Skagit County** to be the free and voluntary act of such party for
the uses and purposes mentioned in the instrument.

Date: 02/11/2003

Kim A. Carpenter
Notary Public In and for the State of Washington

My appointment expires: 08/09/2005

