

RETURN TO:

PUD #1 of Skagit County  
Post Office Box 1436  
1415 Freeway Drive  
Mount Vernon WA 98273



200802070054

Skagit County Auditor

2/7/2008 Page 1 of 3 10:11AM

**AGREEMENT FOR NON-LIABILITY**

This agreement is entered into this 26<sup>th</sup> day of April, 2007, between **Public Utility District No. 1 of Skagit County**, hereinafter referred to as the "District" and **Stratford Hall, Inc.** (Land Owner), their successors and assigns, and **McDonald's USA, LLC** (Building Owner), their successors and assigns, hereinafter referred to as the "Owner(s)".

The District hereby agrees to allow the trash yard pad and enclosure, located at 2034 Marketplace Drive, **P121448**, lot 13 of Binding Site Plan No. 01-04/updated, recorded under Auditor's File No. 200606270207, records of Skagit County, Washington, to be constructed over the District's easement (Auditor's File No. 200606270207), records of Skagit County, Washington, located as shown and depicted on the drawing designated as "Exhibit A" of this document.

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

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

The Owners agree that they are fully aware of the risks involved with locating improvements on or near a water pipeline in the easement including, but not limited to, the potential for foundation settlement due to soil failure as a result of the water pipeline trench excavation or discharge from the pipe(s). The Owners assume full responsibility for any risks of loss of property damage or personal injury.

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 Auditor's Office of Skagit County.

STRATFORD HALL, INC.:

[Signature]  
Signature V.P.

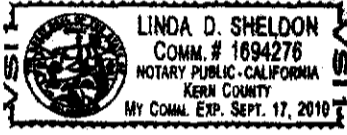
MCDONALD'S USA, LLC:

[Signature]  
Signature Lorraine V. Fortelka, Senior Counsel

STATE OF California  
COUNTY OF Los Angeles

I certify that I know or have satisfactory evidence that Frank Lee is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the V.P. of **STRATFORD HALL, INC.** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 1/9/07



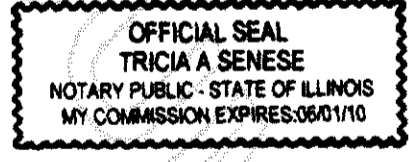
[Signature]  
Notary Public in and for the State of California  
My appointment expires: 9/17/2010

STATE OF Illinois  
COUNTY OF De Peque

I certify that I know or have satisfactory evidence that Lorraine V. Fortelka is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the Senior Counsel of **MCDONALD'S USA, LLC** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 04/26/07

[Signature]  
Notary Public in and for the State of Illinois  
My appointment expires: 06/01/2010



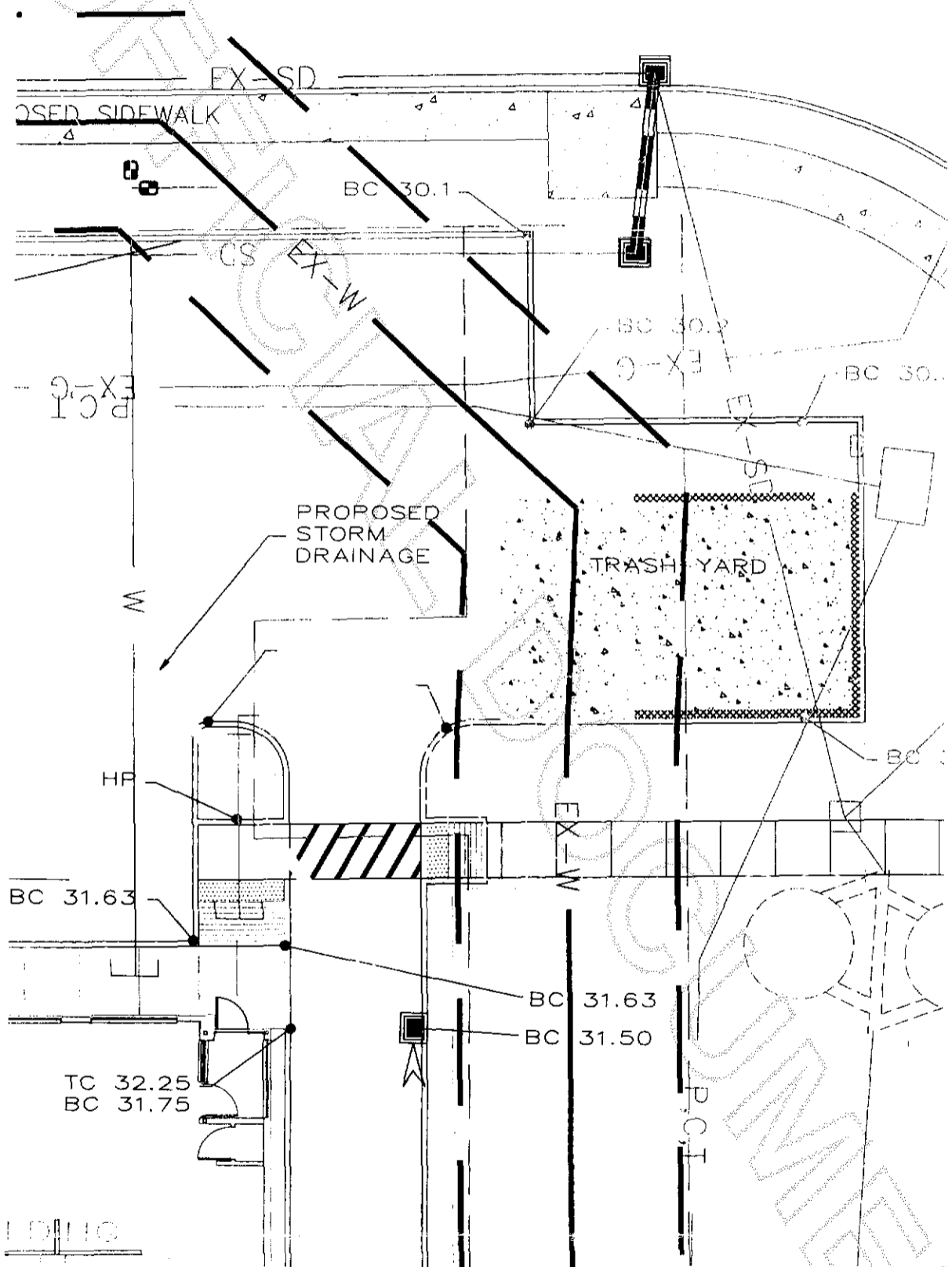
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY:

[Signature]  
David L. Johnson, General Manager

1/28/08  
Date



**EXHIBIT "A"**



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Skagit County Auditor