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PUD #1 OF SKAGIT CO

RETURN TO: Public Utility District No. 1 of Skagit County 1415 Freeway Drive P.O. Box 1436 Mount Vernon, WA 98273-1436

PUD UTILITY EASEMENT

THIS AGREEMENT is made this __7th __day of _February _____, 2008, between SKAGIT FARMER'S SUPPLY, hereinafter referred to as "Grantor(s)", and PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, a Municipal Corporation, hereinafter referred to as "District". Witnesseth:

WHEREAS, Grantor(s) are the owners of certain lands and premises situated in the County of Skagit, and

WHEREAS, the District wishes to acquire certain rights and privileges along, within, across, under, and upon the said lands and premises.

NOW, THEREFORE, Grantor(s), for and in consideration of mutual benefits and other valuable consideration, receipt of which is hereby acknowledged, conveys and grants to the District, its successors or assigns, the perpetual right, privilege, and authority enabling the District to do all things necessary or proper in the construction and maintenance of a water and communication, lines or other similar public services related facilities, including the right to construct, operate, maintain, inspect, improve, remove, restore, alter, replace, relocate, connect to and locate at any time a pipe or pipes, line or lines or related facilities, along with necessary appurtenances for the transportation and control of water and electronic information on facilities over, across, along, in and under the following described lands and premises in the County of Skagit, State of Washington, to wit:

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Exhibit "A" - Easement Map

A portion of Tract 20, "Burlington Hill Business Park Phase II Binding Site Plan", according to the map thereof recorded under Auditor's File No. 9710290033, records of Skagit County, Washington, as conveyed to Skagit Farmers Supply by Quit Claim Deed recorded under Auditor's File No. 200411040064, records of said County and State, and as shown on that certain Record of Survey recorded under Auditor's File No. 200507010010, records of said County and State, said portion being more particularly described as follows:

The East 40.00 feet of the North 50.00 feet of said Skagit Farmers Supply tract; TOGETHER WITH and SUBJECT TO covenants, conditions, restrictions and easements of record.

Situate in the City of Burlington, County of Skagit, State of Washington.

together with the right of ingress to and egress from said lands across adjacent lands of the Grantor; also, the right to cut and/or trim all timber, trees, brush, or other growth standing or growing upon the lands of the Grantor which, in the opinion of the District, constitutes a menace or danger to said line or to persons or property by reason of proximity to the line. The Grantor agrees that title to all brush, other vegetation or debris trimmed, cut, and removed from the easement pursuant to this Agreement is vested in the District.

Grantors, their heirs, successors, or assigns hereby conveys and agrees not to construct or permit to be constructed structures of any kind on the easement area without written approval of the General Manager of the RECEVETO'S shall conduct their activities and all other

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C.O. # 4545 W.O. # 07-03218 activities on Grantor's property so as not to interfere with, obstruct or endanger the usefulness of any improvements or other facilities, now or hereafter maintained upon the easement or in any way interfere with, obstruct or endanger the District's use of the easement.

The Grantors also agree to and with the District that the Grantors lawfully own the land aforesaid, has a good and lawful right and power to sell and convey same, that same is free and clear of encumbrances except as indicated in the above legal description, and that Grantors will forever warrant and defend the title to said easement and the quiet possession thereof against the lawful claims and demands of all persons whomsoever.

Any mortgage on said land held by a mortgagee is hereby subordinated to the rights herein granted to the District; but in all other respects the mortgage shall remain unimpaired.

SKAGIT FARMER'S SUPPLY:

Kenneth Kadlec, CEO, Skagit Farmer's Supply

STATE OF WASHINGTON COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Kenneth Kadlec 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 CEO of SKAGIT FARMER'S SUPPLY to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: FEBRUSAY 7, 2008

Notary Public in and for the

My appointment expires:

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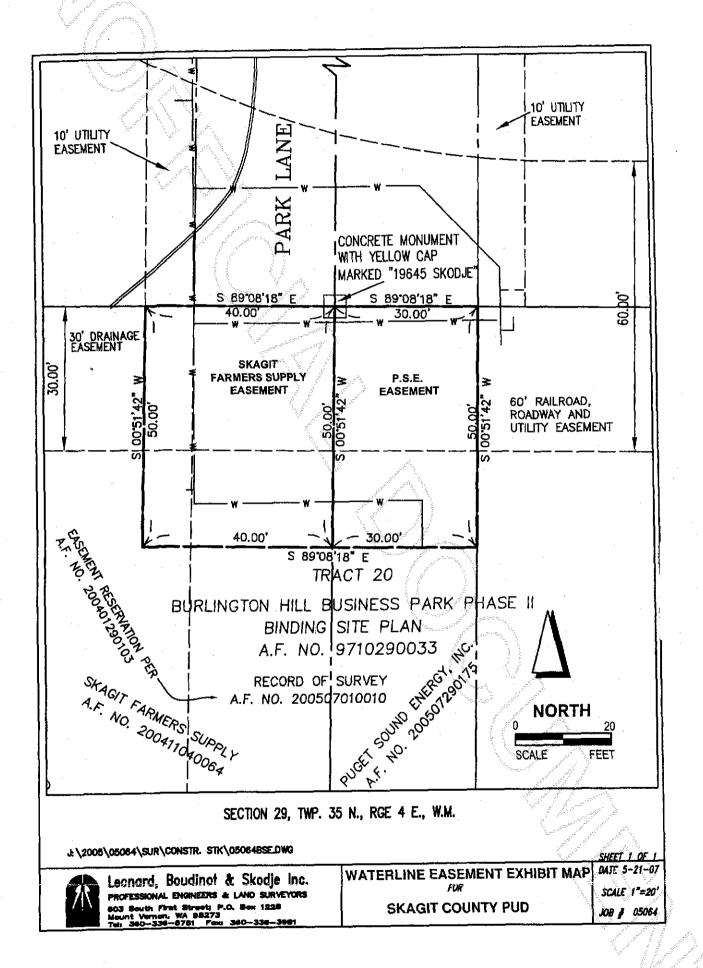


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EXHIBIT "A"



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