

WATER USE AGREEMENT

THIS AGREEMENT entered into this 31st day of August, 1989, by and between **THE PORT OF SKAMANIA COUNTY**, a Municipal corporation of the State of Washington, hereinafter referred to as "the Port", and **OLD STATE WATER WORKS**, a Washington non-profit corporation, hereinafter referred to as "the Corporation".

Recitals

WHEREAS, the Port of Skamania County owns and operates a water system on its Carson Industrial Site, which water system was constructed and put into operation as part of the infrastructure necessary to fully develop said site for industrial purposes;

WHEREAS, the water system hereinabove described produces more water supply than is currently required by the Port's industrial and commercial tenants at the Carson Industrial Site;

WHEREAS, the Port is willing to sell to the Corporation and the Corporation is willing to purchase from the Port a portion of said excess water supply, to be used for residential purposes;

WHEREAS, no other entity is willing to supply water to those users represented by the Corporation;

Now, Therefore, the parties agree as follows:

SECTION I.
Corporation's System

The Corporation represents that the system of delivery which it has installed for delivery of water to those it represents from the Port's point of delivery of said water supply shall consist of all pipes, valves, gauges, devices and equipment which the Corporation may deem necessary to meet its normal water requirements. The Port's point of delivery shall be located at the meter installed to measure the Corporation's use of water on a per-gallon basis, which meter is located at the eastern most fire hydrant fronting on Old State Road which is located on the Port's Carson Industrial Site. The maintenance and replacement of the Corporation's water delivery system shall be the responsibility of the Corporation alone.

SECTION II.
Water Supply

The Port shall be responsible only to make available to the Corporation such surplus water at such pressure as may be available at the point of delivery as a result of the Port's normal operation of its water supply and distribution system.

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Insofar as the Corporation's use of its system for fire protection or for fire fighting is concerned, the Port shall not be obligated to increase its water supply, the size of its mains, or pressure, for the purpose of issuing the Corporation any quantity of water or specific pressure. The Port may, at such times as in its sole discretion may be necessary, temporarily discontinue the flow of water in the main at the point of delivery in order to repair, maintain, improve or replace the main or other portions of the Port's water supply and distribution system on which the main is dependent for its supply.

SECTION III.
Indemnity

The Corporation shall not assert any claim hereunder against the Port for loss or damage which may result from the inadequacy, unsuitability or unavailability of water as to either pressure, quantity or quality, or from leaks or other defects in the Corporation's delivery system. The Corporation shall indemnify the Port from any and all claims or liability from loss or damage to any persons or property resulting from, arising out of, or connected with the rendition of service hereunder, in the event of such inadequacy, nonavailability or unsuitability of water, or in the event of leaks or other defects in the Corporation's system.

SECTION IV.
Furnishing of Water

The Port shall furnish to the Corporation from the surplus generated at the Port facility such surplus water as may be required by the Corporation to supply those residential users represented by said Corporation with a domestic water supply. The charge for said water usage shall be \$30.00 per month, plus \$.25 per 1,000 gallons of water supplied by the Port to the Corporation.

SECTION V.
Billing

The Port shall bill the Corporation a fixed monthly sum of \$30.00 for the service rendered hereunder, and in addition thereto \$.25 per 1,000 gallons for any water used through the Port's service connection. The Corporation shall pay monthly bills on receipt thereof at the Port's office in Stevenson, Washington. If the Corporation defaults in respect to the payment of any such bills for a period of more than thirty (30) days, the Port may, at its sole option, immediately cancel and terminate this agreement.

SECTION VI.
Term of Agreement

The term of this agreement shall be for five (5) years from and after the effective date hereof and shall continue thereafter for additional periods of five (5) years until terminated by either party

hereto. Termination may be effected by giving the other party a ninety (90) day written notice of intent to terminate.

SECTION VII.

Changes and Modifications

This agreement shall be subject to changes or modifications by the Port, particularly but not by way of limitation, with respect to the monthly service charges and charge per gallon of water used, upon ninety (90) days written notice from the Port to the Corporation.

SECTION VIII.

Geographic Service Area; Nondiscrimination

The Corporation shall, from time to time, advise the Port of its geographic service area and shall provide written notice to the Port of any changes or modifications to said service area. The Corporation warrants and promises that within the geographic service area so defined, it shall not discriminate among users but shall be open to all residential users within said geographic service area on the same terms and conditions as their services are made available to any other users. The Corporation shall provide the Port with written notice of any intent to expand or contract its geographic service area, and such expansion or contraction shall be grounds for termination of this agreement if in conflict with any laws, rules or regulations of the State of Washington governing Port activities.

IN WITNESS WHEREOF, the parties have executed this agreement at Stevenson, Washington the day and year first above written.

THE PORT OF SKAMANIA COUNTY,
a Washington Municipal Corporation

By: Elmer Stacy
ELMER STACY, Port Manager

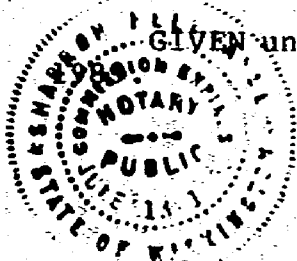
OLD STATE WATER WORKS
a Washington Non-Profit Corporation

By: Jeffrey Blaisdell
JEFFREY BLAISEDELL, President

STATE OF WASHINGTON)
) ss
County of Skamania)

On this 2nd day of October, 1989, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Elmer Stacy, to me known to be the Manager of the Port of Skamania County, the municipal corporation that executed the foregoing instrument, and acknowledged

the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.



GIVEN under my hand and official seal this 2nd day of October,

Shirley Feldhausen
Notary Public in and for the
State of Washington, residing
at Carson

Commission expires 6-13-93

STATE OF WASHINGTON)
) ss
County of Skamania)

On this 31st day of August, 1989, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jeffrey Blaisdell, to me known to be the President of Old State Water Works, the non-profit corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 31st day of August, 1989.

Gary Ford
Notary Public in and for the
State of Washington, residing
at Carson, WA

Commission expires 6-13-93

FILED FOR RECORD
SKAMIA CO, WASH
BY Kielinski & Thorne

OCT 16 3 38 PM '89
P. Lavy
AUDITOR
GARY K. OLSON

