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

WHEREAS, Grantors 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, Grantors, for and in consideration of the payment of One Thousand Twenty-three and 21/100 Dollars (\$1,023.21) and other valuable consideration, receipt of which is hereby acknowledged, convey and grant to the District, its successors or assigns, a non-exclusive easement to the District to do all things necessary or proper in the construction and maintenance of a water and communication lines or other directly related facilities necessary in the support and monitoring of a domestic water system, 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 directly related facilities, along with necessary appurtenances for the transportation and control of water and electronic information directly related to the domestic water system on facilities over, across, along, in and under the following described lands and premises in the County of Skagit, State of Washington, to wit:

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

P73609

See Exhibit "A" - Attached

Permanent Easement

That portion of the East Half of the Southeast Quarter of Section 18, Township 34 North, Range 2 East, W.M., Block 122 with included alleys and streets as would attach by operation of law, in the Plat of the Townsite of Gibraltar, as per plat recorded in Volume 1 of Plats, pages 19 and 20, records of Skagit County, Washington, more particularly described as follows:

JUN 2 3 2006

Amount Paid \$ C Skagit Co. Treasurer

The West 30.00 feet of the East Half of the Southeast Quarter of Section 18, Township 34 North, Range 2 East, W.M., lying between the centerline of vacated Minnesota Street in said Plat and the northerly line of Block 122 of said Plat, situate in Skagit County, Washington.

Temporary Easement

Lots 14 and 15 in Block 122; and adjacent streets and alleys lying between the centerline of Minnesota Street and the northerly line of Block 122, in Plat of Townsite of Gibraltar as per Plat recorded in Volume 1 of Plats, pages 19 and 20, Records of Skagit Co., WA, EXCEPT the West 30 feet of the East Half of the Southeast Quarter of Section 18, Township 34 North, Range 2 East, W.M.

Situate in the 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. The temporary easement shall commence on the date of this Agreement and terminate on the date construction of the domestic water system is complete or on May 1, 2007, whichever first shall

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occur. The District shall make provisions satisfactory to Grantors for continued access by Grantors along, over and across the easement areas during the period the District is conducting construction activities. The District shall exercise its rights under this Agreement so as to minimize, and avoid if reasonably possible, interference with Grantors' use of their property. In the event the District ceases to use the water line for a period of five (5) consecutive years, this Agreement and all of the District's rights hereunder shall terminate and revert to Grantors and the District shall remove the water system line from Grantors' property and restore the premises.

Grantors reserve all rights with respect to their property, including, without limitation, the right to grant easements, licenses, and permits to others subject to the rights granted in this Agreement.

The District hereby releases, indemnifies, and promises to defend and hold Grantors harmless from and against any and all liability, loss, damage, expense, actions and claims, including costs and reasonable attorneys' fees incurred by Grantors asserted or arising directly or indirectly on account of or out of acts or omissions of the District and the District's agents, employees and contractors in the exercise of the rights granted in this Agreement, excepting only liability and damage caused by Grantors' gross negligence or willful misconduct.

Grantors, their heirs, successors, or assigns hereby covenants and agree 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 District, which approval shall not be unreasonably withheld or delayed. Grantors shall conduct their activities and all other activities on Grantor's property so as not to interfere with, obstruct or endanger the usefulness of the District's domestic water system, now or hereafter maintained upon the easement or in any way interfere with, obstruct or endanger the District's use of the easement.

The District hereby agrees to accept the easement subject to the terms of this Agreement. The District shall not assign its rights under this Agreement without the prior written consent of Grantors, which consent shall not be unreasonably withheld or delayed.

The rights granted by this Agreement are subject to permits, licenses, encumbrances and easements, if any, heretofore granted by Grantors or their predecessors affecting the property subject to this Agreement. Grantors do not warrant title to their property and shall not be liable for defects or failure of title.

In Witness Whereof, the Grantors hereunto set their hand and seal this , 2006. JACQUELINE L.

STATE OF WASHINGTON COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that ROBERT H. JOHNSON is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Notary Public in and for the State of Washington My appointment expires: STATE OF WASHINGTON COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that JACQUELINE L. JOHNSON is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

Date:

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

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Skagit County Auditor

6/23/2006 Page

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511:12AM

ACCEPTED FOR THE DISTRICT:

Kenneth K. Kukuk, General Manager

6-19-0L

Date

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 that he was authorized to execute the instrument and acknowledged it as **General Manager** of the **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: 06/19/06

Notary Public in and for the State of Washington My appointment expires: 08/09/09

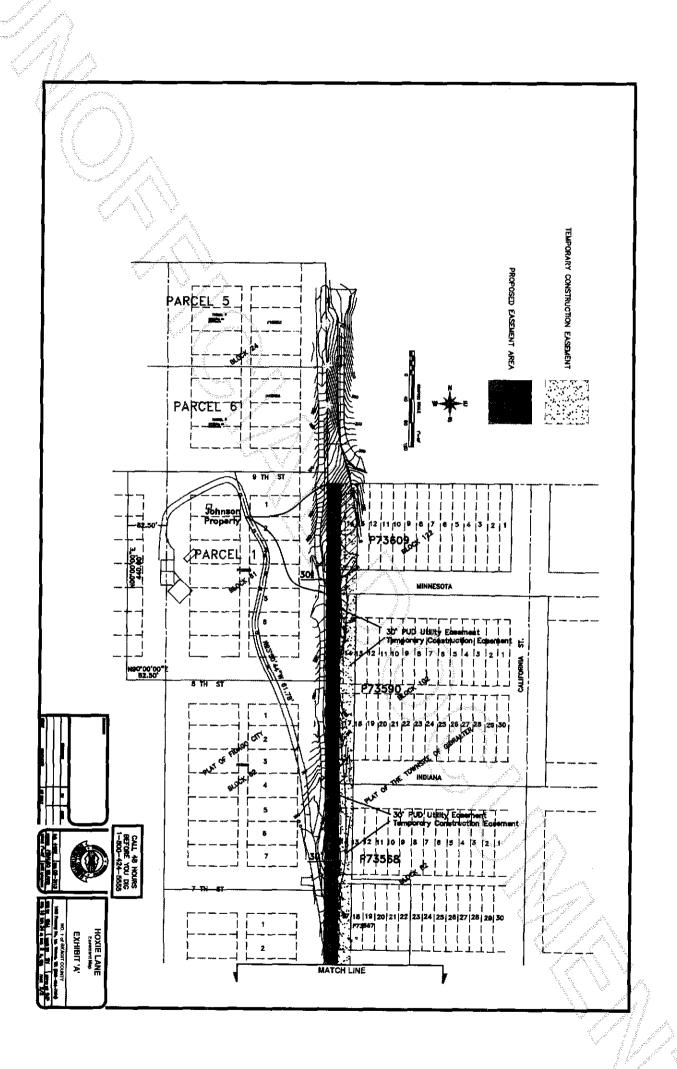
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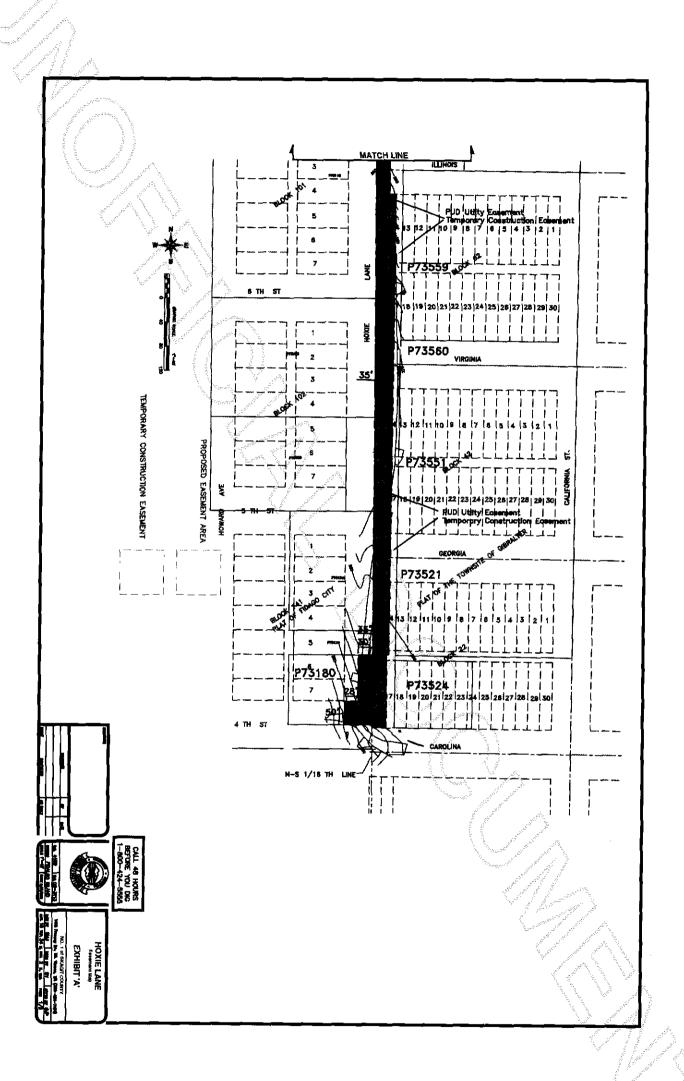
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