

**WATER AND SEWER FACILITIES, MAINTENANCE AND  
OPERATIONS AGREEMENT AND OPTION**

ASOTIN PUBLIC UTILITY DISTRICT NO. 1  
AND PORT OF CLARKSTON

This Agreement made and entered into this 7<sup>th</sup> day of March, 2011, by and between ASOTIN PUBLIC UTILITY DISTRICT NO. 1 of Asotin County, Washington, a municipal corporation of the State of Washington, (herein the "PUD") and the PORT OF CLARKSTON, a municipal corporation of the State of Washington, (herein the "PORT"),

W I T N E S S E T H :

WHEREAS, the PUD owns, operates and maintains public water and sewer system facilities in Asotin County, Washington; and

WHEREAS, the PORT is developing a sustainable, commercial and industrial business park in Asotin County, Washington situated in Section 36, Township 11 North, Range 45 East, W.M., within the PUD service area and more specifically identified on the aerial photo map attached as Exhibit "A" (herein the "Park"); and

WHEREAS, the PORT's development plans include construction of water and sanitary sewer system lines and facilities within the Park; and

WHEREAS, the PORT is applying for funding for construction and development of the Park from the U.S. Economic Development Association (EDA), (an agency of the U.S. Department of Commerce), including funding for the construction of water and sanitary sewer system lines and facilities; and

WHEREAS, a reliable source of water and a plan for the operation and maintenance of water and sanitary sewer systems for the Park will be essential to the Park; and

WHEREAS, the PUD has water rights and resources sufficient for the anticipated demand within the Park; and

WHEREAS, the PUD has capabilities sufficient to operate and maintain the water and sanitary sewer systems planned for the Park;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. TERM OF AGREEMENT: This agreement shall commence with the execution hereof. Either party may terminate said agreement upon thirty (30) days notice in the event the PORT is not awarded EDA funding for the development and construction of the Park by the 25th day of January, 2012. Provided the PORT is awarded funding by the EDA, this agreement shall terminate twenty (20) years after the date the PUD accepts into service in accordance with paragraph 5 herein, the water and sanitary sewer system lines and facilities to be constructed by the PORT as identified herein.

2. OWNERSHIP: The PORT shall retain ownership of said water and sewer lines and facilities for the full term of this agreement.

3. CONSTRUCTION EXPENSE AND STANDARDS: The PORT shall provide for the construction of the water and sanitary sewer system lines and facilities within the Park between the points of intertie with the PUD systems and the point of service connection to customers within the Park at no expense to the PUD. The PORT and the PUD will consult and confer as to the applicable and acceptable design and construction standards for said lines and facilities.

The lines and facilities constructed by the PORT shall be those deemed appropriate by the PORT and the PORT Commission, provided, said systems and facilities shall meet manufacturing, construction and installation standards approved by the PUD.

4. INTERTIE: The PUD water system and the PORT's Park water system and the PUD's sanitary sewer system and the PORT's sanitary sewer system shall intertie at the PUD's existing lines at Evans Road.

5. OPERATIONS AND MAINTENANCE; PLACEMENT IN SERVICE: The PORT shall notify the PUD when the lines and facilities are ready for placement in service. Within sixty (60) days thereafter the PUD shall complete such inspections or testing it deems appropriate. In the event any defect or deficiency is reported to exist, the PORT shall remedy the same and thereafter the PUD will accept the same for service and thereafter will maintain, operate and repair said lines and facilities.

6. WATER SUPPLY, VOLUME AND PRESSURE: The PUD shall furnish a continuous and uninterrupted supply of water to customers within the Park based on demand consistent with service levels provided to its other customers, provided the PUD shall not be liable for losses or damages from a deficiency or failure to supply water due to accident, acts of God, or any condition beyond the reasonable control of the PUD.

7. WATER QUALITY: The water supplied by the PUD shall be in the same standard and quality for drinking water as that normally delivered by the PUD to its other customers.

8. SEWER SYSTEM SERVICE: The PUD shall furnish continuous and uninterrupted sanitary sewer service to customers within the Park based on the same standards of service provided to its other customers, provided the PUD shall not be liable for losses or damages from a deficiency or failure in service due to accident, acts of God, or any condition beyond the reasonable control of the PUD.

9. RATES AND CHARGES: During the term hereof, all water and sewer services furnished to customers within the Park shall be charged at such rates and upon such terms as apply to other similarly situated PUD customers.

10. BILLING AND USER FEE: All charges and fees to customers within the Park shall be billed and collected by the PUD.

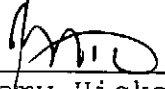
11. OPTION TO TRANSFER: At the end of the agreement term and its non-renewal, either party shall have the option upon ninety (90) days notice to the other to transfer or require to be transferred all title and ownership of the water and sanitary sewer systems within the Park which are subject to this agreement, in its then existing condition, to the PUD at no additional cost or expense.

12. WATER RIGHTS: Nothing herein shall be deemed a grant or transfer to the PORT of any PUD water rights.

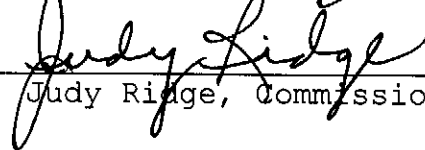
13. CHOICE OF LAW: This Contract shall be governed by the laws of the State of Washington, and in the event of court action, venue shall be in Asotin County.

DATED this 7<sup>th</sup> day of March, 2011.

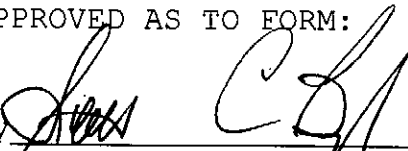
**PUBLIC UTILITY DISTRICT NO. 1 OF  
ASOTIN COUNTY,**  
a municipal corporation of the State  
of Washington

By   
Gary Hicks, Commissioner

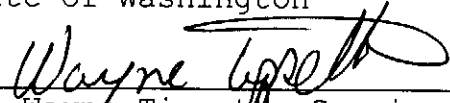
By   
Don Nuxoll, Commissioner

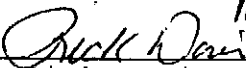
By   
Judy Ridge, Commissioner

APPROVED AS TO FORM:

By   
Scott C. Broyles, Attorney  
for Asotin Public Utility  
District No. 1


**PORT OF CLARKSTON,**  
a municipal corporation of the  
State of Washington

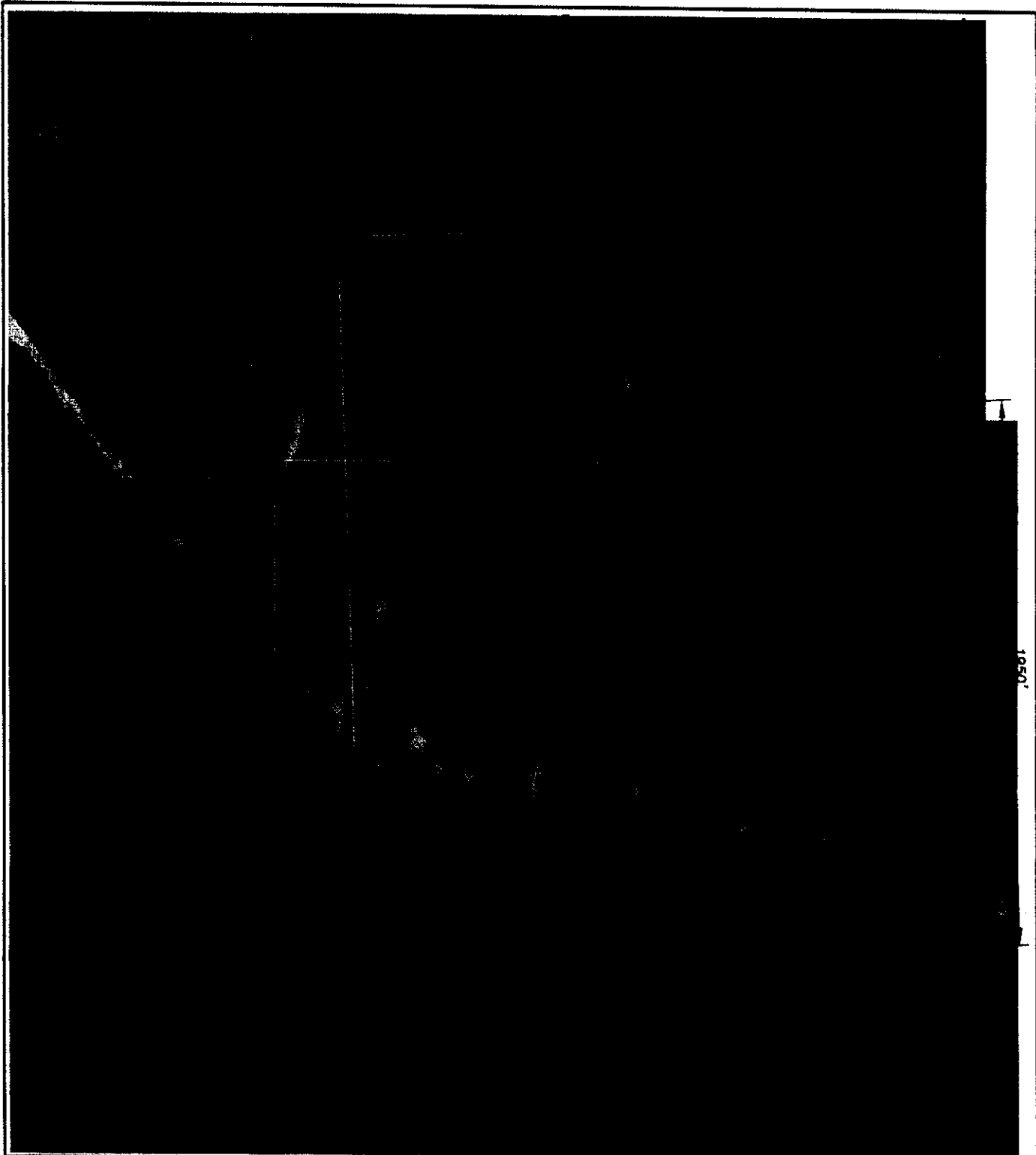
By   
Wayne Tippet, Commissioner

By   
Rick Davis, Commissioner

By   
Marvin Jackson, Commissioner

APPROVED AS TO FORM:

By   
Bruce Ensley, Attorney for  
Port of Clarkston



1050'

**PROGRESSIVE  
ENGINEERING GROUP, INC**

PLANNING, DESIGN + CONSTRUCTION MANAGEMENT

1208 IDAHO STREET  
LEWISTON, IDAHO 83501  
PH (208) 746-5406 FAX (208) 746-9732

**LIGHT INDUSTRIAL PARK**

PORT OF CLARKSTON

ADDRESS

ADDRESS

|                  |                 |       |
|------------------|-----------------|-------|
| DESIGN BY<br>TWN | DRAWN BY<br>WRE | SHEET |
|------------------|-----------------|-------|

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|-----------------------|----------|
| PROJECT NO.<br>07-052 | <b>1</b> |
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| DATE<br>07/08/09 | SCALE:<br>1" = 200' |
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