

**FILED FOR RECORD**

at the request of:
Misty Mountain, LLC
301 W. First #B
Cle Elum, WA 98922

REVIEWED BY

KITTITAS COUNTY TREASURER

DEPUTY R. ParkhurstDATE 9/29/06**EASEMENT AND WATER USERS AGREEMENT**

Grantor: Misty Mountain , LLC, a Washington Limited Liability Company

Legal Description (abbreviated): Parcel 4 of that Survey as recorded September 30, 2004, in Book 30 of Surveys, page 147 through 149, under Auditor's File No. 200409300027, records of Kittitas County, Washington; being a portion of the West Half of the Northwest Quarter of Section 9, Township 19 North, Range 15 East, W.M., in the County of Kittitas, State of Washington

Assessor's Tax Parcel I.D. Nos.: 19-15-09000-0007



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EASEMENT AND WATER USERS AGREEMENT

This Easement and Water Users Agreement ("Agreement"), dated this 28th day of September, 2006, is made and entered into by and among those persons executing this Agreement (collectively, the "Parties" and individually, a "Party").

WHEREAS, at the time this Agreement is being entered into, it is contemplated by the Parties that the Property will be served by a Class B water system, as defined by WAC 246-290; and

WHEREAS, the Parties desire to memorialize and record as covenants their agreement regarding the operation and maintenance of a Class B water system for the Property.

NOW, THEREFORE, the Parties hereby agree as follows:

A. OWNERSHIP OF THE WELL AND WATERWORKS

Each Party, who is an owner of a Lot (as defined below), shall be and is hereby granted an undivided one fourteenth (1/14th) interest in and to the use of the well and water system constructed on that certain real property located in Kittitas County, Washington, described on Exhibit A attached hereto (the "Property"). Each lot set forth in Exhibit A as depicted on Exhibit B (hereinafter "Lot") and any future subdivision thereof by Grantor up to a maximum of 14 total lots, shall be entitled to receive a supply of water for one residential dwelling on each Lot and shall be furnished a reasonable supply of potable and healthful water for domestic purposes. Notwithstanding anything to the contrary in this Agreement, a Party's water supply shall not exceed Three Hundred and Fifty-Seven (357) gallons per Lot owned by such Party per day based on a total of Fourteen (14) lots. Any additional subdivision or change in use of any lot may require a separate source of water supply.

B. WATER SYSTEM

The Property's well, waterworks equipment, pump house and water distribution pipes, and initial well water quality tests shall be collectively referred to herein as the "Water System".

C. COST OF MAINTENANCE OF WATER SYSTEM

Each Party hereto covenants and agrees that it shall equally share the maintenance and operational costs of the well and Water System herein described. The expense of water quality sampling as required by the State of Washington and Kittitas County shall be shared equally by the Parties. The Parties, by mutual agreement, may establish and maintain a reserve account at a mutually agreed upon banking institution. Each party, by mutual agreement, may be entitled to receive an annual statement from said banking institution regarding the status of the reserve account. The monetary funds in the reserve account shall be utilized for the sole purpose of taking and submitting water samples for quality analysis and maintaining, repairing or replacing the well and common waterworks equipment or appurtenance thereto. Each Party shall be entitled to receive copies of any water quality test results.



D. EASEMENT OF WELL SITE AND PUMPHOUSE

By execution of this Agreement, the owner of Lot 4, namely Mountain, LLC, hereby grants and conveys to each Party and to the Surveyor (as defined below and any replacements for same), including the Surveyor's employees, agents, contractors, and consultants, a perpetual, non-exclusive easement for the purpose of installing, operating, accessing, maintaining, servicing, testing, monitoring and/or repairing the well, Water System and any appurtenances thereto, including any backup, supplemental or replacement well, within the 100 foot radius area designated on **Exhibit B** (the "Well Head Easement"). The Well Head Easement shall allow the repair and maintenance of the Water System and anything necessary to the operation of the Water System. The Parties shall promptly execute any additional documents necessary to create or effect the Easement. The Well Head Easement shall exist so long as the well in the area designated on **Exhibit B** is utilized as a community well for the Lots.

E. WATER LINE EASEMENTS

Pursuant to the deeds recorded for the Lots, there is a reserved non-exclusive and permanent easement for the installation, use, replacement and maintenance of utilities, including water lines, over, across, under and upon an area defined as fifteen feet (15') in width along and abutting any and all of the exterior boundaries of the Lots (hereinafter "Utility Easement Area"). No permanent type of building shall be constructed in the Utility Easement Areas except as needed for the operation of the well and Water System.

F. MAINTENANCE AND REPAIR OF PIPELINES

All pipelines in the Water System shall be maintained so that there will be no leakage or seepage, or other defects that may cause contamination of the water supply or injury, or damage to persons or property. Pipe material used in repairs shall comply with all applicable codes and shall meet approval of the Health Officer. Cost of repairing or maintaining common distribution pipelines shall be borne equally by the Parties. Each Party in this Agreement shall be responsible for the maintenance, repair, and replacement of the pipe supplying water from the common water distribution piping to their own particular dwelling and Lot. Water pipelines for distribution or individual service shall not be installed within 20 feet of a septic tank or within ten (10) feet of sewage disposal drainfield lines. No Party shall install a septic tank or sewage disposal drainfield or drainfield line within ten (10) of a water pipeline.

G. PROHIBITED PRACTICES

The Parties herein, their heirs, successors and/or assigns, will not construct, maintain or suffer to be constructed or maintained upon the Property and within 100 feet of the well herein described, so long as the same is operated to furnish water for public consumption, any of the following: septic tanks and drainfields, sewerlines, underground storage tanks, county or state roads, railroad tracks, vehicles, barns, feeding stations, grazing animals, enclosures for maintaining fowl or animal manure, liquid or dry chemical storage, herbicides, insecticides, hazardous waste or garbage of any kind. The Parties will not cross connect any portion or segment of the Water System with any other water source without prior written approval of the



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Kittitas County Department of Public Health and/or other appropriate governmental agency. In an effort to conserve water and reduce water consumption, each Party shall (a) landscape its respective Lot(s) with drought tolerant plants and with minimal lawn areas and (b) install and use only low flow plumbing fixtures in the residential dwelling on each Lot.

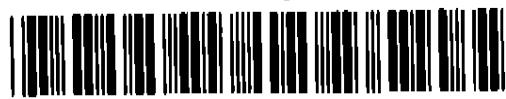
H. WATER SYSTEM PURVEYOR

Grantor is designated "Purveyor" of the water system until such time as the Grantor appoints a different designated Purveyor. The Purveyor shall be responsible for arranging submission of all necessary water samples as required in the Washington Administrative Code, and Kittitas County Rules and Regulations and handling emergencies such as system shutdown and repair. The Purveyor shall provide his/her name, address and telephone number to the Health Officer and shall serve as a contact person to the Health Officer. The Purveyor shall organize and maintain the water system records and notify the Health Officer and all parties, service connections and lots that are included in this agreement, of the water quality tests that are required by WAC 246-290 and Kittitas County Rules and Regulations. Water System records shall be available fore review and inspection by all Parties to this Agreement and the Health Officer.

In the event the contact person designated herein is changed, the system owner(s) shall select a person for the responsibility, and notify the Kittitas County Department of Public Health of the new person's name, address, and telephone number. Additionally, on an annual basis, the purveyor's name, address and telephone number shall be provided to the Kittitas County Department of Public Health.

I. PROVISIONS FOR CONTINUATION OF WATER SERVICE

The Parties shall maintain a continuous flow of water from the well and Water System, herein described in accordance with public water supply requirements of the State of Washington and Kittitas County. In the event that the quantity of water from the well becomes inadequate or the quality becomes unsatisfactory as determined by the Health Officer, the Parties shall develop a new source of water. Prior to development of, or connection to a new source of water, the Parties shall obtain written approval from the Health Officer. Each Party shall share equally in the cost of developing the new source of water and installing the necessary equipment associated with the new source. It is understood that the seller of the Property does not guaranty the quantity or quality of water from the well or the Water System. Nor does the seller of the Property guaranty future compliance with regulations governing the Water System. In the event that the regulations governing water systems changes, or the nature of the residences or number of persons served cause the system to be reclassified, then the Lot owners at that time shall be responsible for taking all actions necessary to comply with the laws and regulations then in effect for such classifications.



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J. RESTRICTION ON FURNISHING WATER TO ADDITIONAL PARTIES

The Parties shall not furnish water from the well and Water System herein described to any other persons, properties or dwelling without prior consent of all Parties and written approval from the Kittitas County Department of Public Health.

K. HEIRS, SUCCESSORS AND ASSIGNS; AMENDMENTS

This Agreement shall be recorded in the real property records of Kittitas County and the covenants set forth herein shall run with the land and shall be binding on all parties having or acquiring any right, title, or interest in the Property or any Lot described herein or any part thereof, and it shall pass to and be for the benefit of each owner thereof. No amendment or modification of this Agreement shall be valid unless set forth in a written instrument signed by the Parties.

L. ENFORCEMENT OF AGREEMENT ON NON-CONFORMING PARTIES AND PROPERTIES

The Parties shall establish by a vote of a majority in interest of the Lot owners such reasonable regulations as they may see fit for the operation of the well and Water System, such as the termination of service if bills are not paid within forty-five days of the due date, additional charges for disconnection, reconnection, etc. Any Party not complying with the provisions of this Agreement or any regulations established pursuant to this Section shall be subject to interest charges of 18% per annum for any amounts not paid when due, together with all attorneys fees, costs and expenses incurred by the other Parties and/or the Purveyor incurred in enforcing the terms of this Agreement.

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For good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the terms and conditions of the foregoing Water Users Agreement are hereby acknowledged and agreed to by the following Lot owners:

By: Sean Northrop
Name: W

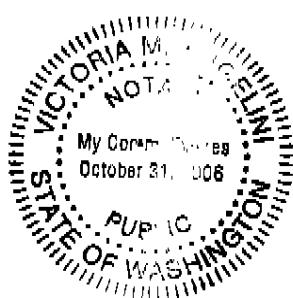
Date Signed: 7/28, 2006

STATE OF WASHINGTON }
COUNTY OF Kittitas } ss.

THIS IS TO CERTIFY that on this 28 day of Sept., 2006, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn, personally appeared Sean Northrop to me known to be the individual that executed the within and foregoing instrument, and acknowledged the said instrument to be his/her free and voluntary act and deed.

DATED: Sept 28, 2006

Victoria Angelini
Print Name: Victoria Angelini
Notary Public in and for the State of Washington, residing at
Raslyn
My commission expires: 10.31.06



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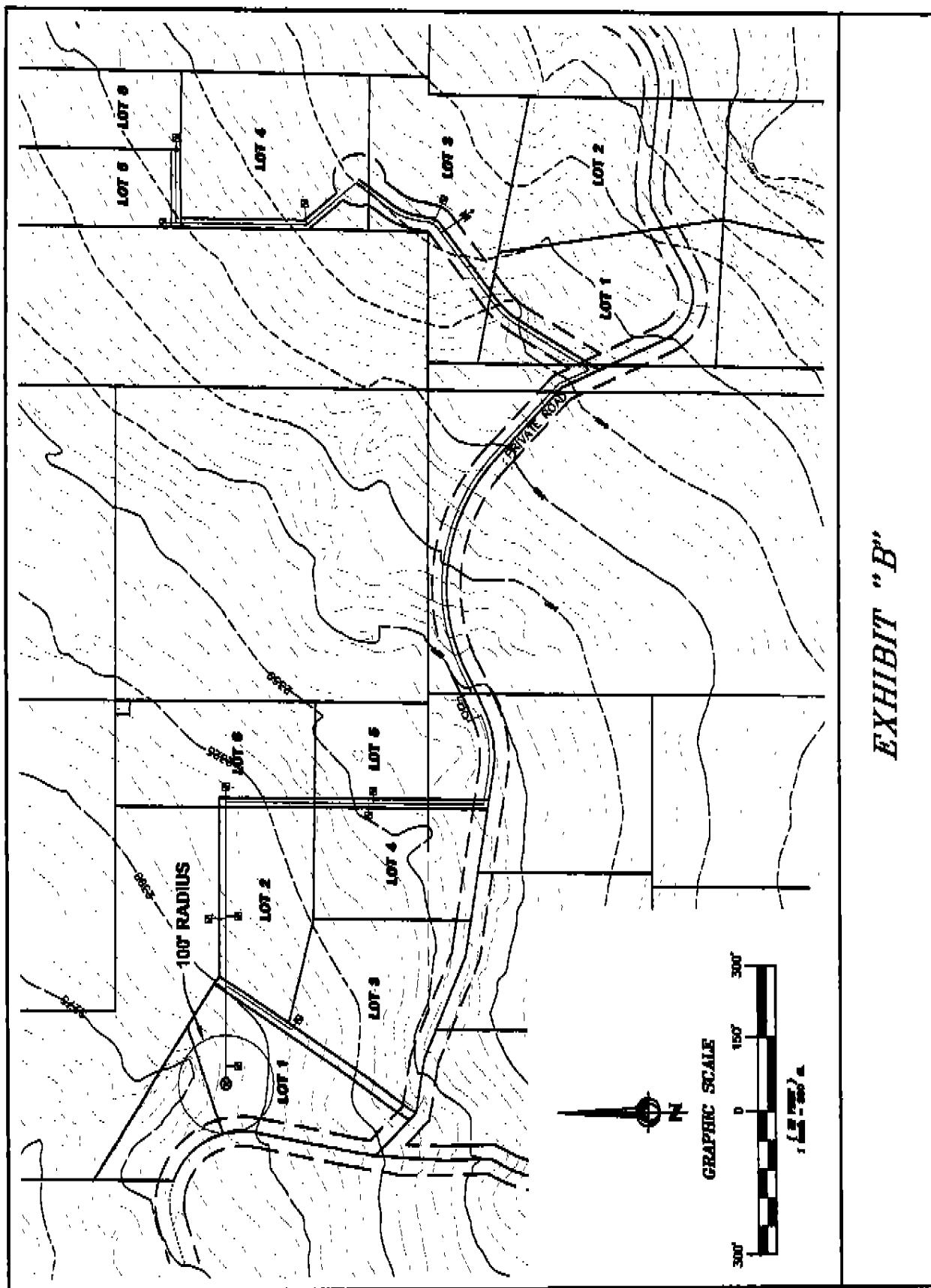


EXHIBIT "B"

AUDITORS NOTE Portions of this
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