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06/18/2026 11:37 AM Pages: 1 of 3 Fees: $305.50
Skagit County Auditor

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Please Return To:
Public Utility District No. 1 of Skagit County
1415 Freeway Drive
Mount Vernon, WA 98273

REVIEWED BY
SKAGIT COUNTY TREASURER
DEPUTY
DATE 6/18/2026

WATER SERVICE CONTRACT

This Contract is entered into this 2nd day of June, 2026, between PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, hereinafter referred to as the "District" and **CHUCKANUT VENTURES LLC** or its successor or assigns, hereinafter referred to as the "Applicant".

The Applicant is entering into this Contract to secure a water service(s) for the property located at **757 North Burlington Boulevard, Burlington, Washington.** The parcel is located in the **NE 1/4 of Section 31, Township 35 N, Range 04 E, under Assessor's Tax Number 350431-1-012-0100,** Parcel Number **P102587.** The District owns and operates a water distribution system at the location of the proposed service(s) and is willing to supply water to the Applicant under the following terms and conditions:

1. The District's Water Policy Manual, Section 4.2 (or its successor) requires a Water Service Contract for all new water meters serving a property, when the summed weighting factor of the meter(s) is 8 or more. Said Water Policy Manual also requires the Applicant's projected capacities [flow rate(s) and usage] be listed herein (a copy of the current Water Policy Manual, Section 4.2, has been provided to the Applicant and its terms and conditions are incorporated herein by this reference).

2. Meter installation costs. The Applicant shall be responsible for paying all costs associated with installing water services to the District system as required by the District Water Policy Manual, Appendix A, Table A-8.

3. System Development Fee (SDF): The District and the Applicant agree that the Applicant has the following meter(s) that all serve this property:

Meters size & type	Weighting Factor (*)	Projected Maximum Continuous & Intermittent Flow Rates	Projected maximum daily, monthly & annual usage	SDF
3-inch Recordall	16	160 gpm continuous 320 gpm intermittent	Maximum day demand: 5,511 gallons. Peak month (Aug) demand: 165,333 gallons. Maximum annual usage: 1,984,000 gallons.	$91,920.00

(*) = from District Water Policy Manual Section 4.2

Based on the cumulative weighting factor(s) or meter size(s) and the projected capacities identified above, the Applicant agrees to pay an SDF of **$91,920.00 or the current SDF at the time of meter purchased, if not purchased at time of contract execution.**

The District may review usage history as needed. If any projected capacity is not put to beneficial use within any 36-month period after contract execution, Applicant agrees that the District has the right to reduce authorized capacity(ies) to the maximum during that three-year period plus ten percent (10%). District will notify Applicant within 90 days of capacity changes, and will record the notification as an amendment to this Contract in accordance with item # 11 below. The District will automatically review usage history every three years for the same.

If Applicant desires an increase in any of the capacities listed in this Contract, as amended, Applicant agrees to contact the District, no less than 120 days before added capacity is needed, to request District approval, and if approved, shall be documented in accordance with item # 11 below.

Per Water Policy Manual Section 4.2, if the Applicant's use through any contract meter exceeds any listed capacity, the District reserves the right to require the Applicant to modify the use to those listed in the Water Contract. If the Applicant has not modified the use through that meter(s) to those listed in the Water Contract within 120 days of the notice requesting the modification of use, the Contract will be amended in writing, in accordance with item # 11 of this contract, and the Applicant will be responsible for any mitigation deemed necessary. Mitigation shall be determined by the District, and may include, but is not

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limited to, additional charges and/or water system improvements including all associated costs. In consideration for approval of the initial service and as a condition of continued service, Applicant specifically agrees, covenants and contracts to pay any additional charges and/or water system improvement costs when charged. In the event Applicant fails to pay the additional charges and/or water system improvement costs as set forth herein when due, the District shall terminate service under this Contract.

4. Each meter serving other than a single family residence shall be selected: (1) based on the sizing requirements of the most recently adopted IAPMO Uniform Plumbing Code, (2) to have an annual usage of not more than fifty percent (50%) of the safe maximum operating capacity of the meter per year, and (3) if the proposed use generally has a pattern of continuous flow (a relatively consistent flow for six hours or more), to flow not more than 50% of the safe maximum operating capacity of the meter during such periods of continuous flow. The safe maximum operating capacity rating shall be per American Water Works Association (AWWA) Standards for each type and size of meter. If an AWWA Standard does not exist for a certain type and size of meter, the District shall determine the rating.

5. The cost of water shall be at the current water rate schedule at the time of each billing.

6. The District shall not be liable to the Applicant or the Applicant's agent(s) for damages, breach of Contract, or for interruption of service or curtailment of supply for any cause. The Applicant shall hold the District harmless from any claim for damages by third parties, to the extent that the claim arises out of Applicant's negligence.

7. The Applicant agrees that if problems arise related to water system source capacity or hydraulics, water for irrigation or other non-domestic demands can be limited or discontinued. Water for irrigation is recommended during, and may be limited to, "off peak" hours of 10:00 PM to 5:00 AM each day, or such hours as the District may prescribe. The Applicant agrees to adhere to such limitations or recommendations as a condition of service.

8. The Applicant recognizes that all water will contain chlorinous compounds which are dangerous to aquatic life. Depending on hydraulic flows within the distribution system, pH levels may exceed 10. The Applicant shall pursue, with reasonable diligence, the protection of aquatic life onsite and offsite of the Applicant's property and, upon failure to do so, shall hold the District harmless from any damages arising therefrom.

9. Water quality may vary in the future due to the result(s) of the Federal Safe Drinking Water Act or other requirements.

10. The Applicant agrees to install and to maintain a backflow prevention assembly approved for installation in Washington State on all irrigation service(s) and on such other water service(s) as may be required by the District and State/federal health authorities. The type and model of assembly(ies) necessary must be approved by the District.

11. Compliance with this Contract shall be a condition of service through this meter(s) and shall be binding upon Applicant's successors or assigns. Increases in water volumes, meter sizes, meter quantities, and other material changes in water demand or ownership data shall be documented in a written amendment(s) to, or rewriting of, this Contract.

12. Applicant non-compliance with this Contract shall result in cancellation of service.

13. All or part of this Contract may be superseded, deleted, or enhanced by future District regulations.

This Contract and all disputes arising hereunder shall be governed by Washington State Law. Venue shall be in the Superior Court of the State of Washington for Skagit County. In any action hereon the prevailing party, in addition to other remedies, shall be entitled to actual costs and attorney fees.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract effective the day and year first above written.

CHUCKANUT VENTURES LLC

DAVID LINDSEY

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

George Sidhu, P.E., General Manager

District Use Only
Customer Number: _____

Job ID: CP60471

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STATE OF WASHINGTON
COUNTY OF Skagit

I certify that I know or have satisfactory evidence that **David Lindsey** 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 **Managing Member** of **Chuckanut Ventures LLC** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 05/12/2026

(Signature) _____
Notary Public in and for the State of Washington
(Printed Name) Madison Bowman
My appointment expires: March 21, 2029

MADISON MONET BOWMAN
Notary Public
State of Washington
Commission # 21009876
My Comm. Expires Mar 21, 2029

STATE OF WASHINGTON
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that **George Sidhu, P.E.** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated he was authorized to execute the instrument and acknowledged it as the **General Manager** of **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: 06/02/2026

(Signature) _____
Notary Public in and for the State of Washington
(Printed Name) Shannon Patino
My appointment expires: 03/01/2030

SHANNON PATINO
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
22010730
3-01-30

District Use Only
Customer Number: _____

Job ID: CP60471

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