WATER USERS AGREEMENT

NAME AND LOCATION OF WATER SYSTEM AND PARCELS SERVED

This Agreement pertains to the Lahari Ridge Group B Water System, approved for seven (7) connections in Deer Harbor, Orcas Island, by San Juan County Health and Community Services/Washington State Department of Health.

This water system serves seven (7) of the eight (8) lots in the Harbor Uplands Plat, as altered. The abbreviated legal description for the lots served is lots E, L, D, I, G, B and C of the Plat of Harbor Uplands, Altered, filed as Auditors File Number 2004 1210009.

The tax parcel numbers are: 260752002, 260752003, 260752004, 260752005, 260752006, 260752007, 260752009.

OWNERSHIP OF THE WELL AND WATERWORKS

It is agreed by the parties owning the above described parcels that each of said parties shall be and is hereby granted an undivided one-seventh (1/7th) interest in and to the use of the well and water system. Each party shall be entitled to receive a supply of water for one residential dwelling and shall be furnished a reasonable supply of potable and healthful water for domestic purposes.

WATER SYSTEM OPERATION AND MANAGEMENT

All parties herein agree to maintain and operate the water system to protect the water supply for all users by following the current operation and maintenance manual which includes a monitoring plan and conservation measures (attachment A), and establishing a water use standard of one-hundred and twenty (120) gallons per day per connection. Water meters have been installed for each residential unit, and water usage shall be monitored regularly to ensure compliance with the water use standard and to provide for early detection of leaks.
COST OF MAINTENANCE OF WATER SYSTEM

Each party hereto covenants and agrees that they shall equally share the maintenance and operational costs of the well and water system herein described. A monthly fee shall be collected on the first day of the month. The fee shall include a base charge for a set number of gallons per month and a surcharge for any usage above that base amount. The initial number of gallons to be included in the base charge shall be 3,300 gallons per residential unit. This number of gallons included in the base charge may be reviewed from time to time by agreement of all parties. There will be no connection fee, unless the system is expanded beyond the current seven users.

The parties shall establish and maintain a reserve account in a mutually agreed upon institution. Each party shall be entitled to receive an annual statement from said institution regarding the status of the reserve account. The monetary funds in the reserve account shall be utilized for the sole purpose of submitting water samples for quality analysis and maintaining, repairing or replacing the well and common waterworks equipment or appurtenance thereto.

EASEMENT OF WELL SITE AND PUMPHOUSE

There is an easement for the purpose of maintaining or repairing the well and appurtenances thereto, within 100 feet of the well site in any direction. Said easement allows for the installation of a well house, pumps, water storage reservoirs, pressure tanks, and anything necessary to the operation of the water system. The Grant of Water and Waterline Easement and Declaration of Well Protection Covenant was in recorded in San Juan County on September 12, 1997 with Auditors File #97091215.

WATER LINE EASEMENTS

Corey Cookston has previously granted the parties herein an easement for the use and purpose of conveying water from the well to the properties defined herein. Said Amendment to Waterline Easement (Harbor Uplands) was recorded on January 4, 2000 with Auditors File #2000 0104002, and amends the Grant of Water and Waterline Easement and Declaration of Well Protection Covenant that was in recorded in San Juan County on September 12, 1997 with Auditors File #97091215.

MAINTENANCE AND REPAIR OF PIPELINES

All pipelines in the water system shall be sited and maintained so that there will be no leakage or seepage, or other defects which may cause contamination of the water, or injury, or damage to persons or property. Pipe material used in repairs shall meet the standards of the San Juan County Code 8.06. Cost of repairing or maintaining common distribution pipelines shall be born equally by all parties. Each party in the agreement shall be responsible for the maintenance, repair, and replacement of pipe supplying water from the common water distribution piping to their own particular dwelling and property.

PROHIBITED PRACTICES

The parties herein, their heirs, successors and/or assigns, will not construct, maintain or suffer to be constructed or maintained upon the said land and within 100 feet of the well herein described, so long as the same is operated to furnish water for public consumption, any the following: septic
tanks and drain fields, sewer lines, underground storage tanks, county or state roads, railroad tracks, vehicles, structures, barns, feeding stations, grazing animals, enclosure 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 approved cross connection control from the San Juan County Department of Health and Community Services.

WATER SYSTEM PURVEYOR

The parties herein will designate an individual as purveyor of the water system. The purveyor, either directly or through contract with an approved Satellite Management Agency, shall be responsible for compliance of the water system, including arranging submission of all required water samples, handling routine and emergency system operations and being the contact for emergencies such as system shutdown and repair. The purveyor is the contact person with San Juan County Health and Community Services and is responsible for submitting sample results, meter readings, updates to the Water Facilities Inventory Form as changes are made to the system, and other system records. Water system records shall be available for review and inspections by all parties in this agreement and San Juan County Health and Community Services with the current name, address, and phone number for the purveyor.

PROVISIONS FOR CONTINUATION OF WATER SERVICE

The parties agree to 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 San Juan County. In the event that the quality or quantity of water from the well becomes unsatisfactory as determined by San Juan County Health and Community Services, the parties shall develop a treatment system, develop a new source of water, and/or implement other approved options. Prior to development of a treatment system or a new source of water, the parties shall obtain written approval from the Department. Each undivided interest and/or party shall share equally in the cost of developing the new source of water and installing the necessary equipment associated with the new source.

In furtherance of the objective to maintain the water system, a well reserve area shall be designated in the common area, tax parcel # 260752010, located northwest of Lot G.

FUTURE MANAGEMENT

For any new Group B water system or existing system substantially failing to meet compliance requirements the parties shall contract with an approved Satellite Management Agency for operation and management.

RESTRICTION ON FURNISHING WATER TO ADDITIONAL PARTIES

It is further agreed by the parties hereto that they shall not furnish water from the well and water system herein above described to any other persons, properties or dwellings without prior
consent of all properties and written approval from the San Juan County Department of Health and Community Services.

HEIRS, SUCCESSORS AND ASSIGNS

These covenants and agreements shall run with the land and shall be binding on all parties having or acquiring any right, title, or interest in this land described herein or any part hereof, and it shall pass to and be for the benefit of each owner thereof.

ENFORCEMENT OF AGREEMENT OF NON-CONFORMING PARTIES AND PROPERTIES

The parties herein agree to establish the right to make responsible regulations for the operation of the system, such as the termination of service if bills are not paid within sixty (60) days of the due date and penalties for not complying with emergency conservation measures. Parties not conforming with the provisions of this agreement shall be subject to interest charges of 10% per annum together with all penalty and collection fees.

NOTARIZED SIGNATURES AND RECORDING ON PROPERTY TITLES

At the time of establishing this agreement, this document shall be signed by all owners of record for the water system described herein, and this document shall be recorded on the title of all parcels served by the system.

WITNESS MY HAND THIS 14th day of June, 2005.

State of Washington
County of San Juan

Suzi Rose, Administrator,
Circle of the Spirit

Elisabeth C. Byers, Executive Director,
OPAL Community Land Trust

Notary Certification follows on the next page.
On this 14th day of June, 2005, before me, the undersigned Notary Public, personally appeared Suzi Rose, personally known to me to be the Administrator of Circle of the Spirit.

WITNESS MY HAND AND OFFICIAL SEAL,

[Signature]
Notary's Signature

[Printed Name]
Judy A. Bossett
Printed Name

Notary Public in and for the State of Washington, residing in Eastsound.,

My Commission Expires on 4-29-08

On this 14th day of June, 2005, before me, the undersigned Notary Public, personally appeared Elisabeth C. Byers, personally known to me to be the Executive Director of OPAL Community Land Trust.

WITNESS MY HAND AND OFFICIAL SEAL,

[Signature]
Notary's Signature

[Printed Name]
Judy A. Bossett
Printed Name

Notary Public in and for the State of Washington, residing in Eastsound.

My Commission Expires on 4-29-08
Attachment A
Operations and Maintenance Manual

OPAL / Lahari Water System
Operations and Maintenance Manual
Well to Storage to Booster Pump

System Operation

A submersible pump in the well pumps to the 23,000 gallon concrete storage tank through a pipe and aerator in the top of the tank. A 1-1/2 h.p. booster pump in the pump house pumps to two 119 gallon pressure tanks. 2” water lines to the services are connected to the pressure tanks.

The well pump is controlled by a float switch in the storage tank. As the water level in the tank drops, the float switch activates the well pump, shutting off when the tank is full. Flow is controlled with a ball valve and meter on the tank fill line inside the pump house. The well pump has a Pumpsaver device installed. If the well is pumped dry, the Pumpsaver will shut off the well pump.

A pressure switch, located at the pressure tank, controls the storage tank booster pump. When the pressure drops to 40 psi, the booster pump refills the pressure tank, shutting off when the pressure reaches 60 psi.

The storage tank has 4 float switches. The first float activates an alarm if the tank is overflowing. The second float controls the well pump. The third float activates the alarm if the tank is getting too low. The bottom float deactivates the booster pump to protect it from running dry.

Maintenance Program

Monthly

1. Record the water meter readings for both the well pump and the service master meter.
2. Measure and record the Static Water Level in the well. Shut off the well pump circuit breaker 24 hours prior to taking this reading. Turn breaker on when finished.
3. Measure and record the water level in the storage tank.
4. Inspect the inside of the storage tank. Check that the float switches are hanging properly.
5. Perform a visual inspection of both the inside and outside of the storage tank. If the inside of the tank appears dirty or unsanitary, perform thorough cleaning using chlorine as a disinfectant.
6. Read and record all residential service water meters.
7. Visually inspect the wellhead, electrical controls, pump house, etc. Perform or schedule any required maintenance. The pumps and electrical components normally do not require any maintenance.

**Annually**

1. Take a bacteriological sample from the distribution system, and send to a state certified lab. Sample bottles and instructions are available from the Health Department. Do not use frost-free yard hydrants or self-draining hose bibbs as sample points.

2. Inspect storage tank for cleanliness. If tank needs to be cleaned, drain and pressure wash. Use wet vac to remove any excess debris. Use sanitizing procedure from AWWA sec. 4.3 Chlorination Method 3. Fill the tank 5% of the volume with water and add chlorine solution = to 50 mg/L. Allow to set for not less than 6 hours. Fill tank and allow setting for 24 hours. Check chlorine solution and be sure to have not less than 2mg/L free chlorine residual. Turn on system.

**Every 3 years**

Take a Nitrate sample using a certified lab supplied bottle. Send the results to the San Juan County Health & Community Services.

**Troubleshooting**

**No water to services**

1. Check water level in the storage tank. If low or empty, go to troubleshooting section on 'Tank Not Filling'.

2. Check the pressure gauge at the pressure tanks. It should read 30 to 50 psi. If it is normal, check that all valves are open. If the pressure gauge is fluctuating up and down, there may be a leak or break in the distribution system. Check each residential water meter. If the pressure is too low, check the Booster Pump. Shut off the booster pump circuit breaker, then reset to “on”. The booster pump should run, and the gauge pressure should increase.

**Tank Is Not Filling**

1. Check for a clogged aeration fitting inside the storage tank.
2. Check the top float switch in the tank. It should be hanging free.
3. Reset the Pumpsaver device by switching the well circuit breaker off, then on.
4. Check that the well timer is operating normally.
5. Check that valves are open.