

AGREEMENT FOR SERVICES

COPY

This agreement, between CROSSWOODS WATER CO., INC., hereinafter referred to as "the Company", RYAN H. KINGMA and ROBERT P. FAKKEMA, hereinafter referred to as "RHK" and "RPF", respectively, is for the purpose of establishing the duties and responsibilities of RHK and RPF in their respective roles as the managers and maintenance providers for the Company, together with compensation by the Company.

The duties and responsibilities of RHK include the daily system management of the water system owned by the Company, including system inspections and maintenance, supervision of system modifications, repairs and improvements, monitoring of operations on a daily basis, if required, and responding to emergencies as they arise. RHK is expected to attend various educational meetings and seminars sponsored by regulatory agencies as well as keep current on all regulations in effect which control the system operation. Compensation as stated below shall include all miscellaneous transportation costs to and from the system EXCEPT that transportation and other costs resulting from his attendance at meetings referenced above shall be considered additional expense to be reimbursed by the Company.

The duties and responsibilities of RPF include all Company financial management, paying of all accounts, response to all UTC regulations, processing of rate increases and overall responsibility for Company accounting and billing. He shall also be available for system maintenance and emergency response in the absence of RHK and, as such, shall be current on all system maintenance needs. RPF is expected to attend various educational meetings and seminars sponsored by regulatory agencies which affect his responsibilities. Compensation as stated below shall include all miscellaneous transportation costs to and from the system EXCEPT that transportation and other costs resulting from his attendance at meetings referenced above shall be considered additional expense to be reimbursed by the Company.


Compensation is based upon the duties, responsibilities and time spent on behalf of the Company by RHK and RPF. RHK has served as President and RPF as Secretary/Treasurer of the Company since it's inception. Each has earned a monthly salary of \$300.00, less FICA deductions, since January 1, 1987. Based upon the increase of duties and responsibilities during the past 5 years and the requirement for both to provide transportation to the plant the monthly cost of services is increased to \$350.00 effective January 1, 1992.

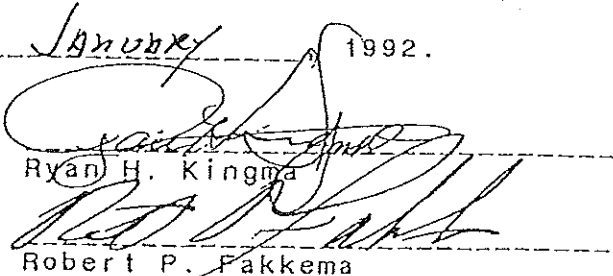
This agreement provides for a service contract between the parties and RHK and RPF are hereby notified that they are responsible for payment of all taxes on income from this agreement.

It is further agreed that the Company shall maintain liability insurance protecting both the Company and RHK and RPF from liability as a result of their respective management and maintenance of the system.

Entered into this 1 day of January 1992.

CROSSWOODS WATER CO., INC.


Ryan H. Kingma President


Robert P. Fakkema

COPY

ADDENDUM TO AGREEMENT FOR SERVICES

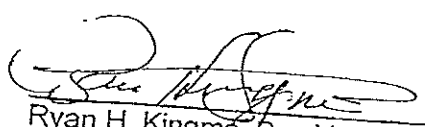
This addendum amends that certain agreement between CROSSWOODS WATER COMPANY, INC., hereinafter referred to as the "Company", and RYAN H. KINGMA and ROBERT P. FAKKEMA, respectively, hereinafter referred to as "Kingma" and "Fakkema", respectively, said agreement having been entered into on January 1, 1992. This addendum specifically amends paragraph four of said agreement.

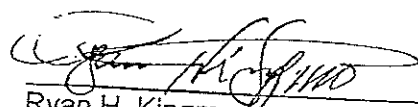
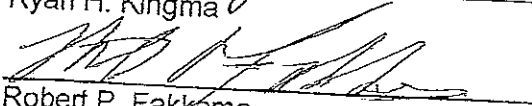
Paragraph four of the above referenced agreement is hereby amended by increasing the monthly compensation of Kingma and Fakkema from \$350.00 per month to \$400.00 per month for each, effective January 1, 2004.

The reason for the increase in compensation is due to the cost increase over the twelve year period since the previous increase. Due to the increased cost of living and the cost of providing their respective services the Directors of the Company unanimously agree that such an increase is necessary.

Entered into this 15 day of December, 2003.

CROSSWOODS WATER COMPANY, INC.


Ryan H. Kingma, President


Ryan H. Kingma

Robert P. Fakkema

Promissory Note

\$ 5,000.00

No. 5

Oak Harbor, Washington, October 1, 2015.

Three (3) years after date, without grace, for value received, I promise to pay to Ryan H. Kingma, or order, the sum of Five Thousand Dollars, with interest thereon at the rate of 5.25 per cent, per annum from date hereof, payable in thirty six (36) equal monthly payments, including interest. Principal and interest is payable at the office of Ryan H. Kingma or at such other location designated by him.

If this note shall be placed in the hands of an attorney for collection or if suit shall be brought to collect any of the principal or interest of this note, the Crosswoods Water Co., Inc., promises to pay a reasonable attorney's fee. Each maker of this note executes the same as a principal and not as a surety.

CROSSWOODS WATER CO., INC.



Robert P. Fakkema, Secretary

Promissory Note

\$ 5,000.00

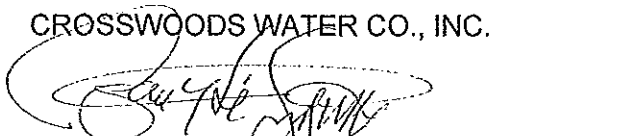
No. 6

Oak Harbor, Washington, October 1, 2015.

Five (5) years after date, without grace, for value received, I promise to pay to Robert P. Fakkema, or order, the sum of Five Thousand Dollars, with interest thereon at the rate of 5.25 per cent, per annum from date hereof, payable in thirty six (36) equal monthly payments, including interest. Principal and interest is payable at the office of Robert P. Fakkema or at such other location designated by him.

If this note shall be placed in the hands of an attorney for collection or if suit shall be brought to collect any of the principal or interest of this note, the Crosswoods Water Co., Inc., promises to pay a reasonable attorney's fee. Each maker of this note executes the same as a principal and not as a surety.

CROSSWOODS WATER CO., INC.



Ryan H. Kingma, President

Repairs referenced herein pertain to the premises and fixtures only and do not include property owned by the Tenant, i.e. computer(s), etc. All records, files, equipment, etc., owned by the Tenant is the responsibility of the Tenant and any damage caused thereto shall be remedied by the Tenant.

SIGNS

The Tenant shall be allowed one (1) sign, not to exceed 12" x 12" in size, displayed at a place mutually agreeable with Landlord. The sign shall be limited to wording only and shall be approved by Landlord.

TERMINATION BY REASON OF DEFAULT

In the event that either of the parties hereto fail to perform any agreement contained herein this agreement may be terminated, provided that the party wishing to terminate shall first give written notice to the other party allowing said other party thirty (30) days to correct said failure.

ASSIGNMENT

Tenant may not assign this agreement or any portion thereof without the specific written approval of Landlord.

RENEWAL OF AGREEMENT

This agreement shall be automatically renewed each year unless the party not wishing to renew informs the other party, in writing, a minimum of ninety (90) days prior to said renewal. In the event either party wishes to revise any portion of the agreement contained herein written notice specifying said revision must be sent to the other party at least sixty (60) days prior to renewal.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ROBERT P FAKKEMA, LANDLORD

CROSSWOODS WATER COMPANY, INC.

Robert P. Fakkema

Ryan H. Kingma, President

Paragraph 2 amended June 1, 2015, to read:

That certain office space within the residence located at 2754 SW Fairway Point Drive, Oak Harbor, Washington.

RENTAL AGREEMENT

THIS AGREEMENT, entered into this 3rd day of December, 1998, by and between RYAN H. KINGMA, as Landlord, and CROSSWOODS WATER COMPANY, INC., as Tenant, is as follows:

WITNESSETH: That said Landlord does hereby rent and share to and with Tenant and Tenant does hereby hire and share from and with Landlord the following described premises:

That certain ancillary building located at 1170 SW 4th Ave., Oak Harbor, Washington,

For the term of one (1) year, running from and including January 1, 1999, up to and including December 31, 1999, for use in Tenants regular business of operating and managing a residential water company or such related business, subject to the terms and conditions of this agreement.

FACILITIES AND SERVICES INCLUDED

Landlord agrees to provide Tenant full use of the office space available to Landlord, consisting of approximately 360 square feet, together with all utilities, including heat, water, electricity, telephone, garbage collection, etc. Included therein are the normal office fixtures, i.e. desk, chairs, counters, etc., as is normally associated with the operation of the type of office providing the services described herein.

Tenant shall provide all necessary equipment needed for the operation of business by the Tenant. This equipment shall include, but not be limited to, computer(s), copy machine, computer data storage, etc.

AMOUNT OF RENTAL

Tenant agrees to pay Landlord at Landlord's office as rent for said premises and for facilities as described above the annual sum of Two Thousand Three Hundred (\$2,300) dollars, payable by December 15, 1999.

MAINTENANCE AND REPAIR OF PREMISES

Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the premises and fixtures described herein, provided that Landlord may replace fixtures with those of like value or better without Tenants approval.

DAMAGE BY FIRE

In the event the said premises shall be damaged by fire, flood, storm or other unavoidable cause, to an extent repairable within one hundred twenty (120) days from the date of such damage, Landlord shall forthwith proceed to repair such damage. During the period of repair Tenant's rent shall abate in whole or in part depending upon the extent said damage deprives Tenant from conducting his normal business. In the event Landlord is unable to repair such damage the agreement herein shall terminate as of the date of such damage.

Repairs referenced herein pertain to the premises and fixtures only and do not include property owned by the Tenant, i.e. computer(s), etc. All records, files, equipment, etc., owned by the Tenant is the responsibility of the Tenant and any damage caused thereto shall be remedied by the Tenant.

SIGNS

The Tenant shall be allowed one (1) sign, not to exceed 12" x 12" in size, displayed at a place mutually agreeable with Landlord. The sign shall be limited to wording only and shall be approved by Landlord.

TERMINATION BY REASON OF DEFAULT

In the event that either of the parties hereto fail to perform any agreement contained herein this agreement may be terminated, provided that the party wishing to terminate shall first give written notice to the other party allowing said other party thirty (30) days to correct said failure.

ASSIGNMENT

Tenant may not assign this agreement or any portion thereof without the specific written approval of Landlord.

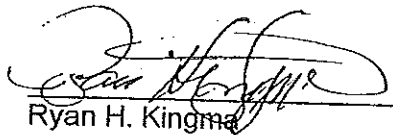
RENEWAL OF AGREEMENT

This agreement shall be automatically renewed each year unless the party not wishing to renew informs the other party, in writing, a minimum of ninety (90) days prior to said renewal. In the event either party wishes to revise any portion of the agreement contained herein written notice specifying said revision must be sent to the other party at least sixty (60) days prior to renewal.


IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

RYAN H. KINGMA, LANDLORD

CROSSWOODS WATER COMPANY, INC.



Ryan H. Kingma



Robert P. Fakkema, Secretary

RENTAL AGREEMENT

THIS AGREEMENT, entered into this 3rd day of December, 1998, by and between ROBERT P. FAKKEMA, as Landlord, and CROSSWOODS WATER COMPANY, INC., as Tenant, is as follows:

WITNESSETH: That said Landlord does hereby rent and share to and with Tenant and Tenant does hereby hire and share from and with Landlord the following described premises:

That certain office space within the residence located at 2499 SW Pete's Lane, Oak Harbor, Washington,

For the term of one (1) year, running from and including January 1, 1999, up to and including December 31, 1999, for use in Tenants regular business of operating and managing a residential water company or such related business, subject to the terms and conditions of this agreement.

FACILITIES AND SERVICES INCLUDED

Landlord agrees to provide Tenant full use of the office space available to Landlord, consisting of approximately 300 square feet, together with all utilities, including heat, water, electricity, telephone, garbage collection, etc. Included therein are the normal office fixtures, i.e. desk, chairs, counters, etc., as is normally associated with the operation of the type of office providing the services described herein.

Tenant shall provide all necessary equipment needed for the operation of business by the Tenant. This equipment shall include, but not be limited to, computer(s), copy machine, computer data storage, etc.

AMOUNT OF RENTAL

Tenant agrees to pay Landlord at Landlord's office as rent for said premises and for facilities as described above the annual sum of Two Thousand Three Hundred (\$2,300) dollars, payable by December 15, 1999.

MAINTENANCE AND REPAIR OF PREMISES

Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the premises and fixtures described herein, provided that Landlord may replace fixtures with those of like value or better without Tenants approval.

DAMAGE BY FIRE

In the event the said premises shall be damaged by fire, flood, storm or other unavoidable cause, to an extent repairable within one hundred twenty (120) days from the date of such damage, Landlord shall forthwith proceed to repair such damage. During the period of repair Tenant's rent shall abate in whole or in part depending upon the extent said damage deprives Tenant from conducting his normal business. In the event Landlord is unable to repair such damage the agreement herein shall terminate as of the date of such damage.

King Water Company

Water System Management and Services Agreement


This Agreement is made and entered into as of January 1, 2010, by and between King Water Company (King), a Washington company and Crosswoods Water Company, hereinafter referred to as the "Customer". In consideration of the mutual covenants and representations contained in this Agreement, the parties hereby agree as follows:

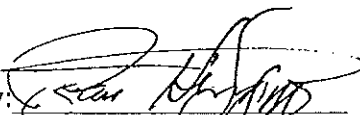
- I. Purpose. The purpose of this Agreement is to set out the intent of King and Customer to enter into a relationship whereby King provides water system management, or other services, to Customer. A description of the Customer's water system is set out in Exhibit A.
- II. Scope of Work. The work to be performed by King Water Company under this Agreement is described in Exhibit B. Work on a residential service connection beyond the water meter is not covered by this contract.
- III. Changes/Modifications to Agreement. King shall make a good faith effort to implement any changes or modifications to this Agreement that may be requested by Customer. Customer recognizes, however, that any changes or modifications to the Agreement may cause King difficulties and delays in the fulfillment of its obligations pursuant to this Agreement. King reserves the right, therefore, in its sole discretion, to refuse to incorporate such changes and modifications, or to charge Customer at the current hourly rate published for such services.
- IV. Acceptance of Work. King shall deliver certain portions of the work in accordance with the schedules attached as Exhibits, and hereby incorporated into this Agreement, or as required by Washington State Department of Health regulations.
- V. Payment. In consideration for the services and work described above Customer shall pay to King Water Company an amount in U.S. funds as set out in Exhibit C.
- VI. Termination. Effective each anniversary date, upon thirty (30) days prior written notice, either party may terminate this Agreement for any reason in its sole discretion. Upon termination, each party shall be fully and forever released and discharged from any and all obligations, covenants or liabilities of whatsoever kind or nature in law, or equity, or otherwise, arising out of, or in connection with, the Agreement, or any other agreements by and between King Water Company and Customer, except for any obligation or liability accrued before the date of termination.
- VII. Agreement Period. The term of this Agreement is for a minimum period of one (1) year, which will automatically be renewed unless terminated by either party as set out in paragraph VI above.
- VIII. Warranties and Representations. Each party hereby represents and warrants as follows:
 - Corporate Power. Each party is duly organized and validly existing under the laws of the state of its incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.
 - Due Authorization. Such party is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder.

The representations and warranties and covenants in this Section are continuous in nature and shall be deemed to have been given by each party at execution of this Agreement and at each stage of performance hereunder.

- IX. Binding Agreement. This Agreement is a legal and valid obligation binding upon it and enforceable with its terms. The execution, delivery and performance of this Agreement by such party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.
- X. Compliance With Law. Each party's operations will be conducted in compliance with all applicable laws and regulations of the State of Washington.
- XI. Indemnification and Limitation of Liability.
- **Indemnification by King Water Company.** King shall, at its expense and at Customer's request, defend any third-party claim or action brought against Customer, and Customer's officers (i) relating to the work performed by King pursuant to this Agreement, and (ii) to the extent it is based upon a claim that, if true, would constitute a breach of a King warranty, representation or covenant set forth in this Agreement. King shall indemnify and hold Customer harmless from any costs, damages and fees reasonably incurred by Customer, including but not limited to attorney and other professional fees, that are attributable to such claims. Customer shall provide King prompt notice in writing of any such claim and provide King with reasonable information and assistance, at King's expense, to help in King's defense.
 - **Indemnification by Customer.** Customer shall, at its expense and at King's request, defend any third-party claim or action brought against King, and its officers, employees, licensees, and independent contractors, (i) relating to Customer's negligent or intentional misconduct, and (ii) to the extent it is based upon a claim that, if true, would constitute a breach of a Customer warranty, representation or covenant set forth in this Agreement. Customer shall indemnify and hold King harmless from and against any costs, damages and fees reasonably incurred by King, including but not limited to attorney and other professional fees that are attributable to such Customer claims. King shall provide Customer reasonably prompt notice in writing of any such claims and provide Customer with reasonable information and assistance, at Customer's expense, to help Customer defend such claims.
- XII. Applicable Law; Jurisdiction; Venue. The Agreement shall be governed and construed in accordance with the laws of the State of Washington. The parties agree that Island County in the State of Washington shall be the proper venue for any action brought under the Agreement.
- XIII. Modifications, Amendments or Waivers. No modifications or amendments to the Agreement, and no waiver of any provisions hereof shall be valid unless in writing signed by duly authorized representatives of the parties.
- XIV. Force Majeure. King shall not be responsible for any failure to perform due to unforeseen circumstances or due to a cause beyond King's control, including but not limited to acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods, accidents, strikes, or shortages of transportation facilities, fuel, energy, labor or materials.

- XV. Independent Contractor Relationship. Nothing contained herein shall be construed to imply a joint venture, partnership, or employer and employee relationship between the parties. Neither party shall have any right, power or authority to create any obligation, express or implied, on behalf of the other except as defined in the Agreement or as mutually agreed to under the terms of the Agreement. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- XVI. Binding Effect. Subject to the limitations herein before expressed, this Agreement will inure to the benefit of, and be binding on, the parties, their successors, administrators, heirs, and permitted assigns.
- XVII. Compliance/Government Approvals. King and Customer will, at its own expense, obtain and arrange for the maintenance in full force and effect of all government approvals, consents, licenses, authorizations, declarations, filings and registrations as may be necessary or advisable for the performance by such party of all of the terms and conditions of the Agreement.
- XVIII. Entire Agreement; Modification; No Offer. The parties hereto agree that this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. It shall not be modified except by a written agreement dated subsequent hereto signed on behalf of King and Customer by their duly authorized representatives. Neither this Agreement nor any written or oral statements related hereto constitute an offer, and this Agreement shall not be legally binding until executed by both parties hereto.

By: 
Clive Defty, President
King Water Company
P.O. Box 2243
Oak Harbor, WA 98277
1-360-678-5336

By: 
RYAN KINEMA, PRESIDENT
Crosswoods Water Company
PO Box 1075
Oak Harbor, WA 98277
1-360-675-5104

December 17, 2009.
Date

Dec 17, 2009
Date

King Water Company

Water System Management and Services Agreement

Description of System

General

- | | |
|---|---------------------------|
| a) Group | A. |
| b) No. of wells | Two |
| c) Well pump information | 5 hp. |
| d) Reservoir size | _____ |
| e) Pressure tank(s). | Yes |
| f) Booster pump(s). | Three – 5 hp |
| g) Main & distribution lines | As-builts to be provided. |
| h) Valves and other appurtenances necessary for the operation of the water distribution system. | |
| i) # of service connections | 127 |
| j) Other information | _____ |

Chlorination System

Yes – to be installed

Filtration System

No.

King Water Company

Water System Management and Services Agreement

Description of Services Provided

Operations

Oversight by Certified Water Manager

Routine inspection and monitoring of water system.

Frequency of routine inspection – weekly, three times a week once chlorination installed.

Maintain pump house log documentation.

Emergency call out – available 24/7.

Regular inspection of distribution system for leaks.

Water usage monitoring – monthly usage reports.

Regularly monitoring of pumping rates and system pressures.

Maintain system documentation, testing results, and compliance with appropriate regulations.

Communications with State and/or County Health Departments

Response to, and handling of, customer complaints.

Coordination of any specialized needs of the system, as approved by Customer, and arrangements with other independent contractors.

Treatment System Maintenance.

Monitor proper operation of chlorination system. Take high and low chlorine readings during each visit.

Ensure that chlorine vat has adequate levels of sodium hypochlorite at all times, reorder and deliver, as necessary (see charges at Exhibit C). Perform regular preventative maintenance, such as regularly cleaning of the chlorine vat, and inspection of chlorine pumps and injectors. Regularly adjust chlorination rates to maintain an approximate 0.2 ppm residual level of chlorine in the system. Daily monitoring of the chlorine levels to be continued by designated resident on the days we do not visit.

Documentation and Reports

Prepare annual Consumer Confidence Report.

Maintain “as built” files, if available.

Prepare and submit necessary reports to State and County Departments of Health.

Submit monthly chlorination report to State.

Maintain records of operating logs and other documentation, as required.

Provide operating reports to Customer, as requested.

If meters are installed, provide and monitor “unaccounted for water” at each billing cycle.

Financial and Administrative Services (may be subject to additional charges, see Exhibit C for current labor costs):

Assist in the development of annual budget.

Assist in repair and maintenance planning

Assist in capital project planning.

Assist in completion of Small Water System Management Plan.

Water billing services, which will include the following:

- o Sending out billing statements with prepaid return envelope (\$0.65 per statement);
- o Checking post office box 3 times per week.
- o Making bank deposits using pre-printed deposit forms supplied by customer.
- o Preparing a full set of reports on water billing, receipts and delinquent accounts.
- o Answering customer billing questions, filling out paperwork for title companies on the sale of homes, working with the board on overdue debt collection and providing such other information as may be requested.

Water bill collection services – a fee is charged for sending out each certified letter. Excessive time spent in account analysis and other activities associated with collection of balances due will be billed based on actual time expended.

Additional Services (may be subject to additional charges, see Exhibit C for current labor costs):

System repair and maintenance

Well depthing, if requested and feasible. If no well depthing tube and damage to King Water equipment occurs as a result, customer is liable to reimburse King for repair to equipment.

Implementation of system-wide flushing program, if necessary.

Installation and replacement of meters, as required.

Meter reading, as required.

Reservoir cleaning.

Oversight of cross connection control program.

Assistance with sanitary surveys and in responding to DOH report thereon.

King Water Company

Water System Management and Services Agreement

Fees

For the services listed in Exhibit B, this Agreement's first year fees will be, as follows:

A monthly fee of \$185.00 for Operations, Documentation and Reports; the fees are due 30 days from date of billing. Once chlorination is installed, visits will increase to three times a week for a monthly fee of \$360.00.

Bacteria testing is \$28 per test, which includes a sampling fee, and \$28 for any repeat testing that may be required. Nitrate testing is \$25; other tests will be rebilled to Customer at the current rates, which will be dependant on the third party cost of each type of test being conducted.

The current charge for chlorine is \$47.35 per barrel.

Labor rates:

- Emergency call-outs on weekends and holidays will be billed at \$75.00 per person, per hour.
- Emergency call-outs during weekdays, which cannot be accommodated as part of our normal round schedule, will be billed at \$70.00 per person, per hour, for field staff.
- Our normal hourly rate is \$52.00 per hour for field personnel and \$71.50 per hour for our Operations Manager.
- Repairs requiring the use of the backhoe will be billed at \$90 per half day, plus labor.
- Reservoir cleaning is based on the amount of time to set up and leave a site, plus the time to clean the reservoir. For safety reasons, two personnel must be on site while the reservoir is being cleaned. Use of the pressure washer is charged at \$60.00 per day.

Meter reading services are \$1.55 per meter read, currently read at the end of each calendar quarter. There will be a one-time charge, based on time and materials, for setting up a meter reading book.

Charges for water billing services will be \$150.00 per month for a bi-monthly billing. A fee of \$15.00 is charged for sending out each certified letter and \$0.65 per water bill (\$0.71 if printed on back also) mailed to cover the costs of postage and stationary. Time spent in excessive account analysis and other activities associated with collection of balances due will be billed at \$51.00 per hour, based on time expended. A one-time set up charge, based on time spent, may be charged for account set up if the time exceeds one hour.

Labor rates and other fees will be subject to annual reviews on January 1st. Price increases from independent third parties, such a certified laboratories and suppliers, will be passed on as and when incurred.

AGREEMENT FOR SERVICES

This agreement, entered into between **CROSSWOODS WATER COMPANY, INC.**, herein after referred to as the "Company", and **Carey Kingma**, herein after referred to as "Carey", is for the purpose of establishing the duties and responsibilities covering the role of Water System Meter Reader.

Carey shall be responsible for the bi-monthly reading of all Company water meters (as of the date hereof the total number is 127). The reading of the meters shall occur within three days of the bi-monthly reading cycle. He shall be responsible for transportation to and from the site and shall not hold the Company liable for any damage or injury to himself or any equipment used by her, including an automobile. He shall keep proper records as required by Company management, the forms for said records being provided by the Company. He shall further inspect each meter for its proper operation and, upon finding that a meter is not functioning properly or is in need of repair or maintenance, he shall so inform the management. In the event that he is authorized to perform maintenance on any such meter he shall be compensated therefore as extra work.

The Company shall compensate Carey at the rate of One Hundred and Fifty (\$150.00) dollars per reading period, payable within ten (10) days of said reading. The Company shall further compensate Carey at the rate of Twenty (\$20.00) dollars per hour for any extra work authorized by Company management, payable monthly. Carey shall submit a statement describing any such extra work, including the hours worked and the amount due.

This agreement shall be effective as of January 1, 2009, and shall remain in effect until revised or terminated by either party.

Entered into this 24 day of December, 2008.

CROSSWOODS WATER COMPANY, INC.

Ryan H. Kingma, President

Carey Kingma

Paragraph 3 amended May 10, 2011, from \$150 per month to \$200 per month.

KING WATER COMPANY
107 S. Main Street, Suite A-203
Coupeville, WA 98239
Office - (360) 678-5336
Fax - (360)678-8302

November 30, 2013

To: Crosswoods Water Company

Proposed Contract Price Increases

Pursuant to the terms of our contract, I am requesting an increase in our monthly management fees on the renewal date in 2014. As you may be aware, our last increase was in 2011. We try to review the contracts every two years, but due to the transition we didn't increase any rates last year. We have made every effort to ensure that increases were kept to a minimum.

Specifically, I am requesting an adjustment in our service fees effective on the contract renewal date in 2014; the suggested increase in the monthly fee is \$23.00, an increase of 6% over the last three years. Your new fee will be \$398.00 per month. Of course, the fuel surcharge of \$12.00 has been removed, as it is included in the proposed new monthly fee. In addition, we are requesting an increase of \$16.00 per month for the water billing service; the new fee will be \$166.00 a month.

If the above proposal is acceptable, the effective date will be January 1, 2014.

If you have any questions or feedback that you would like to share, please don't hesitate to call me, or to make an appointment to visit with me in person. Thank you for your business, we appreciate having you as a customer.

Sincerely,

Sandra V. Bodamer, Owner