

After recording, return to:
Richard A. Finnigan
2112 Black Lake Blvd SW
Olympia, WA 98512

**CONTRACT FOR DELIVERY OF IRRIGATION WATER
(WHOLESALE WATER AGREEMENT)**

This Wholesale Water Agreement ("Agreement") is made and entered into this 23 day of September, 2010, by and between Candy Mountain Limited Liability Company (CMLLC) and Summit View Waterworks, LLC (SVWW).

RECITALS

WHEREAS, CMLLC is a an agricultural operation with its farm land situated in Benton County, Washington;

WHEREAS, CMLLC has an existing well and related infrastructure associated with Groundwater Right Permits No. G4-30505 and No. G4-30509 (the "Water Rights") servicing an extensive irrigation system on its farm lands;

WHEREAS, SVWW is a private water company regulated by the Washington Utilities and Transportation Commission (WUTC) that operates and manages the delivery of domestic and irrigation water as a privately owned Group A water system with the Washington State Department of Health (DOH Identification No. 03303-4), and whose designated service area includes property encompassed within the above groundwater permit rights' authorized place of use;

WHEREAS, SVWW provides irrigation water to domestic and residential properties within its service area;

WHEREAS, SVWW desires to obtain delivery of the irrigation water for its customers utilizing the existing well and pipeline system of CMLLC;

WHEREAS, CMLLC presently has the extra capacity within its pipeline system to deliver irrigation water to SVWW under certain terms, conditions, and limitations;

WHEREAS, the parties are now desirous of entering into a delivery agreement to formalize the terms, conditions, and limitations under which they will so operate.

NOW, THEREFORE, in consideration of the premises and the mutual agreements bargained for and exchanged by the parties, it is agreed as follows:

TERMS AND CONDITIONS

1.1 Benefited Parties: Identification of SVWW Service Area. This Agreement is made for the sole benefit of SVWW, and for no other property, individual, or other third party.

1.2 Delivery. Subject to the terms, conditions, and limitations contained elsewhere in this Agreement, CMLLC agrees to supply and up to 550 acre-feet per year ("afy") to SVWW annually at a rate not to exceed 1055 gallons per minute ("gpm"). Such water will be pumped by CMLLC from its existing or future wells and transported from there through the pipelines maintained and operated by CMLLC. Delivery will be made at such times as are established and set from time to time by CMLLC and SVWW. SVWW is obligated to regularly contact CMLLC in order to remain informed of the delivery schedule and any changes made therein by CMLLC. So long as this Agreement remains in existence, SVWW shall be entitled to have a connection or delivery point attached to CMLLC's pipeline for the benefit of SVWW's water system.

1.3 Limitations and Acknowledgements. The water delivered by CMLLC to SVWW hereunder shall be used by SVWW solely for provision of irrigation water within SVWW's service area and for no other purposes. CMLLC makes no warranties, representations, or guarantees regarding the quality of water delivered.

CMLLC is not providing to SVWW any interest in the Water Rights. SVWW acknowledges and agrees that notwithstanding the use of water within the SVWW service area, SVWW does not own any portion of the Water Rights by such use and that CMLLC has full and sole authority to use the water, and transfer or sell the Water Rights, subject to its commitments herein.

Without in any way limiting the above, should the delivery of water by CMLLC to SVWW be prevented, delayed, limited or terminated in any way by a cause or causes beyond CMLLC's reasonable ability to control, including and without limiting the generality of the foregoing, acts of God, landslides, earthquakes, fires, storms, floods, wash-outs, draw-downs, or droughts; acts of public enemy, blockades, wars, insurrections, or riots; governmental restraints; inability to obtain necessary permits, power, equipment, supplies, water, or labor due to existing or future governmental rules, regulations, orders, laws, or proclamation; or strikes, lockouts, or other industrial disturbances, CMLLC shall not be liable in any manner for any such prevention, delay, limitation, or termination.

1.4 Term. Unless otherwise terminated under the provisions of this Agreement, this Agreement shall have a term of twenty (20) years and shall automatically renew for successive five (5) year periods unless either party provides notice of termination in writing to the other party at least ninety (90) days prior to the end of a particular term, or as otherwise mutually agreed by the parties. Such notice shall fully and immediately terminate this Agreement, and SVWW shall no longer receive any water under the Water Rights unless further agreed in writing by the parties.

1.5 Delivery Charges. SVWW agrees to pay CMLLC a delivery charge per acre-foot of water delivered to SVWW's system at the rate calculated according to Exhibit A, attached hereto and incorporated by this reference. Such delivery charge billings shall be paid by SVWW to CMLLC within thirty (30) days of issuance. Any such billing not paid within said thirty (30) days shall thereafter bear interest at the rate of twelve percent (12%) per annum until paid. If any such billing is not timely paid, in addition to any other remedies provided by this Agreement, law, or equity, CMLLC shall have the right to terminate this agreement on thirty (30) days' advance notice in writing.

1.6 Assessment Billings. CMLLC will issue assessment billings to SVWW on an annual basis. The amount of each such assessment will be based on CMLLC's estimate of SVWW's monthly proportional share of the maintenance, depreciation, supervisory, utility, operating, and other expense associated with that year's operation of CMLLC's well station and pipeline system plus a charge for overhead, including accounting, of five percent (5%). Such assessment billings shall be paid by SVWW to CMLLC within thirty (30) days of issuance. Any such billing not paid within said thirty (30) days shall thereafter bear interest at the rate of twelve percent (12%) per annum until paid. If any such billing is not timely paid, in addition to any other remedies provided by this Agreement, law, or equity, CMLLC shall have the right to terminate this agreement on thirty (30) days' advance notice in writing.

1.7 Reserve Funds. CMLLC currently serves five hundred eighty-three (583) acres with agricultural service. SVWW currently serves eighty-six (86) acres for primarily residential purposes and agricultural uses. CMLLC and SVWW agree that each party has the capacity to draw three (3) acre feet per acre per year for purposes of this Agreement. CMLLC and SVWW agree that CMLLC will assess SVWW a charge of thirteen dollars (\$13.00) per acre foot of capacity per year, which assessment shall be paid within thirty (30) days of the date the assessment is delivered from CMLLC to SVWW. The calculation for the assessment is as follows: $86 \text{ acres} \times 3 \text{ acre feet} \times \$13.00 = \$3,354.00$. CMLLC will deposit the funds received under this provision into a fund labeled "CM/SV Irrigation System Repair Fund" or "ISRF." CMLLC will also deposit a proportional equivalent amount into the ISRF on an annual basis. In the case of CMLLC, the calculation would be $583 \text{ acres} \times 3 \text{ acre feet} \times \$13.00 = \$22,737.00$. This calculation of amount and acreage will be conducted annually as set out on Exhibit A.

The charge will vary on annual basis depending on the number of acres served by SVWW and the number of acres served by CMLLC.

The charge will be continued to be assessed and paid on an annual basis until the ISRF has grown to a total of Two Hundred Fifty Thousand Dollars (\$250,000.00). The ISRF is owned by CMLLC and is managed and maintained by CMLLC. SVWW and CMLLC agree that the funds in the ISRF may be used only for the purpose of repairing or replacing the two well pumps, motors, panels, pipes, telemetry, telemetry upgrades, well repairing or re-drilling, transmission mains and repairing and replacing any other equipment or facilities that are used to provide irrigation water under this Agreement. Once the ISRF is at Two Hundred Fifty Thousand Dollars (\$250,000.00), all remaining funds received from SVWW may be retained by CMLLC and used for any purpose. If the ISRF falls below Two Hundred Fifty Thousand Dollars (\$250,000.00), then the monies from SVWW and the corresponding proportional contribution from CMLLC will be used to replenish the ISRF.

The rates set forth in this Section will be reviewed by CMLLC and if, in the opinion of CMLLC, the rates are insufficient to provide the source of funds to cover needed repairs and replacements as set forth above, the rate may be increased by CMLLC upon sixty (60) days written notice to SVWW.

II. COVENANTS, LIABILITIES, INDEMNIFICATION

2.1 Assumption of Liabilities. SVWW agrees to, and hereby does, assume all obligations related to its water system and the delivery of the wholesaled domestic irrigation water provided herein within its service area, including all contractual liabilities and obligations, duties, now existing or arising in the future.

2.2 Indemnification. Each of the parties shall indemnify, defend and hold the other party and its members, officers, employees and agents harmless from any loss, claim or liability arising from or out of the negligent or tortuous actions or inactions or fault of the indemnifying party's members, officers, employees or agents, including the reasonable costs of defense by counsel of the indemnified party's own choosing. Liability shall be apportioned among the parties or other defendants in accordance with the laws of the State of Washington. Furthermore, SVWW agrees to indemnify, defend, and hold CMLLC and its members, officers, employees and agents harmless from any and all claims or demands based on any alleged duty to serve or otherwise provide either domestic or domestic irrigation water under the permits and associated delivery system which are the subject of this Agreement, whether based in tort, contract, law, or equity. This paragraph shall survive expiration or termination of this Agreement.

2.3 Further Assurances or Necessary Action. CMLLC and SVWW, respectively, agree they shall take all such action as may be necessary or appropriate in order to effectuate the transactions contemplated hereby.

2.4 Maintenance. CMLLC has the general obligation to maintain the water system that it uses to deliver water to SVWW under this Agreement. However, in no case shall SVWW or anyone claiming through SVWW, directly or indirectly, have any cause of action of any nature whatsoever against CMLLC for any failure to maintain the CMLLC water system. SVWW is assuming all risks of delivery with its sole remedy the right to specific performance as set out in Paragraph 4.5, below.

2.5 Dispute Resolution. Disputes arising out of or related to this Agreement shall be resolved in accordance with this provision. The parties agree to act in good faith to resolve any disputes that may arise between them. If the parties cannot resolve the matter by informal dialogue or there is a reason to give notice immediately, either party may give Notice of Dispute to the other party. The Notice of Dispute shall state the nature of the dispute and the corrective action necessary to remedy the dispute.

After Notice of Dispute, the parties shall first attempt to resolve any disputes by mediation. The parties shall agree on a single mediator. Mediation shall be conducted in Benton County, Washington. Each party shall pay its own attorneys' fees and the costs of mediation shall be split equally between the parties.

If the dispute has not been resolved by mediation within 45 days after Notice of Dispute, or the parties are unable to agree to a mediator within 15 days after Notice of Dispute, the dispute shall be resolved by binding arbitration in accordance with Washington's Uniform Arbitration Act, chapter 7.04A RCW. The arbitrator shall render a decision within 30 days of the arbitration hearing. Arbitration shall be conducted in Benton County, Washington. Each party shall pay its own attorneys' fees and the costs of arbitration shall be split equally between the parties.

Notwithstanding the above, if either party, at any time, believes that there is the need to maintain the status quo pending resolution by one or more of the methods set forth above, that party may seek a temporary restraining order, preliminary injunction or other equitable relief from any court of competent jurisdiction.

III. RESERVATION OF RIGHTS

3.1 CMLLC Water Rights/Wells. CMLCC does not intend by this Agreement to transfer any rights or interests in CMLLC's Water Rights, or any other water rights, groundwater right permits, or groundwater right applications, or any of the wells associated therewith, the rights to which are expressly reserved in and to CMLLC.

IV. MISCELLANEOUS PROVISIONS

4.1 Effective Date. The Effective Date of this Agreement shall be the date of mutual execution; provided, that, if approval of this Agreement by one or more public agencies is required, the Effective Date shall be the date the last of those approvals is obtained.

4.2 Authority to Enter into Agreement. The parties signing this Agreement warrant and represent they have authority to do so and to bind the party on whose behalf they are signing.

4.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Washington.

4.4 Severability. If any term, provision, or covenant of this Agreement is held by any governmental entity or court to be invalid, void, or unenforceable, the remainder of the terms, provisions, and covenants shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

4.5 Remedies. SVWW shall be entitled to specific performance of this Agreement as its sole and exclusive remedy, exclusive of attorneys' fees and costs if allowable, in the event of any default hereunder. SVWW shall not be entitled to consequential, incidental, or other damages in the event of any breach by CMLLC.

4.6 Non-Waiver of Breach. The failure of either party to insist upon strict performance of any of the covenants or agreements contained herein shall not be construed to be a waiver or relinquishment of such rights, or any other covenants or agreements, and the same shall remain in full force and effect.

4.7 Binding Effect. This Agreement shall be binding upon the Parties hereto and shall bind and inure to the benefit of their respective heirs, representatives, successors, and assigns; provided, that, SVWW shall not assign this agreement without the prior written consent of CMLLC, which consent may be withheld in the discretion of CMLLC, and any attempt at assignment without such prior written consent shall be void ab initio.

4.8 Actions on Assessments. Notwithstanding anything in this Agreement to the contrary, CMLLC may commence an action to collect an unpaid assessment(s) and in any such action shall be entitled to recover reasonable attorneys' fees and all costs and expenses reasonably incurred in the preparation and prosecution of said action, in addition to taxable costs permitted by law and specifically including, but not limited to, costs of title reports, litigation guarantees, and title searches. In any such action, the judgment shall be for an amount equal to all delinquent assessments and advances, plus all costs and expenses in connection with such action, including a reasonable sum as attorneys' fees and for the costs, if any, of title company services mentioned above.

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

Candy Mountain Limited Liability
Company

By: Karl A. [Signature]

Its: Managing Member

Summit View Waterworks, LLC

By: [Signature]

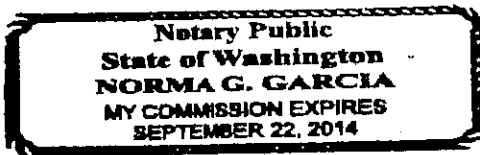
Its: Managing Member

STATE OF WASHINGTON)

County of Benton) ss.

On this 23rd day of September, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kirk Rathbun, to me known to be the Managing Member of Candy Mountain Limited Liability Company, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.



Norma G. Garcia
Norma G. Garcia
[Printed Name]

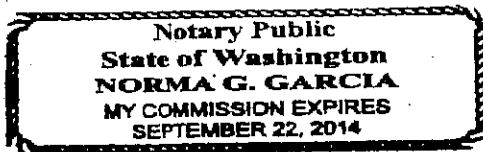
Notary Public in and for the State of Washington, residing at Kennelworth. My commission expires 9-22-2014.

STATE OF WASHINGTON)

County of Benton) ss.

On this 23rd day of September, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kirk Rathbun, to me known to be the Managing Member of Summit View Waterworks, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.



Norma G. Garcia
Norma G. Garcia
[Printed Name]

Notary Public in and for the State of Washington, residing at Kennelworth. My commission expires 9-22-2014.

EXHIBIT A



SUMMIT VIEW WATER WORKS, LLC

8428 W Gage Blvd Ste E • Kennewick, WA 99336 • Tel 509-735-2151 • Fax 509-735-2436

**METHODOLOGY USED IN CALCULATING IRRIGATION RATES
PERTAINING TO WATER, POWER, AND PUMPING**

SVWW staff shall calculate annual irrigation rates using the following WUTC approved methods.

- 1) Annually, SVWW shall calculate the acreage area associated with all residential customers. This shall be done using a survey of the plat map. These acres shall be a combined sum of all SVWW residential accounts that are classified by SVWW staff as being "customers" on the date that first half billing is sent, (generally April 1st.). Customers added after this date shall be billed on a pro-rated basis using the current years acreage charge. SVWW shall keep on hand and available to the public, all plat maps used for the purposes of describing residential acreage.
- 2) Annually, SVWW shall calculate the acreage area associated with all agriculture land using GPS survey maps. The latest survey may be used so long as it reflects an accurate accounting of land irrigated for agricultural purposes. SVWW shall keep on hand and available to the public all survey maps used for the purposes of describing agricultural acreage.
- 3) When the residential and agricultural survey is complete, a "percentage of use" (POU) calculation shall be made. The POU calculation shall determine the percentage of residential and percentage of agricultural acreage.
- 4) Monthly, SVWW shall combine the total cost of water entering the irrigation system. This may include but not be limited to a well drawing water under Department of Ecology (DOE) permit G4-30509, and a well drawing water under DOE permit G4-30505, of which said water rights are owned by Candy Mountain, LLC (CMLLC). SVWW may also receive water into its system from other sources for peak season use, emergency use, or other purposes approved by SVWW management. Monthly, SVWW shall pay its portion of irrigation water cost pertaining to residential acreage, and CMLLC shall pay the portion of irrigation water cost pertaining to agricultural acreage.