

WATER SERVICE AGREEMENT

This Water Service Agreement (the "Agreement") is dated December __, 2013, and made by and between Desert Canyon Utility Co., a Washington corporation (the "DC Utility"), Pierre Renton Properties LLC, a Washington limited liability company ("PRP"), and Birdie Properties, LLC ("Birdie") with reference to the following:

A. PRP owns approximately 90 acres of land adjacent to the Desert Canyon Golf Course and within the authorized place of use of DC Utility's irrigation water rights (the "Boyce Property"), described on Attachment A, which is located in Douglas County, Washington.

B. DC Utility is in the business of providing domestic and irrigation water to properties in the Desert Canyon Master Plan and certain adjacent properties described in its water right documents. DC Utility has water rights available to serve irrigation water for up to 90 acres of orchard on the Boyce Property.

C. Certain improvements will be required to the DC Utility system on lands other than the Boyce Property in order for DC Utility to supply an adequate quantity of water and pressure to the Boyce Property for irrigation of 90 acres.

D. Birdie is the owner of real property upon which DC Utility maintains its primary pumping, storage and treatment systems for the delivery of water (the "Birdie Property"), described on Attachment B, which is located in Douglas County, Washington.

IN CONSIDERATION of mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Effective Date. This Agreement shall become binding on the parties on the date the Washington Utilities and Transportation Commission ("Commission") approves this Agreement. The effective date of this Agreement ("Effective Date") shall be the date irrigation water is first delivered by DC Utility to the Boyce Property.

2. Water Service. Subject to the completion at PRP's expense of necessary system improvements to be determined by DC Utility, DC Utility shall supply PRP with irrigation water for use by PRP to irrigate the Boyce Property until the end of the irrigation season that occurs ten (10) years after the Effective Date of this Agreement. This Agreement shall be automatically extended for two additional ten (10) year terms; provided that the annual fee for irrigation water shall be adjusted as provided in Section 5, below, prior to each extension. If the parties are unable to agree on such fees prior to the commencement of an extension period, the parties shall submit the matter to binding arbitration as provided herein; however DC Utility shall continue to provide PRP with irrigation water at the then current rate while the arbitration proceedings are pending.

3. Metering Equipment. DC Utility shall furnish, install, operate, and maintain at its own expense the necessary metering equipment, including a meter house or pit, and required device(s) to properly measure the quantity of water delivered to PRP annually and to calibrate

such metering equipment whenever requested by PRP but not more frequently than once every twelve (12) months. The metering equipment shall normally be read within thirty days after each irrigation season. DC Utility shall have access to the meter at all reasonable times for the purpose of verifying its readings.

4. Point of Delivery and Pressure. Irrigation water shall be furnished at a reasonably constant pressure (30 P.S.I. minimum) from a supply main to a delivery point on the Boyce Property. If a greater pressure than that normally available at the point of delivery is required by the PRP, the cost of providing such greater pressure shall be borne by PRP. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe or occasion beyond DC Utility's control shall excuse DC Utility from this provision for such reasonable period of time as may be necessary to restore service.

5. Irrigation Water Charges. The annual charge for irrigation water under this Agreement ("Annual Charge") shall be paid in equal monthly installments on the first day of each calendar month in arrears, beginning on January 1st of the first calendar year after the Effective Date. Notwithstanding the foregoing, by mutual agreement of DC Utility and PRP, the Annual Charge may be allocated and charged on a seasonal basis, to more accurately allocate the fees based on water usage. Any payment made within ten days of the due date shall be deemed timely made; provided, payments received thereafter shall bear interest at the rate of 12% per annum from the due date thereof until paid in full.

7/11/14 \$114,390.00 a. Initial Annual Charge. The Annual Charge for the initial 10-year term shall be \$114,390.00 per year (the "Initial Annual Charge"). The Initial Annual Charge for each year shall be increased by 2.5% of the Annual Rate charged for the preceding 12 month period. The Initial Annual Charge, as adjusted each year, is an all-inclusive fee and there will be no other costs charged for providing irrigation water to the Boyce Property.

b. Extension Term Annual Charges. The Annual Charge for each 10-year term extension term (the "Extended Term Annual Charge") shall be determined by calculating the average annual cost to DC Utility or its successors of delivering irrigation water to PRP for the final three years of the previous term, excluding administrative and overhead expenses, and adding ten percent for administration and overhead. The Extended Term Annual Charge for each year shall be increased by 2.5% of the Extended Term Annual Charge for the preceding 12 month period.

c. Overage Charges. If the irrigation water consumed by PRP in connection with the Boyce Property exceeds 360 acre feet per year, then PRP shall pay to DC Utility the actual cost of delivering such additional water plus ten percent for administrative and overhead, within thirty days after receipt of a billing for such additional usage.

d. Most Favorable Rate. If at any future time DC Utility establishes a lower rate for irrigation water for any customer than provided in this Agreement, that rate must be offered to PRP as a replacement rate for the remainder of the term or extension terms of this Agreement.

6. Successors and Assigns. DC Utility acknowledges that PRP's rights under this Agreement will automatically be assigned to a subsequent owner of the Boyce Property. The successors by purchase or assignment of both parties shall be bound by the terms of this agreement.

7. Grant of Easements. DC Utility hereby grants to PRP, and its successors and assigns, an easement and license covering all facilities and properties owned, used, leased or operated by DC Utility for the express purpose of permitting PRP (or its successors and assigns) to ensure a continued supply of water to the Boyce Property pursuant to this Agreement. The facilities and properties covered hereby include, without limitation, water right certificate G4-25768(A)(P), any and all water transmission and distribution systems, pipelines, water pumping systems and other facilities and properties necessary to provide water to the Boyce Property. Birdie hereby grants to PRP, and its successors and assigns, an easement and license to enter upon the Birdie Property, and PRP and its successors and assigns shall have the right at all times to enter on to such property in order to ensure the continued supply of water to the Boyce Property. DC Utility and Birdie shall execute the easements attached hereto as Attachments C and D, respectively, which shall be recorded in the real property records of Douglas County.

9. Arbitration. Any dispute concerning the interpretation of this Agreement, which cannot be resolved within 60 days after the commencement of the dispute, shall be determined by binding arbitration in accordance with the Superior Court Mandatory Arbitration Rules for the State of Washington. If the parties are not able to agree upon a single arbitrator within ten (10) days following demand therefor, then the arbitrator shall be appointed by the Washington Arbitration and Mediation Service. Any arbitrator must be independent, and shall have no prior business or personal relationship with any of the parties or their Affiliates and no prior business or personal relationship with the attorneys, accountants or other professional advisors of any of the parties or their affiliates of such nature as to cause actual bias or a reasonable appearance of bias. The decision of the arbitrator shall be final and binding upon the parties as to the question or questions submitted, and a judgment upon an award rendered in the arbitration proceedings may be entered in any court of competent jurisdiction. Each party shall pay one-half of the arbitrator's fees and costs, unless one party is ruled the prevailing party by the arbitrator, in which case the arbitrator, subsequent to the arbitration itself, may direct the non-prevailing party to pay the prevailing party's arbitrator's fees, as well as the prevailing party's attorney' fees and costs. The arbitration shall be brought in King County, Washington unless the parties mutually agree on a location outside said County.


10. Memorandum. This Agreement shall run with the Land, and the Memorandum of Water Service Agreement attached hereto as Attachment C shall be executed at the time this Agreement is executed, and may be recorded by any party in the real estate records of Douglas County, Washington.

11. Miscellaneous. This Agreement: (i) shall be governed by and construed in accordance with the laws of the state of Washington without reference to principles of choice or conflicts of laws; (ii) contains the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements and understandings with respect thereto; (iii) may not be amended, waived or modified except in writing signed by the party to be bound; (iv)

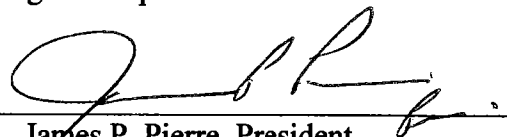
inures to the benefit of and is binding upon the parties hereto, their heirs, personal representatives, successors and assigns; (v) is severable, so that if any provision hereof shall be deemed illegal or unenforceable, the remaining provisions hereof shall remain in full force and effect; (vi) may be executed in any number of counterparts with the same effect as if all the parties had signed the Agreement, and all counterparts shall be construed together and evidence only one agreement; and (vii) subject to the arbitration clause above may be enforced in law or in equity by any court of competent jurisdiction, the losing party or parties in any final adjudication paying all of the costs and expenses (including reasonable attorneys' fees) of the prevailing party or parties in the dispute. This Agreement is not intended to confer any rights or remedies upon any person or entity other than the parties hereto. A facsimile or e-mail transmission of any signed original hereof, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, the other party or parties hereto will confirm e-mail or facsimile-transmitted signatures by signing an original hereof.

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

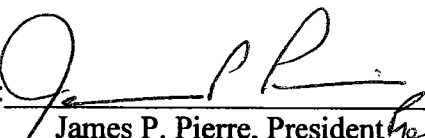
PIERRE RENTON PROPERTIES, LLC, a
Washington Limited Liability Company

By: 
James P. Pierre, Manager

DESERT CANYON UTILITY CO., a
Washington Corporation

By: 
James P. Pierre, President

BIRDIE PROPERTIES LLC, a
Washington Limited Liability Company

By: 
James P. Pierre, President

ATTACHMENT A

LEGAL DESCRIPTION OF BOYCE PROPERTY

A PARCEL OF LAND IN THE WEST HALF OF SECTION 27, TOWNSHIP 26 NORTH, RANGE 21, E.W.M., DOUGLAS COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 26 NORTH, RANGE 21, E.W.M.; THENCE NORTH 0°41'34" WEST ALONG THE WEST LINE OF SAID SECTION 27, 1330.41 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27; THENCE NORTH 89°27'54" EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27, A DISTANCE OF 1340.67 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27; THENCE SOUTH 0°43'35" EAST ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER 1330.55 FEET TO THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27; THENCE SOUTH 0°42'23" EAST ALONG THE WEST 1/16 LINE, 1332.41 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 27; THENCE CONTINUING SOUTH 0°42'23" WEST, 80.55 FEET; THENCE SOUTH 66°15'08" WEST, 174.15 FEET; THENCE SOUTH 48°28'55" WEST, 79.87 FEET; THENCE SOUTH 67°55'47" WEST, 130.62 FEET; THENCE SOUTH 70°20'45" WEST, 186.09 FEET; THENCE SOUTH 83°24'30" WEST, A DISTANCE OF 84.06 FEET; THENCE NORTH 74°44'36" WEST, A DISTANCE OF 90.29 FEET; THENCE SOUTH 81°11'07" WEST, A DISTANCE OF 196.49 FEET; THENCE SOUTH 67°17'46" WEST, A DISTANCE OF 255.69 FEET; THENCE SOUTH 70°08'34" WEST, A DISTANCE OF 139.90 FEET; THENCE NORTH 62°50'40" WEST, A DISTANCE OF 102.81 FEET TO THE WEST LINE OF SAID SECTION 27; THENCE NORTH 0°39'05" WEST ALONG THE WESTERLY LINE OF SAID SECTION 27, A DISTANCE OF 418.51 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 27; THENCE NORTH 0°39'09" WEST ALONG THE WEST LINE OF SAID SECTION 27, A DISTANCE OF 1332.09 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THAT PORTION LYING NORTH OF BRAYS LANDING ROAD,

AND EXCEPT THAT PORTION CONVEYED TO DOUGLAS COUNTY FOR ROAD BY DEED

RECORDED IN VOLUME 149, PAGE 265, UNDER AUDITOR'S FILE NO. 135064.

APN: 26212720010

ATTACHMENT B

ABBREVIATED LEGAL DESCRIPTION OF BIRDIE PROPERTY

PARCEL B, BOUNDARY LINE ADJUSTMENT 08-05 RECORDED UNDER AUDITOR'S
FILE NUMBER 3135062 ON JUNE 5, 2009, DOUGLAS COUNTY, WASHINGTON.

(located with the South ½ of Section 27, Township 26N, Range 21E, W.M.)

ASSESSOR'S FILE NUMBER 26212740005.

ATTACHMENT C

RECORDED AT THE REQUEST OF, AND
AFTER RECORDING RETURN TO:

Thomas M. Pors
Law Offices of Thomas M. Pors
1700 Seventh Avenue, Suite 2100
Seattle, WA 98101

EASEMENT AND MEMORANDUM OF WATER SERVICE AGREEMENT

Grantor: Desert Canyon Utility Company, a Washington corporation

Grantee: Pierre Renton Properties, LLC, a Washington limited liability company

Legal Description: Those water rights evidenced by Water Right Certificate G4-25768(A)P, which water rights are appurtenant to Grantor Desert Canyon Utility Company's service area located within Section 27, Township 26 North, Range 21 East, W.M.

Assessor's Tax Parcel ID# 26212740005

THIS EASEMENT AND MEMORANDUM OF WATER SERVICE AGREEMENT, dated as of the 26th day of December, 2013, is made by and between Desert Canyon Utility Company, a Washington corporation ("Grantor") and Pierre Renton Properties, LLC, a Washington limited liability company ("Grantee").

1. Affected Property. Grantor has, upon the terms and conditions set forth in that certain Water Rights Service Agreement Grantor and Grantee dated as of December 26, 2013 (the "Agreement"), which terms and conditions are incorporated herein by this reference, agreed to provide Grantee with irrigation water service utilizing Water Right Certificate G4-25768(A)P (the "Water Rights"), which Water Rights are appurtenant to Grantor's service area situated within Section 27, Township 26 North, Range 21 East, W.M. in Douglas County, Washington. Grantor's water system facilities are located on Assessor's Tax Parcel ID# 26212740005, portions of which are leased by Grantor.

2. Benefitted Property. Grantee owns approximately 90 acres of property located at Brays Landing Road, Orondo, WA 98843, Assessor's Tax Parcel ID# 26212720010, which benefits from Grantor's water system and water rights.

3. Grant of Easements. DC Utility hereby grants to Grantee, and its successors and assigns, an easement and license covering all facilities and properties owned, used, leased or operated by DC Utility for the express purpose of permitting Grantee (or its successors and assigns) to ensure a continued supply of water to the Grantee's property pursuant to this Agreement. The facilities and properties covered hereby include, without limitation, water right

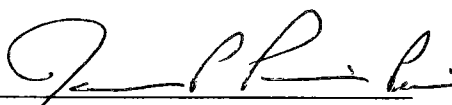
certificate G4-25768(A)(P), any and all water transmission and distribution systems, pipelines, water pumping systems and other facilities and properties necessary to provide water to the Grantee's property.

4. Purpose of Memorandum of Water Service Agreement. This Memorandum of Water Service Agreement is prepared solely for the purpose of recordation and in no way modifies the Agreement.

DATED this 26th day of December, 2013.


GRANTOR:

DESERT CANYON UTILITY CO., a
Washington Corporation

By: 
James P. Pierre, President

GRANTEE:

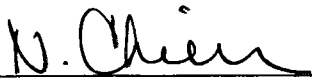
PIERRE RENTON PROPERTIES, LLC, a
Washington limited liability company


James P. Pierre, Manager

STATE OF WASHINGTON

COUNTY OF KING

On the 26th day of December in the year 2013 before me personally came James P. Pierre, to me known, who, being by me duly sworn, did depose and say that he is the President of Desert Canyon Utility Company, the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the said limited liability company.


Notary Public
Printed Name: Naritha Chim
My Commission Expires: 02/01/2014



ATTACHMENT D

RECORDED AT THE REQUEST OF, AND
AFTER RECORDING RETURN TO:

Thomas M. Pors
Law Offices of Thomas M. Pors
1700 Seventh Avenue, Suite 2100
Seattle, WA 98101

ACCESS AND MAINTENANCE EASEMENT

Grantor: Birdie Properties LLC, a Washington limited liability company
Grantee: Pierre Renton Properties, LLC, a Washington limited liability company
Legal Description: Parcel B, Boundary Line Adjustment 08-05 Recorded under Auditor's
File Number 3135062 on June 5, 2009

Assessor's Tax Parcel ID# 26212740005

THIS ACCESS AND MAINTENANCE EASEMENT, dated as of the 26th day of December, 2013, is made by and between Birdie Properties LLC, a Washington limited liability company ("Grantor") and Pierre Renton Properties, LLC, a Washington limited liability company ("Grantee").

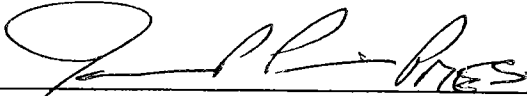
1. Grant of Easements. Grantor hereby grants to Grantee, and its successors and assigns, an easement and license to enter upon the Birdie Property for the purpose of maintaining the continued supply of water to the Grantee's property.

2. Benefitted Property. Grantee owns approximately 90 acres of property located at Brays Landing Road, Orondo, WA 98843, Assessor's Tax Parcel ID# 26212720010, which benefits from the water system and water rights appurtenant to Grantor's property described herein.

DATED this 26th day of December, 2013.

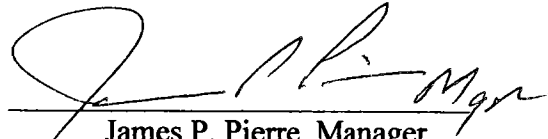
GRANTOR:

BIRDIE PROPERTIES LLC, a
Washington Limited Liability Company

By: 
James P. Pierre, President

GRANTEE:

PIERRE RENTON PROPERTIES, LLC, a
Washington limited liability company


James P. Pierre, Manager

STATE OF WASHINGTON

COUNTY OF KING

On the 20th day of December in the year 2013 before me personally came James P. Pierre, to me known, who, being by me duly sworn, did depose and say that he is the President of Birdie Properties LLC, the limited liability company described in and which executed the above instrument; and that he signed his name thereto by authority of the said limited liability company.

N. Chim
Notary Public
Printed Name: Naritha Chim
My Commission Expires: 02/01/2014

