EASEMENT FOR WATER MAINS

CHEVERON U.S.A. INC., a Pennsylvania corporation (the "Grantee"), for and in consideration of the sum of one dollar ($1.00) and other good and valuable consideration, hereby releases, conveys, and grants to Olympic View Water and Sewer District (the "Grantor"), and its successors and assigns an easement for water mains and appurtenances thereto and for other utilities under and upon the following described property (the "property") situated in Snohomish County, Washington, legally described as follows:

The North 20 feet of the South 34.70 feet of the east 520 feet together with the North 20 feet of the West 580 feet of the following described parcel:

SEC 35 TWP 27 RGE 9S

KT-28: BEG S-1/4 COR SEC TH N 00° 21’ 27” E 492.03 FT TO TPB TH N 89° 30’ 46” W 446.67 FT TH N 00° 39’ 39” E 34.70 FT TH N 89° 30’ 46” W 453.60 FT TH N 20 FT TH E 580 FT TH S 00° 21’ 27” W 20 FT TH S 89° 30’ 46” E 490.77 FT M/L TO TH E S C/L SEC TH S 00° 21’ 27” W ADJG N 6’ S C/L 34.70 M/L TO THE TPB LESS E 30’ CO. RD. SUBJ TO ESRTY U.S.A.

That said Grantee shall have the right without prior institution of any suit or proceeding at law, at times as may be necessary, to enter upon said property and adjoining property owned by the Grantor and its assigns and successors to install, lay, construct, renew, operate and maintain mains and necessary facilities and other equipment (collectively the "improvements"), for the purposes of serving the property and other properties with water and other utility service.

Also, the Grantor grants to the Grantee and to those acting under and for the Grantee the use of such additional area immediately adjacent to the above easement as shall be required for the construction of this water pipeline or the lines in the easement. Such additional area is to be held to a minimum necessary for that purpose. Immediately after the completion of the construction and installation or any subsequent entry upon the easement, the Grantee shall restore the additional area as near as may be to the condition immediately before such construction of entry.

The Grantor covenants that no permanent structure shall be erected and no large trees or shrubs shall be planted in the area of ground for which the easement in favor of Grantee has been provided herein.

Grantee shall not allow, use or cause to be used any part of said property for any unlawful conduct or purpose. Further, Grantee, its agents, employees and contractors shall comply with all laws and governmental orders, rules and regulations now or hereinafter applicable to the use of said property and the exercise of the rights herein granted. Grantee shall promptly pay and discharge any and all liens arising out of any work done, or suffered or permitted to be done, by Grantee on said property, and the Grantor is hereby authorized to post any notice or take any other action upon or with respect to said property that is or may be permitted by law to prevent the attachment of any such liens to said property; provided, however, that failure of Grantee to take any such action shall not relieve Grantee of any obligation or liability under this or any other paragraph of this easement.

Except as otherwise set forth herein, Grantor makes no representation or warranty whatsoever as to the physical condition of the property. Grantee
accepts the condition of the property and all adjacent real property of
Grantor, "AS IS" and "WITH ALL FAULTS" and Grantee agrees that its use of all
of said property shall be at its sole risk.

Grantee shall exercise the rights herein granted on said property in a
good, safe, careful, and proper manner, and at all times said property shall be
kept free from accumulation of all waste and debris reasonably associated with
the exercise of said rights. Grantee shall not allow, commit or cause to be
committed any destruction, misuse, alteration or neglect of said property.

Grantor reserves the right at any time and at Grantor's expense to
relocate the easement area and any improvements placed thereon by Grantee to
another location on real property owned by Grantor, and upon doing so, the
legal description of the property which is subject to this easement shall be
changed to the legal description of the relocated easement area. In the
relocation of the easement and the improvements located thereon, the Grantor
shall comply with the rules, regulations and standards of the Grantee, or any
other governmental agency having jurisdiction thereof.

Upon the violation by Grantee of any of the terms and conditions set
forth herein and the failure to remedy the same within thirty (30) days after
written notice from Grantor to do so, then at the option of Grantor this
easement shall forthwith terminate.

This easement shall terminate in the event that Grantee shall
permanently cease to maintain and operate said improvements or in the event
said improvements are removed from said property.

Grantee agrees to defend, indemnify and hold harmless Grantor, its
subsidiaries and affiliates and its and their directors, officers, agents and
employees (the "indemnitees") against all liability, costs, claims, losses,
damages, injuries and expenses (including without limitation any fines,
penalties, judgments, litigation costs and reasonable attorneys' fees) which the
indemnitees may sustain, incur or become liable for, including, but not limited
to, injury to or death of any person, including the employees, agents,
contractors, representatives, invitees of Grantee or of any indemnitee, and loss
of or damage to any property, including the property of Grantee or of an
indemnitee, arising out of or in any way connected with the exercise of the
rights herein granted, regardless in all cases whether or not such liability,
costs, claims, losses, damages, injuries and expenses shall have been caused or
contributed to by the passive, active or concurrent negligence of the
indemnitees, unless such liability, costs, claims, losses, damages, injuries or
expenses are proximately caused solely by the negligence or willful misconduct
of any indemnitee.

Grantee hereby recognizes Grantor's title and interest in and to said
property and agrees never to assail or resist Grantee's title or interest
therein. No legal title or leasehold interest in said property shall be
deemed or construed to have been created or vested in Grantee by anything
contained in this easement. It is expressly understood and agreed by Grantee
that Grantor shall be under no obligation to protect the privileges granted
hereunder as against third parties or trespassers by legal proceedings or
otherwise, and it is further agreed that Grantor shall not be liable in any
way for any interference with said privileges to which Grantee is entitled.

This easement and the covenants herein shall be covenants running with
land and shall be binding on the successors, heirs, and assigns of both
parties hereto.
This grant is subject to all valid and existing licenses, leases, grants, exceptions, reservations and conditions affecting said property.

This easement represents the entire agreement between Grantor and Grantee and supersedes any and all prior agreements and representations made relative to any easement or license agreement between Grantor and Grantee concerning said property. No amendment of this easement, or any other agreement or representation concerning said property shall be binding on any party to this easement, unless and until it is approved in writing by both parties hereto. No covenant or term of this easement shall be waived except with the express written consent of the waiving party whose forbearance or indulgence 'in any regard shall not constitute a waiver of such covenant or term. Failure to exercise any right in one or more instances shall not be construed as a waiver of the right to strict performance or as an amendment to this easement.

GRANTOR:

CHEVRON U.S.A., INC., a Pennsylvania corporation
By:  W.W. McNew
Title: Assistant Secretary
Date: March 20, 1996

ACCEPTED AND AGREED:

GRANTEE:

OLYMPIC VIEW WATER & SEWER DISTRICT
By:  
Title:  
Date: 3/25/96
STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

IN and for the State of California, personally appeared the above-mentioned

BEFORE MSDI nd the person of the person of the person, a duly accomplished and acknowledged, to me, and that the above

WITNESS me, by the act of the person of the person, a duly accomplished and acknowledged, to me, and that the above

in hand and official seal, the day and year first above written.

RECORDED BY SNOHOMISH COUNTY: BOB TERWILIGER, AUDITOR

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