

**FIRST AMENDMENT TO
CLEARVIEW WATER SUPPLY AGENCY
INTERLOCAL JOINT OPERATING AGREEMENT**

This First Amendment to Interlocal Joint Operating Agreement is entered into by the Board of Directors of Clearview Water Supply Agency ("CWSA"), which is comprised of elected representatives of Alderwood Water and Wastewater District, Cross Valley Water District, and Silver Lake Water District, which collectively are the members of CWSA. All parties to this Amendment may be referred to individually as "District" and collectively as "Districts."

RECITALS

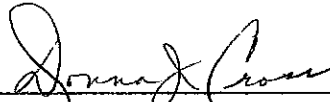
- A. WHEREAS, the Districts formed the CWSA in February 2005 by execution of an Interlocal Joint Operating Agreement (the "Operating Agreement"), and
- B. WHEREAS, the Operating Agreement contained a document, titled Exhibit A, that provided estimated construction costs for five construction segments, and an allocation for each District of current and future capacities at each of the five construction segments; and
- C. WHEREAS, the construction phase (known as Phase II) of CWSA was officially completed in 2006, and expenses incurred during the construction phase were recorded and accounted for in accordance with the five identified construction segments, and
- D. WHEREAS, the Districts desire to officially recognize and accept the final construction expenses, and to amend the Operating Agreement accordingly; and
- E. WHEREAS, paragraphs 23 and 24 of the Operating Agreement permit amendment of the Operating Agreement by unanimous vote of the Districts acting through the elected CWSA Board of Directors.

AGREEMENT

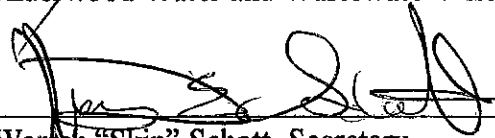
NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the Districts agree as follows:

- 1. The Operating Agreement is amended by substituting the attached Exhibit A, dated December 2010, for the Exhibit A attached to the Operating Agreement in February 2005. The attached Exhibit A shall be effective for all purposes.


ADOPTED by the Board of Directors of the Clearview Water Supply Agency, Snohomish County, State of Washington, at a regular meeting thereof held this 15th day of December 2010.



Donna J. Cross, President
Alderwood Water and Wastewater District



Warren "Skip" Schott, Secretary
Cross Valley Water District



Bill Anderson, Director
Silver Lake Water District

Exhibit A

(Revised December 2010)

CWSA Phase II (Construction)

Table I
Initial Construction Capacities & Expenses

	Pump Station \$6,252,853			River Crossing \$12,090,437			Pipeline A \$16,650,130			Pipeline B \$1,412,126			Reservoir \$5,074,894		
Agency	Capacity	% Share	Segment Expenses	Capacity	% Share	Segment Expenses	Capacity	% Share	Segment Expenses	Capacity	% Share	Segment Expenses	Capacity	% Share	Segment Expenses
AWWD	18.5	55.22%	\$3,452,825	18.5	40.66%	\$4,915,972	18.5	55.22%	\$9,194,202	18.5	71.98%	\$1,016,511	7.5	63.03%	\$3,198,463
SLWD	9	26.87%	\$1,680,142	9	19.78%	\$2,391,488	9	26.87%	\$4,473,890	1.2	4.67%	\$ 65,936	2.4	20.17%	\$1,023,508
CVWD	6	17.91%	\$1,119,886	18	39.56%	\$4,782,977	6	17.91%	\$2,982,038	6.0	23.35%	\$ 329,679	2.0	16.81%	\$ 852,923
Totals	33.5	100.00%	\$6,252,853	45.5	100.00%	\$12,090,437	33.5	100.00%	\$16,650,130	25.7	100.00%	\$1,412,126	11.9	100.00%	\$5,074,894

Table II
Future Capacities

	Pump Station			River Crossing			Pipeline A			Pipeline B			Reservoir		
Agency	Capacity	% Share	Incremental Capacity	Capacity	% Share	Incremental Capacity	Capacity	% Share	Incremental Capacity	Capacity	% Share	Incremental Capacity	Capacity	% Share	Incremental Capacity
AWWD	18.5	38.14%	0	18.5	38.14%	-0-	18.5	38.14%	-0-	18.5	45.45%	-0-	13.9	58.40%	6.4
SLWD	12.0	24.74%	3	12.0	24.74%	3	12.0	24.74%	3	4.2	10.32%	3	2.4	10.08%	-0-
CVWD	18.0	37.11%	12	18.0	37.11%	-0-	18.0	37.11%	12	18.0	44.23%	12	7.5	31.51%	5.5
Totals	48.5	100.00%	15	48.5	100.00%	3	48.5	100.00%	15	40.7	100.00%	15	23.8	100.00%	11.9