

After Recording Return to:  
James S. Casebolt  
Pattison Water Company, Inc.  
5626 Kagy St SE  
Olympia, WA 98513

## AGREEMENT RELATED TO WATER SYSTEM

COMES NOW Casa Bella Properties LLC (hereinafter "Casa"), and Pattison Water Company, Inc., a Washington corporation (hereinafter "Pattison"), and enter into this agreement related to that certain water system project in Thurston County to extend service to property in and around Yelm Hwy SE (the "Project") this 10<sup>th</sup> day of July, 2009.

### RECITALS

- A. Casa desires to receive water service from Pattison to serve a housing development known as Peterson Large Nine Lot Subdivision.
- B. Pattison owns and operates water systems within Thurston County, Washington and is willing to provide service to Casa.
- C. Casa needs to have a water extension constructed to serve its location and will construct such water extension according to Pattison's standards.

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

### AGREEMENT

1. Construction of Water System. Casa agrees to have the Project constructed according to Pattison's standard specifications. The Project is an eight inch PVC main 960 feet total, to be built in the Peterson Large Nine Lot Subdivision, including all necessary pipes, valves, and fittings, and two fire hydrants and taps for 9 services. If required, all plans will be approved by the Washington State Department of Health, Division of Drinking Water and Thurston County. Casa will be responsible for paying for and obtaining all permits, fees, design plans and contracts, layout, supervision, construction, and final completion.

2. **Conveyance and Acceptance.** Casa shall convey the Project to Pattison by bill of sale. Pattison shall pay Casa for the Project in the amount of Nineteen Thousand Seven Hundred Forty Seven and 00/100 Dollars (\$19,747.00) to be paid in monthly payments of One Thousand Dollars and 00/100 (\$ 1,000.00). The first payment shall be due on or before the first day of the first full month following acceptance of the Project by Pattison. Interest shall accrue on the declining balance of amount due at the rate of 4.00% per annum and interest shall begin to accrue from the date the first payment is due. Pattison shall have no duty to accept the Project prior to completion of construction and final inspection. Acceptance shall be the date Pattison delivers a written notice of acceptance to Casa.
3. **Operation.** From the date of acceptance of the Project, Pattison shall, subject to approval by the Washington Utilities and Transportation Commission, maintain and operate the Project.
4. **Connection.** Nothing in this Agreement entitles Casa or Casa's successors or assigns to connect to Pattison's water system, including the Project, except in accordance with the terms, conditions and charges in Pattison's tariff filed with the Washington Utilities and Transportation Commission. Casa covenants and agrees that each developer or lot owner at the time a water hook-up is requested will pay a facilities charge, which is currently \$1,200.00 per lot, plus Pattison's hook-up fee, which is currently \$656.00. This covenant and agreement is binding upon all successors in interest and assigns of Casa. A copy of this Agreement shall be recorded with the Thurston County Auditor after it is approved by the Washington Utilities and Transportation Commission and before construction of Peterson Large Lot Subdivision begins.
5. **Ready to Serve Charge.** Casa is developing nine (9) lots at Peterson Large Lot Subdivision which will eventually be served by water delivered through the Project. Casa needs water for building, sales, irrigation of landscaping for sale and other purposes. Pattison is willing to supply such water under a "Ready to Serve" charge of \$12.00 per month per lot. Casa agrees to pay the Ready to Serve charge for each lot from the date the Project is accepted by Pattison, to the date a residential subscriber purchases a lot and becomes a customer of Pattison. The Ready to Serve charge shall be billed monthly and shall be due upon billing. Any amounts not paid when due shall bear interest at the rate of one percent per month, prorated daily to date of payment.

6. **Landscape Trees.** Casa agrees that they, their successor's and assigns will plant no trees or shrubs closer than ten feet (10') from any water company fire hydrant, water meter, or blow-off assembly so as to prevent future damage from tree roots.
7. **Disclaimer.** Pattison does not warrant delivery of any specific quantity of water, and Pattison's standard specifications are designed to produce only the minimum state standards in effect at the time of this Agreement. Casa is relying on Casa's own knowledge to determine the adequacy of the Project to meet Casa's needs.
8. **Contingencies to Closing.** This Agreement is subject to approval of the Washington Utilities and Transportation Commission.
9. **Warranties of Casa.** Casa warrants and represents that they are authorized to do business in the State of Washington, that entering into this Agreement will not place them in default or in violation of any other agreement or deed or security interest. These warranties shall survive closing.
10. **Warranties of Pattison.** Pattison warrants that it is a corporation authorized to do business in the State of Washington, and that this Agreement has been approved by an appropriate corporate resolution. These warranties shall survive closing.
11. **Amendment.** No modification, amendment, addition to or termination of this Agreement, nor waiver of any of its provisions shall be valid or enforceable unless in writing and signed by all parties.
12. **Attorney Fees.** In the event of litigation to enforce this Agreement or any provision thereof, the substantially prevailing party, in addition to other relief awarded, shall be entitled to recover their reasonable attorney fees, including fees on appeal, if any.
13. **Binding Effect.** This Agreement shall bind the parties and their respective heirs, executors and administrators. Any provision of this Agreement which is prohibited by law or is unenforceable shall be inoperative to such extent and all of the remaining provision shall continue in effect.
14. **Construction.** This Agreement:
  - a. Contains the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, representations or understandings, written or oral, between parties hereto relating to subject matter.

- b. Shall be governed by and construed in accordance with the laws of the State of Washington.
  - c. Contains captions which are used for convenience only and shall not be considered in the interpretation of this Agreement.
  - d. May be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.
  - e. The masculine, feminine, singular and plural of any word or words shall be deemed to include and refer to the gender or number appropriate in the context.
14. **Default.** If either party defaults hereunder, the other may seek specific performance under the terms of this Agreement, damages or rescission.
15. **Venue.** In the event of a dispute, exclusive venue shall lie in Thurston County, Washington.
16. **Independent Counsel.** The parties acknowledge that they have been advised to seek representation in the negotiations for and in the preparation of this Agreement, by independent counsel of their choice and that they have read this Agreement, have had its contents fully explained to them by such counsel, and are fully aware of the contents and of its legal effect.
17. **Interpretation of Fair Construction of Contract.** This Agreement has been reviewed and approved by each of the parties. In the event it should be determined that any provision of this Agreement is uncertain or ambiguous, the language in all parts of this Agreement shall be in all cases construed as a whole according to its fair meaning and not strictly construed for nor against either party.
18. **Notices.** Any notice required or desired to be served, given or delivered hereunder shall be in writing, and shall be deemed to have been validly served, given or delivered upon deposit in the United States Mail by registered or certified mail with proper postage prepaid and addressed to the party to be notified as follows:


Pattison:                      Pattison Water Company, Inc.  
   Attention: Jim Casebolt  
   5626 Kagy St SE  
   Olympia, WA 98513

Casa: Casa Bella Properties LLC.  
Attention: James Peterson  
5121 Sunset Ct NE  
Olympia WA 98516

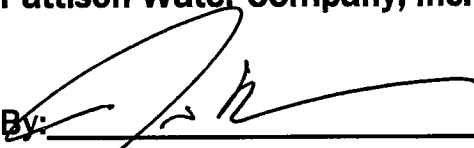
19. **Non-Waiver.** It is agreed that the failure of either party to this Agreement at any time or from time to time to enforce any of the provisions of this Agreement shall not be construed as a waiver of such provision or such party's right to thereafter enforce each and every provision hereof.
20. **Force Majeure.** Neither party shall be entitled to any claim for damages on account of hindrances or delays from any cause whatsoever, including but not limited to weather, governmental action, unexpected difficulties in construction, labor disputes or unrests, accidents or injuries, or other cause, that is beyond the control of the party.
21. **Regulatory Approval.** Pattison's acceptance of the Project is subject to approval by the Washington Utilities and Transportation Commission which requires this Agreement to have been filed with it at least thirty (30) days prior to transfer of the Project (effective date of Agreement). Casa further understands Washington Utilities and Transportation Commission approval is not automatic, and Pattison has not guaranteed or warranted such approval.

This Agreement is entered into the date first set forth above.

**Casa Bella Properties LLC**

By:   
James Peterson  
Its: Member

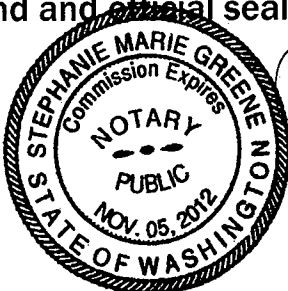
**Pattison Water Company, Inc.**

By:   
James S. Casebolt  
Its: President

STATE OF WASHINGTON )  
 : ss.  
County of Thurston )

On this day personally appeared before me James Peterson to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 7<sup>th</sup> day of July, 2009



Stephanie Marie Greene

NOTARY PUBLIC in and for  
the State of Washington,  
My commission  
expires: 11/05/2012

STATE OF WASHINGTON )  
 : ss.  
County of Thurston )

On this day personally appeared before me James S. Casebolt to me known to be the President of Pattison Water Company, Inc., the corporation described in and that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of said corporation.

GIVEN under my hand and official seal this 30<sup>th</sup> day of July, 2009



Nathan Burnside

NOTARY PUBLIC in and for  
the State of Washington,  
My commission  
expires: 12/20/2012

## Yelm Hwy Large Lot Plat

### Labor

Job	Hours	Hourly Rate	Extension
Equipment Operators	48	\$40.00	\$1,920.00
Supervisor	40	\$50.00	\$2,000.00
Laborers	120	\$30.00	\$3,600.00
		Labor Total	<b>\$7,520.00</b>

### Miscellaneous Expenses

	DAYS		
Pickup Trucks	8	\$100.00	\$ 800.00
Backhoe Rental	4	\$300.00	\$ 1,200.00
Dozer Rental	4	\$300.00	\$ 1,200.00
Trailer Rental	4	\$100.00	\$ 400.00
Engineering & Mobilization	LS	\$ 3,000.00	\$ 3,000.00
Hoe Pack Compactor	2	\$100.00	\$ 200.00
Relocate Vacuum Breaker	1	\$600.00	\$ 600.00
Bac T Test	2	\$20.00	\$ 40.00
Test Pump Rental	2	\$60.00	\$ 120.00
Fuel, Grease, Oil	LS	\$500.00	\$500.00
Cut and Patch Asphalt	LS	\$800.00	\$800.00
Crushed rock	10	\$16.00	\$160.00
Pea Gravel	10	\$16.00	\$ 160.00
County Road Permit	1	\$850.00	\$ 850.00
			<b>\$ 10,030.00</b>

### Summary of Costs

Materials	\$12,478.25
Labor	\$7,520.00
Misc. Expenses	\$ 10,030.00
<b>Subtotal</b>	<b>\$30,028.25</b>
Overhead @ 10%	\$3,002.83
<b>Subtotal:</b>	<b>\$33,031.08</b>
Profit @ 10%	\$3,303.11
<b>Subtotal:</b>	<b>\$36,334.18</b>
<b>Bid Price:</b>	<b>\$36,400.00</b>
Excise Tax @ 8.5%	\$3,094.00
<b>Total Cost</b>	<b>\$39,494.00</b>

PATTISON WATER COMPANY

<b>Yelm Hwy Large Lot Plat BID SHEET</b>				
<b>Materials</b>				
<b>ITEM</b>	<b>Quantity</b>	<b>Familian NW</b>		<b>W/O Svcs</b>
8" PVC class 200 pipe	960	\$4.660	\$4,473.60	\$4,473.60
1" Drisco 200 psi	300	\$0.470	\$141.00	\$0.00
6" Ductile Iron Pipe	18	\$13.800	\$248.40	\$248.40
8"x 6" MJxFlange Tee	2	\$172.420	\$344.84	\$344.84
6" Flg Tee	1	\$138.820	\$138.82	\$138.82
6" x 8" Reducer Flg x MJ	1	\$288.690	\$288.69	\$288.69
6" MJ x Flange Gate Valve	4	\$444.270	\$1,777.08	\$1,777.08
6" Flg x Flg Gate Valve	1	\$460.920	\$460.92	\$340.29
Mega Lugs 6" Ductile	4	\$17.710	\$70.84	\$70.84
6" MJ Transition Gasket	2	\$4.490	\$8.98	\$8.98
6" MJ Bolt Kits	2	\$8.660	\$17.32	\$17.32
8" MJ Transition Gasket	6	\$5.870	\$35.22	\$35.22
8" MJ Bolt Kits	6	\$9.390	\$56.34	\$56.34
6" Flange Pack Neo rings & Bolts	5	\$14.180	\$70.90	\$70.90
8" MJ Plug	1	\$38.460	\$38.46	\$38.46
6" Compression Couplings, Romac	1	\$121.350	\$121.35	\$121.35
2500 gpm ASTM Fire Hydrants 5' Bury	2	\$1,584.410	\$3,168.82	\$3,168.82
Stortz Fittings, Fire Hydrants	2	\$121.050	\$242.10	\$242.10
8" x 1" Saddle Double Strap	5	\$34.970	\$174.85	\$0.00
1" Stainless Inserts	10	\$1.270	\$12.70	\$0.00
1" IPS x Comp FIP Coup	5	\$13.350	\$66.75	\$0.00
1" Ball valve w/ pack joint	5	\$52.120	\$260.60	\$0.00
3/4" Meter Setter with check valve 12" high	9	\$76.210	\$685.89	\$0.00
3/4" IPS x 1" insert brass adapter	10	\$4.500	\$45.00	\$0.00
Y branch Meter Yoke (7" spread)	4	\$20.150	\$80.60	\$0.00
MS 13x24x12 Plas MTR BX	5	\$51.190	\$255.95	\$0.00
MS Ductile reader lid 13x24 no hole	5	\$54.230	\$271.15	\$0.00
14 Gauge Locate Wire	1,500	\$0.07000	\$105.00	\$105.00
Warning tape	1,000	\$0.0245	\$24.50	\$24.50
Valve Box Tops (950)	5	\$60.870	\$304.35	\$304.35
Valve Box Lids (950)	5	\$18.800	\$94.00	\$94.00
Valve Box Bottoms 24"	5	\$23.510	\$117.55	\$117.55
Chlorine	2	\$22.000	\$44.00	\$44.00
Wire Splice Kits	10	\$3.680	\$36.80	\$36.80
Thrust Blocks	5	\$30.000	\$150.00	\$150.00
Concrete Pads	4	\$40.000	\$160.00	\$160.00
			<b>\$14,593.37</b>	<b>\$12,478.25</b>