

**WATER SYSTEM EXTENSION AGREEMENT**

**THIS AGREEMENT** is entered into this 4th day of June, 2018, between **RAINIER VIEW WATER CO., INC.**, a corporation organized under the laws of the State of Washington, hereinafter referred to as the "Owner," and **CAPSTONE HOMES, INC.**, a Washington Corporation organized under the laws of the State of Washington, hereinafter referred to as "Developer."

**RECITALS**

1. The Developer has proposed to install a water distribution main and related operating equipment and appurtenances to Owner's standards and specifications.
2. Owner owns and operates a public water system, and is willing to provide water service to Developer and own and operate the water distribution main and related operating equipment and appurtenances if constructed to Owner's standards and specifications.

**NOW, THEREFORE**, in consideration of the mutual promises and benefits to be derived, it is agreed as follows:

**AGREEMENT**

1. Developer shall install a water distribution main and related operating equipment and appurtenances ("System Extension") to Owner's Conditions and Standards, a copy of which is attached hereto as Exhibit "A", and by this reference incorporated herein, at the location described below:

**KNOBLE ROAD SHOT PLAT**

**7 ERUs**

The details of the System Extension are described on Drawing No. 1, attached hereto as Exhibit "B" and by this reference incorporated herein.

2. Developer shall provide a construction performance and maintenance bond which holds Owner harmless from the negligence of Developer, its agents, liens, third-party liability, and defective materials or equipment, a copy of said bond is attached hereto as Exhibit "C" and by this reference incorporated herein.

3. Developer shall procure and insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Developer, its agents, representatives, employees or subcontractors. The insurance required shall include the specific coverages and be written for not less than the limits of liability and coverages listed below or required by law, whichever is greater.

Workers Compensation, etc., shall have the following minimum limits:

- |    |   |             |
|----|---|-------------|
| A. | State                                     | Statutory   |
| B. | Applicable Federal (e.g., longshoremens') | Statutory   |
| C. | Employer's Liability                      | \$1,000,000 |

Comprehensive General Liability shall have the following minimum limits:

- |    |  |               |
|----|--|---------------|
| A. | Bodily injury (including completed operations and products liability): |               |
|    | \$1,000,000  | Each Person   |
|    | \$1,000,000  | Each Accident |

Property Damage:

- |    |  |                  |
|----|--|------------------|
|    | \$1,000,000  | Each Occurrence  |
|    | or a combined single limit of  | \$1,000,000      |
| B. | Property Damage liability insurance will provide explosion, collapse and underground coverages where applicable. |                  |
| C. | Personal injury, with employment exclusion deleted   |                  |
|    | \$1,000,000  | Annual Aggregate |

Comprehensive Automobile Liability shall have the following minimum limits:

Bodily Injury:

\$1,000,000	Each Person
\$1,000,000	Each Occurrence

Property Damage:

\$1,000,000	Each Occurrence
or combined single limit of	\$1,000,000

The comprehensive general liability insurance will include completed operations insurance. All of the policies of insurance so required to be purchased and maintained (or the certificates) for the coverage afforded will not be canceled, materially changed or renewal refused until at least forty-five (45) days' prior written notice has been given to Owner by certified mail. All such insurance shall remain in effect until completion of the System Extension and the delivery of all documents required under Paragraph 11 and the System Extension passing inspection by Owner's Engineer and the payment by the Developer of all sums owed by Developer under this Agreement for Phase 1, as defined herein, and at all times thereafter when Developer may be correcting, removing or replacing defective work. In addition, Developer shall maintain such completed operations insurance for at least one (1) year after Date of Acceptance, as defined hereinafter, and furnish Owner with evidence of continuation of such insurance. The original policy or a signed certificate of insurance shall be filed with the Owner.

4. Insurance Coverage Certificates.

Prior to the commencement of work, the Developer shall furnish to the Owner acceptable proof of insurance on a form acceptable to the Owner. All insurance certificates must have the project title and address. All insurance certificates shall specifically require forty-five (45) days' prior notice to the Owner of cancellation or any material change. Owner shall be named as an additional insured on all certificates of insurance.

5. All work by Developer shall be subject to passing inspection by Owner's Engineer to assure that the work has been completed consistent with the approved plans and applicable standards. Developer shall pay for the cost of inspection within ten (10) days from the date of inspection.

6. Developer has previously submitted an application to construct the System Extension, and in that application made certain promises, representations and warranties. Said application is attached hereto as Exhibit "D," and by this reference incorporated herein. Developer specifically reaffirms said promises, representations and warranties contained in Exhibit "D."

7. Developer shall pay for any improvements to Owner's system required by the Owner's Comprehensive plan as determined by Owner's Engineer to serve the location set out in paragraph 1, above, or required by a governmental agency for Owner to serve System Extension.

8. Developer shall install water services as contemplated by the System Extension. Services shall be installed up through the saddle and service line as shown on Exhibit "E" by the Date of Acceptance, as defined herein, and Developer shall provide to Owner the meter setters and meter boxes and U branches as required for double services for each service or double service, as appropriate.

9. Developer shall furnish all necessary conveyances in form to be approved by the Owner, including, but not limited to: (1) a duly executed easement for access to the area around said System Extension for purposes of maintaining and repairing, if necessary, the System Extension either as dedicated on the recorded plat ~~or by separate easement, a copy of which easement is attached hereto as Exhibit "F" if needed;~~ and (2) a Bill of Sale in the form attached hereto as Exhibit "G."

10. From the Date of Acceptance of the System Extension, Owner shall, subject to approval by the Washington Utilities and Transportation Commission, maintain and operate the System Extension. Owner has no duty to accept the System Extension, or

any portion thereof, if the System Extension does not pass inspection by Owner's Engineer or does not conform strictly to Owner's Conditions and Standards. As used in this Agreement, Date of Acceptance is the date that the last of the following events occurs: (1) payment by Developer of all sums owed by Developer under this Agreement or tariff; (2) delivery of all documents required under paragraph 9; or (3) the System Extension passing inspection by Owner's Engineer.

11. Nothing in this Agreement entitles Developer or Developer's successors or assigns to connect to Owner's water system, including System Extension, except in accordance with the terms, conditions and charges in Owner's tariff filed with the Washington Utilities and Transportation Commission.

12. Owner does not warrant delivery of any specific quantity or quality of water, and Owner's Standards and Conditions are designed to produce only the minimum state standards in effect at the time of this Agreement. Such standards may not be sufficient for large lots, some commercial developments, agricultural use or highly landscaped lots. Developer is relying on Developer's own knowledge to determine the adequacy of the System Extension to meet Developer's needs and those of Developer's assigns and successors in interest.

13. Developer shall pay One Thousand Nine Hundred Sixty-one Dollars (\$1,961.00) per residential equivalent (7 total ERUs) for which water service is proposed to be provided by the System Extension as a Developer Contingency Charge. Payment of the sum of Thirteen Thousand Seven Hundred Twenty-Seven Dollars (\$13,727.00) under this paragraph shall be due and payable within five (5) days of the date this Agreement is approved by the Washington Utilities and Transportation Commission, which approval may occur by the passage of time (thirty days after filing).

14. The value of the System Extension is taxable as a contribution in aid of construction. The effective tax rate is 26.5823%. The value of the System Extension is estimated to be Seventeen Thousand Four Hundred and 00/100 Dollars (\$ 17,400.00 ).

The estimated amount that Developer shall pay to Owner the sum of Four Thousand Six Hundred Twenty Five and 32/100 Dollars (\$ 4,625.32 ). The final cost (the "Value") of the System Extension shall be agreed by Developer and Owner upon completion of the System Extension. Developer shall pay to Owner 26.5823% of the Value (the "CIAC Tax"). The CIAC Tax is due and payable within five (5) days of the date the System Extension is found by Owner's engineer to be ready for delivery to Owner.

15. Developer shall pay to Owner upon signing of this Agreement, the sum of Two Thousand Dollars (\$2,000.000) develop this Agreement and submit this Agreement to the Washington Utilities and Transportation Commission for approval.

16. Developer shall design all irrigation and landscaping for open space or areas not part of a lot on which a single family residence will be constructed that may be part of the plat served by the System Extension to serve conservation goals. Design criteria shall be to use no more than eight hundred (800) gallons per irrigation ERU per day during peak season of May through September. The design criteria shall also be a usage criterion. The calculation of the eight hundred (800) gallon per ERU per day usage limitation shall be made on a monthly basis. Under this method of calculation, water that is not used in a month may not be saved or "banked" for use in a later month in the irrigation season. In addition, Developer agrees to adopt a "best practices" approach to the use of irrigation service. This best practices approach includes, but is not limited to, the following: (a) irrigation of grass areas at a rate of no more than one (1) inch per week; (b) sizing irrigation sprinklers and installing irrigation sprinklers to provide as near a uniform coverage of grass-landscaped areas as feasible; (c) not using watering practices that involve a "sponge" approach where water is applied in one area with the thought that it will eventually provide coverage of other areas through the water traveling over, through or under the ground; (d) not irrigating when the temperature is

forecasted to exceed ninety (90) degrees Fahrenheit; and (e) installing rain sensors at each irrigation location so that irrigation does not occur during or shortly after rainfall. Developer warrants that it will use its best efforts to meet these conservation goals. Notwithstanding anything to the contrary contained herein, all irrigation use is subject to the terms of Owner's tariff, including, but not limited to Owner's ability to limit or stop irrigation for periods of time.

17. This Agreement may be terminated by Owner, at Owner's discretion, upon ten (10) calendar days' written notice to Developer, if Developer fails to pay any amounts due under this Agreement when due. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

If this Agreement is terminated under this provision, Owner shall have no obligation to provide service to Developer or Developer's successors or assigns, and Developer shall forfeit any rights in the System Extension.

18. Miscellaneous.

a. Jurisdiction. This Agreement is made with reference to and is intended to be construed in accordance with the laws of the State of Washington. The parties agree that the venue for any suit brought hereunder shall be laid exclusively in Pierce County, Washington.

b. Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the successors, heirs, assigns and personal representatives of the parties.

c. Execution of Counterpart. This Agreement shall be executed separately or independently in any number of counterparts, each and all of which together shall be deemed to have been executed simultaneously and for all purposes be one agreement.

d. Construction. This Agreement shall not be construed more favorably to one

party over another, notwithstanding the fact that one party, or its attorney, may have been more responsible for the preparation of the document.

e. Attorney's Fees. In the event that any party hereto retains an attorney to enforce any of the provisions hereof, then the substantially prevailing party shall be entitled to reasonable attorney's fees incurred in both trial and appellate courts, or fees incurred without suit and all court and accounting costs.

f. Survival. All of the obligations (except to the extent performed), warranties and representations in this Agreement shall survive the closing.

g. 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, and further, no modification or amendments of specifications or approval of "approved equal" materials shall be valid or enforceable unless approved in writing by Owner's Engineer.

h. Waiver. No failure on the part of either party to exercise, and no delay in exercising, any rights hereunder shall operate as a waiver thereof; nor shall any waiver or acceptance of a partial, single or delayed performance of any term or condition of this Agreement operate as a continuing waiver or a waiver of any subsequent breach thereof.

i. Notices. Any notice provided for in this Agreement shall be deemed given if it is in writing and is personally delivered or sent by certified mail, postage prepaid, return receipt requested, and delivered or addressed as set forth below, or to such other address as the parties may hereafter designate by notice given in the same manner.

To Owner: RAINIER VIEW WATER COMPANY, INC.  
P.O. BOX 44427  
TACOMA, WA 98444



To Developer: Capstone Homes, Inc  
P.O. Box 139  
21750 Dorre Don Way SE  
Maple Valley, WA 98038

j. Effective Date. For purposes of transfer of the System Extension, and Owner's obligations herein, the effective date of this Agreement shall be thirty (30) days after this Agreement is filed with the Washington Utilities and Transportation Commission, unless this Agreement is suspended by the Washington Utilities and Transportation Commission, in which case the execution date shall be when the suspension is lifted.

19. The Owner's acceptance of the System Extension 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 System Extension (effective date of Agreement). Developer understands that any work done on the System Extension prior to Washington Utilities and Transportation Commission approval is done at its sole risk and Owner has no duty to accept said work. Developer further understands Washington Utilities and Transportation Commission approval is not automatic and Owner has not guaranteed or warranted such approval.

20. Other than for breach and termination under Paragraph 17, if Owner finds Developer to be in breach of any term of this Agreement, Owner shall provide Developer with notice of breach, setting out the nature of the breach. Developer shall cure said breach within thirty (30) days of receipt of notice, which receipt is deemed to occur three (3) business days after deposit of said notice in the U.S. mail, postage prepaid. If Developer fails to cure said breach within said thirty (30) days after receipt of notice, Owner, at its sole discretion, may terminate this Agreement at any time after the period for cure has passed. Upon termination, Owner shall have no further obligation of any nature to Developer or Developer's successors-in-interest.

21. To the extent allowed by law, the Developer shall hold Owner and its officers, agents, and employees harmless from all suits, claims or liabilities of any nature, including attorney's fees, costs, and expenses for or on account of injuries or damages sustained by any persons or property resulting from negligent or willful activities or omissions of the Developer, its agents, employees, or on account of any unpaid wages or other remuneration for services or for failure to comply with Chapter 19.122 RCW ("dig-up laws") or any violation of county franchise requirements; and if judgment be rendered or settlement made requiring payment of damages by Owner, which damages are based in whole or in part on the negligent or willful activities or omissions of the Developer, its agents or employees, or on account of any unpaid wages or other remuneration for services or for a violation of Chapter 19.122 RCW or county franchise requirements, the Developer shall pay the same.


22. By signing this Agreement, Developer warrants that it is a ~~limited liability~~ <sup>S CORPORATION</sup> company in good standing in the State of Washington, that the person signing on Developer's behalf is authorized to do so and such signature shall bind Developer and that execution of this Agreement shall not put Developer in breach of any other agreement, including, but not limited to, financing or security arrangements.

23. OWNER HEREBY DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR INTENDED PURPOSE, COURSE OF TRADE, AND COURSE OF DEALING.

[Signatures on next page)

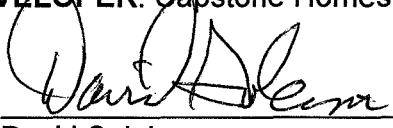
**EXECUTED** by the parties the date first written above.

**OWNER:** RAINIER VIEW WATER CO., INC.

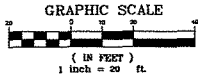
By:   
Robert Blackman

Its: Manager

**DEVELOPER:** Capstone Homes, Inc.

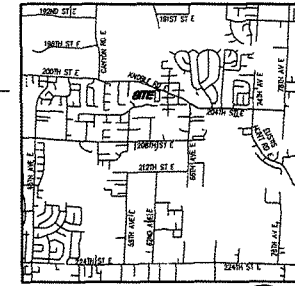
By:   
David Soleim

Its: Governor

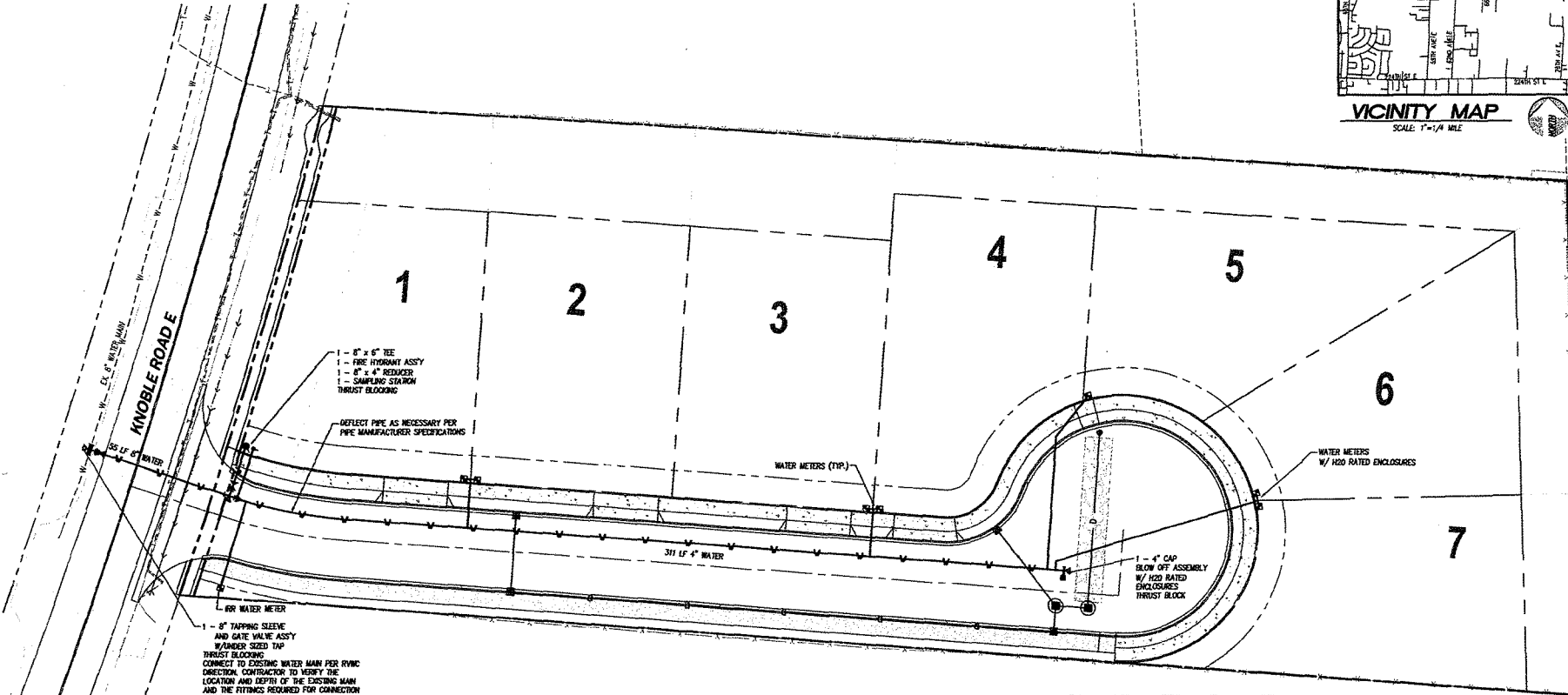


**RAINIER VIEW WATER COMPANY**  
**KNOBLE ROAD SHORT PLAT - WATER MAIN EXTENSION - PLAN**  
 A PORTION OF SEC. 06, TWP. 18 N, RGE 4 E, W.M.  
 PIERCE COUNTY, WASHINGTON

DESIGN APPROVAL, DATE 5-23-18  
 RAINIER VIEW WATER COMPANY



**VICINITY MAP**  
 SCALE 1"=1/4 MILE



**LEGEND:**

	FIRE HYDRANT
	FIRE DEPT. CONNECTION (FDC)
	WATER METER
	BLOW-OFF VALVE
	GATE VALVE
	REDUCER
	AIR VACUUM RELEASE VALVE
	SAMPLING STATION
	TAPPING TEE
	PROPOSED WATER LINE
	EXISTING WATER LINE



APPROVED  
 05/11/2018 1:43:56 PM  
 862925 LR

**GENERAL NOTES:**

- CONSTRUCTION METHODS FOR PIPE AND FITTINGS SHALL BE IN ACCORDANCE WITH DIVISIONS 7 AND 9 OF THE LATEST EDITION OF THE STANDARD PLANS AND STANDARD SPECIFICATIONS FOR ROAD, BRIDGE AND MUNICIPAL CONSTRUCTION (9000/9100) EXCEPT ALL REFERENCES TO ENGINEER SHALL BE CHANGED TO OWNER.
- PIPE MATERIAL SHALL BE CLASS 52 DUCTILE IRON PIPE.
- BLOW-OFF ASSEMBLIES SHALL BE INSTALLED WHERE SHOWN ON THE PLANS.
- AIR RELEASE VACUUM VALVES SHALL BE INSTALLED WHERE SHOWN ON THE PLANS AND ALL SYSTEM HIGH POINTS.
- SAMPLING STATIONS SHALL BE INSTALLED APPROXIMATELY WHERE SHOWN ON THE PLANS OR ADDED PER RAINIER VIEW DIRECTION. FINAL LOCATION(S) TO BE DETERMINED IN THE FIELD BY RAINIER VIEW.
- PIPE SHALL HAVE A MINIMUM OF 36 INCHES OF COVER. EXACT DEPTH OF PIPE SHALL BE DETERMINED IN THE FIELD TO GENERALLY CONFORM TO TOPOGRAPHY. PIPE SHALL MAINTAIN POSITIVE SLOPE BETWEEN BLOW-OFFS AND AIR RELEASE VALVES.
- PRESSURE TESTING AND DISINFECTION SHALL BE IN ACCORDANCE WITH DIVISION 7 OF THE ABOVE REFERENCED SPECIFICATION.
- SOME UTILITIES SHOWN ARE BASED UPON AS-BUILT PLANS. THE LOCATIONS ARE APPROXIMATE ONLY. NOT ALL EXISTING UTILITIES AND SERVICES HAVE BEEN LOCATED OR SHOWN. THE CONTRACTOR SHALL LOCATE OR HAVE LOCATED ALL UNDERGROUND UTILITIES PRIOR TO BEGINNING CONSTRUCTION. THE ONE-CALL NUMBER IS 1-800-424-5000. NOT ALL UTILITY OWNERS OR OPERATORS SUBSCRIBE TO THE ONE-CALL SERVICE.
- EASEMENTS, FRANCHISES AND PERMITS SHALL BE OBTAINED FOR ALL WATER LINE CONSTRUCTION. MINIMUM EASEMENT WIDTHS SHOULD BE 15 FEET.
- THE OWNER, HIS REPRESENTATIVE, OR THE CONTRACTOR SHALL BE REQUIRED TO SCHEDULE A PRE-CONSTRUCTION CONFERENCE FOR ALL WATER CONSTRUCTION SHOWN ON THESE PLANS. THE CONFERENCE SHOULD BE SCHEDULED BY CALLING (253) 537-6634 TWO WEEKS PRIOR TO COMMENCEMENT OF WORK.

**RAINIER VIEW WATER COMPANY NOTES:**

- ANY REQUIRED SPECIFICATIONS NOT INDICATED WILL FOLLOW MOST CURRENT "STANDARD SPECIFICATIONS FOR RAINIER VIEW WATER COMPANY" AND ANNA STANDARDS.
- ALL PIPING TO BE BORED 4" MINIMUM UNDER PIPE AND 6" MINIMUM OVER PIPE. BOREING UNDER PIPE TO BE PLACED IN BENCH PRIOR TO INSTALLING WATER MAIN.
- USE 14 GAUGE LOCATE (TRACER) WIRE, ATTACHED TO WATER MAIN AND ALL FACILITIES. LOOP TO TOP OF ALL VALVE BOXES AND BLOW OFF VALVES.
- DETECTION TAPE TO BE 4" TO 24" BELOW FINISH GRADE, RUN DETECTION TAPE OVER MAINS AND SERVICE LINES.
- ALL VALVE RISERS TO BE CAST IRON.
- ALL FIRE HYDRANTS TO BE "700", "M & H", OR "WHEELER CENTERBOR" TYPE ONLY. ALL HYDRANTS TO BE EQUIPPED WITH 5" STORZ ADAPTORS.
- ALL HYDRANTS TO BE SECURED WITH SHADOLE (TIC) RODS OR MEDIA-LUG CONSTRUCTION.
- ALL BLOW-OFFS, AIR RELEASE/VACUUM VALVES, AND SAMPLING STATIONS TO MEET RAINIER VIEW WATER COMPANY APPROVAL PRIOR TO INSTALLATION.
- ALL BLOW-OFFS TO BE INSTALLED WITHIN CONCRETE BLOW-OFF/METER BOX, SET TO FINISH GRADE, AND MEETING HS-20 LOADING STANDARDS.
- ALL RISERS, CAPS, TEES, WHYS AND FITTINGS TO BE THRUST BLOCKED.

**NOTE:**

THE LOCATIONS OF THE WATER METERS SHOWN ARE APPROXIMATE ONLY. METERS SHALL TYPICALLY BE LOCATED WITHIN R.O.W. OR UTILITY EASEMENT AT PROPERTY LINES. METER LOCATIONS IN QUESTION SHALL BE DETERMINED BY THE RAINIER VIEW SUPERVISOR. MAINTAIN MINIMUM REQUIRED SEPARATION BETWEEN WATER MAINS/SERVICE LINES AND SANITARY SEWER MAIN LINES AND STUBS.

SOME EXISTING UTILITIES SHOWN ARE BASED UPON AS-BUILT PLANS. THE LOCATIONS ARE APPROXIMATE ONLY. NOT ALL EXISTING UTILITIES AND SERVICES HAVE BEEN LOCATED OR SHOWN. THE CONTRACTOR SHALL LOCATE OR HAVE LOCATED ALL UNDERGROUND UTILITIES PRIOR TO CONSTRUCTION.

THE BOUNDARY AND SITE LAYOUT INFORMATION SHOWN HEREON WAS TAKEN FROM THE SHORT PLAT PLANS BY ABL, RECEIVED 01-15-16.

REV	NO	REVISION DESCRIPTION	DATE BY



**TITLE** RAINIER VIEW WATER COMPANY  
 KNOBLES ROAD SHORT PLAT  
 WATER MAIN EXTENSION  
 PLAN

**CLIENT** RAINIER VIEW WATER COMPANY  
 P.O. BOX 44427  
 TACOMA, WA 98409-0427  
 ALTN HR: BOB BLACKMAN (253) 537-6634

DATE SEALED 05/10/2018

PROJECT MANAGER  
 JIM A. SANCHEZ, P.E.

DESIGN BY  
 DRAWN BY  
 CHECKED BY  
 DATE 05-11-2018  
 FILE NO. 180672-0000  
 SCALE 1"=20'  
**SHEET 1 OF 1**  
 FILE NO. 94901  
 ©APEX ENGINEERING PLLC 2018

Dwg 1  
 Exhibit "B"