

WATER SYSTEM EXTENSION AGREEMENT

THIS WATER SYSTEM EXTENSION AGREEMENT (the "Agreement") is entered into this 9 day of April, 2019, between **ROCHE HARBOR WATER SYSTEM, INC.**, a corporation organized under the laws of the State of Washington, hereinafter referred to as the "Owner," and **ANDREA HARRIS ANDERSON** and **STUART A. HARRIS, TRUSTEES** for the ANDERSON FARM trust, a trust organized under the laws of the State of Washington, hereinafter referred to as "Developer."

RECITALS

1. The Developer has requested water service from Owner for a residential connection located at 1166 White Point Road in San Juan County, Washington (the "Property"). The Property has a tax parcel number of 462351001000 and consists of approximately 12.59 acres.
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 to serve the Property.

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

AGREEMENT

1. Owner shall install a water distribution main consisting of a road crossing with a 3/4" x 5/8" meter and meter box to be installed approximately 430 feet west of the southeast corner of the Property. Developer shall be solely responsible for the service line on the Property.

This project will serve one equivalent residential units (ERUs) for domestic consumption of water

2. In consideration for the installation of the System Extension, Developer warrants, covenants and agrees that it shall pay to Owner the sum of Thirteen Thousand Dollars (\$13,000.00) payable as follows: The first payment of Eight Thousand Dollars (\$8,000.00) will be paid within ten (10) days of the date that this Agreement is approved (See Section 10, below). The second payment of Two Thousand Five Hundred Dollars (\$2,500.00) shall be made thirty (30) days following the date of the first payment and the final payment of Two Thousand Five Hundred Dollars (\$2,500.00) shall be paid sixty (60) days after the date of the first payment.

In addition to the foregoing, Developer shall reimburse Owner the cost of boring under the road. See, Tariff WN U-1, Schedule 4, Section 4.

3. 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 "A," and by this reference incorporated herein. Developer specifically reaffirms said promises, representations and warranties contained in Exhibit "A."

4. Owner shall, subject to approval by the Washington Utilities and Transportation Commission, maintain and operate the System Extension.

5. 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.

6. 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, 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.

7. 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.

8. This Agreement may be terminated by Owner, at Owner's discretion, upon ten (10) calendar days' written notice delivered to Developer by delivery to the address set out in 9.i., below, 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 all rights in the System Extension.

9. 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 San Juan 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 (including electronic or PDF versions), 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: ROCHE HARBOR WATER SYSTEM, INC.
8484 ROCHE HARBOR ROAD
FRIDAY HARBOR, WA 98250

To Developer: ANDREA HARRIS ANDERSON
STUART A. HARRIS
12003 SE 50th Street
Bellevue, WA 98006-2811

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.

10. 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.

11. Other than for breach and termination under Paragraph 8, if Owner finds Developer to be in breach of any term of this Agreement (other than Paragraph 8), 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.

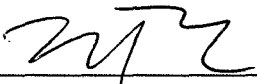
12. To the extent allowed by law, the Developer shall hold Owner and its officers, agents, and employees harmless from all suits, claims or liabilities of any nature, including attorney's fees, costs, and expenses for or on account of injuries or damages sustained by any persons or property resulting from negligent or willful activities or omissions of the Developer, its agents, employees related to or arising from, directly or indirectly, any activities performed or to be performed under this Agreement, 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.

13. Developer hereby warrants and represents; (1) that it is duly authorized to enter into this Agreement; (2) that its entry into this Agreement will not put it in violation of its governing documents or any other agreement; and (3) that the person signing below is duly authorized to do so and that such signature is binding on the Developer.


EXECUTED by the parties as of the date shown above.

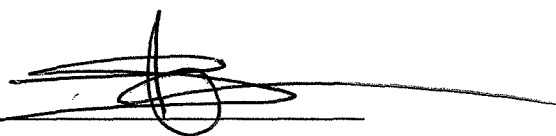
OWNER: ROCHE HARBOR WATER SYSTEM, INC.

By: 

Its: General Manager

DEVELOPER: ANDERSON FARM TRUST

By: 
Andrea Harris Anderson, Trustee

By: 
Stuart A. Harris, Trustee