

Stroh's Water Company, Inc.
Commercial Agreement for Domestic and Fire Flow Water Service

This agreement made and entered into between Bruce Reikow, hereinafter called "Owner", and Stroh's Water Company, Inc., a Washington Corporation, hereinafter called "Stroh's".

Whereas Owner has property in Gig Harbor, Pierce County, Washington, at 5401 Olympic Drive NW, i.e. Towne Plaza II, Phase 1 and 2, which he wishes to develop;

Whereas Stroh's has a water system which can serve Owner's property both Domestic and Fire Flow water service needs; Therefore the parties agree as follows:

Owner will pay construction costs, engineering fees, and facility and connection charges as listed below for Phases 1 and 2 only (Phase 3 to be completed separately):

Estimated Construction charges:

| | |
|-----------------------------------------------------------------------------------|-------------|
| Construction <u>estimate</u> from Washington Water Service Co. (Copy attached) | \$89,200.00 |
|-----------------------------------------------------------------------------------|-------------|

RH2 Engineering estimate of services

| | |
|--------------------------------------------------------------------|-----------|
| Plan review, comments, hydraulic analysis, etc. (Copy attached) | \$1500.00 |
|--------------------------------------------------------------------|-----------|

Connection charges (per WUTC Tariff):

| | | |
|--------------------------------------------------------|----------|-----------|
| 1 existing 3/4" service | N/C | -0- |
| 1 new service: | | |
| Facility Charge (per hook up) | \$375.00 | |
| Standard Connection charge for 3/4" meter (per hookup) | \$300.00 | |
| CIAC tax @ 38.89% (per hookup) | \$116.67 | |
| | ----- | |
| | \$791.67 | \$ 791.67 |

Estimated costs to upsize from 3/4" to 1-1/2" service
 (Per meter)

| | | |
|-----------------------------------------------------|-----------|--------------------|
| | \$1335.00 | |
| WSST at 8.5% on parts estimate | 113.48 | |
| Estimated CIAC tax @ 38.89% on 1-1/2" service parts | 519.18 | |
| | ----- | |
| Upsize 2 meters @ \$1967.66 | | \$3935.32 |
| | | ----- |
| Estimated Total | | \$95,426.99 |

Owner shall also pay any cost of installation of line extension needed for said service connections. For fire flow water service, Owner shall pay at the time service is ordered any and all costs of fire hydrant installation in accordance with engineered drawings.

Owner shall furnish all necessary conveyances in form to be approved by Stroh's including, but not limited to: 1) a duly executed easement for access to the area around the system extension

for purposes of maintaining, improving or repairing, if necessary, the system; 2) a Bill of Sale for the system extension.

Cross Connection Control assemblies must be installed per Stroh's requirements at Owner's expense. The backflow devices shall be inspected and tested at Owner's expense by a Washington State certified backflow assembly tester as required by Department of Health rules. A copy of satisfactory certification will be provided to Stroh's prior to water service being provided.

Owner understands that construction, engineering and meter upsize costs are ESTIMATES. Final costs will be billed based on actual time and materials, and they may vary from the estimates provided.

Stroh's will not be responsible for any additional costs incurred by Owner or Stroh's due to obtaining or requirement of necessary permits, approvals, completion of construction or any other foreseen or unforeseen delays.

Any additional charges incurred in the execution of this agreement (legal, engineering, permits, etc.) will be at Owner's expense.

After service has been connected, Owner shall pay for Owner's water use in accordance with Stroh's tariff on file with the Washington Utilities and Transportation Commission.

Owner understands that if he does not accept the charges and terms of this Agreement, he may request the Utilities and Transportation Commission to determine if said charges are fair, just, reasonable and sufficient for such installation and connection as covered by this agreement.

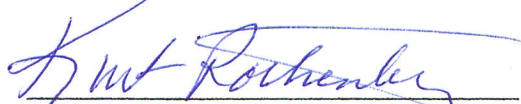
IT IS FURTHER UNDERSTOOD BY BOTH PARTIES THAT THIS CONTRACT MAY BE SUBJECT TO APPROVAL BY THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION.

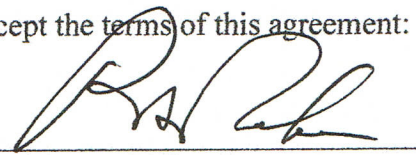
Date: 10/11/16

Date: 10/2/16

For STROH'S WATER COMPANY, INC.

I accept the terms of this agreement:


Kurt Rothenberg, Manager

X 
Bruce Reikow

OR

I do not accept this agreement and wish to exercise my option as described above.

X _____
Bruce Reikow

Washington Water Service Co.

Engineering Department
6800 Meridian Road SE
Olympia, WA 98513

Engineer's Opinion of Probable Project Costs

Stroh Water System #3591 Towne Plaza II - Phase 1 & 2

*** Construction Materials ***

| Item | Description | Quant./Units | Unit | Unit Cost | Total |
|------|-----------------------------------------------------|--------------|------|--------------|--------------|
| 1 | 10" PVC Watermain, valves, Hyd'ts, etc as shown on | 1 | LS | \$ 38,300.00 | \$ 38,300.00 |
| 2 | Beyler Consulting Plan Set Project #15-051 Sht C1.1 | | | | \$ - |
| 3 | | | | | \$ - |
| 4 | | | | | \$ - |
| 5 | | | | | \$ - |
| 6 | | | | | \$ - |
| 7 | | | | | \$ - |
| 8 | | | | | \$ - |
| 9 | | | | | \$ - |
| 10 | | | | | \$ - |
| 11 | | | | | \$ - |
| | Sub-Total | | | | \$ 38,300.00 |
| 12 | Contingency | | | 5% | \$ 1,915.00 |
| 13 | Sales Tax | | | 8.60% | \$ 3,458.49 |
| 14 | SUB Total - Materials | | | | \$ 43,673.49 |
| 15 | Rounded Up Value | | | | \$43,700.00 |

*** Construction Labor ***

| Item | Description | Quant./Units | Unit | Unit Cost | Total |
|------|--------------------------------|--------------|------|--------------|--------------|
| 16 | 4-Man Pipe Crew | 1 | LS | \$ 37,900.00 | \$ 37,900.00 |
| 17 | | | | | \$ - |
| 18 | | | | | \$ - |
| 19 | | | | | \$ - |
| 20 | | | | | \$ - |
| 21 | | | | | \$ - |
| 22 | | | | | \$ - |
| 23 | | | | | \$ - |
| 24 | | | | | \$ - |
| 25 | | | | | \$ - |
| 26 | | | | | \$ - |
| 27 | | | | | \$ - |
| 28 | | | | | \$ - |
| 29 | | | | | \$ - |
| 30 | | | | | \$ - |
| 31 | | | | | \$ - |
| 32 | | | | | \$ - |
| | SUB TOTAL | | | | \$ 37,900.00 |
| 33 | Contingency | | | 20% | \$ 7,580.00 |
| 34 | Sub-Total - Construction Labor | | | | \$ 45,480.00 |
| 35 | Rounded Up Value | | | | \$45,500.00 |

*** Outside Contractor ***

| Item | Description | Quant./Units | Unit | Unit Cost | Total |
|------|--------------------------------|--------------|------|-----------|--------|
| 36 | County Permits (Encroachment) | 1 | LS | | \$ - |
| 37 | DOH Review Fees | 1 | LS | | \$ - |
| 38 | Hydrogeologist | 1 | LS | | \$ - |
| 39 | Geotechnical Engineer | 1 | LS | | \$ - |
| 40 | Engineering Consultant | 1 | LS | | \$ - |
| 41 | Land Cost | 1 | LS | | \$ - |
| 42 | Additional Insurance | 1 | LS | | \$ - |
| 43 | Bonding | 1 | LS | | \$ - |
| 44 | Underground Contractor | 1 | LS | | \$ - |
| 45 | | | | | \$ - |
| 46 | | | | | \$ - |
| 47 | | | | | \$ - |
| 48 | | | | | \$ - |
| | SUB TOTAL | | | | \$ - |
| 49 | Contingency | | | 25% | \$ - |
| 50 | Sub-Total - Outside Contractor | | | | \$ - |
| 51 | Rounded Up Value | | | | \$0.00 |

Projected Funds Required = \$89,200

Assumptions:

- 1) This document is intended to forecast approximate construction costs based upon current information and similar projects, and is not intended to accurately represent actual design or construction components or prices.
- 2) Totals are rounded to nearest \$100

**Task Authorization No. 2
Stroh's Water Company
Towne Plaza II**

August 2016

RH2 Project No. STR 516.107

Scope of Services

Provide limited technical support to Stroh's Water Company during plan and review and construction of Towne Plaza II.

RH2 Deliverables:

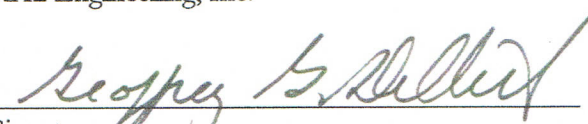
- Review plan comments.
- Provide construction observation notes (if RH2 is requested to perform site visits during construction).

Fee for Services

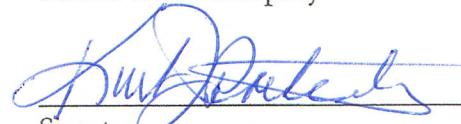
The fee for services shall be in accordance with the Professional Services Agreement for General Services 2016-17 dated July 26, 2016, that has been fully executed between Stroh's Water Company and RH2 Engineering, Inc. The fee for services shall not exceed \$1,500.00 {the agreed-upon flat fee for services for this task authorization} without prior written authorization from Stroh's Water Company.

RH2 Engineering, Inc.

Stroh's Water Company



 Signature



 Signature

Geoff Dillard, Director

 Print Name/Title

MGR

 Print Name/Title

8-11-16

 Date

8-15-16

 Date