#### WATER SYSTEM EXTENSION AGREEMENT

THIS AGREEMENT is entered into this 2 day of April, 2014, between RAINIER VIEW WATER CO., INC., a corporation organized under the laws of the State of Washington, hereinafter referred to as the "Owner," and LAWSON ASSOCIATES I, LLC, a limited liability company 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.
- 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 has installed 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:

# Lawson Plat 18 ERUs

Note: Five (5) ERUs were covered by a previous agreement, leaving a net of thirteen (13) 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. Because the System Extension has already been constructed and been in place for over one calendar year, the post construction insurance requirements are waived for this Agreement.
- 4. All work by Developer shall be subject to passing inspection by Owner's Engineer. Developer shall pay for the cost of inspection within ten (10) days from the date of inspection.
- 5. 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."
- 6. 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.
- 7. 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.

- 8. 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, a copy of which easement is attached hereto as Exhibit "F"; and (2) a Bill of Sale in the form attached hereto as Exhibit "G".
- 9. 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 8; or (3) the System Extension passing inspection by Owner's Engineer.
- 10. 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. Upon execution of this Agreement, Developer shall pay to Owner the sum of ONE THOUSAND Dollars (\$1,000.00) to reimburse Owner for the costs of preparation of this Agreement and submission of this Agreement to the Washington Utilities and Transportation Commission.
- 11. 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.

12. 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.

### 13. Miscellaneous.

- a. <u>Jurisdiction</u>. 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. <u>Successors in Interest</u>. This Agreement shall be binding upon and inure to the benefit of the successors, heirs, assigns and personal representatives of the parties.
- c. <u>Execution of Counterpart</u>. 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. <u>Construction</u>. 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. <u>Attorney's Fees</u>. In the event that any party hereto retains an attorney to enforce any of the provisions hereof, then the 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.

Amendment. No modification, amendment, addition to, or termination of this g.

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:

LAWSON ASSOCIATES I, LLC

118 VIOLET MEMBEN ST. S.

- j. <u>Effective Date</u>. 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.
- 14. 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.
- 15. Other than for breach and termination under Paragraph 14, if Owner finds Developer to be in breach of any term of this Agreement (other than Paragraph 13), 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.
- 16. 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.

17. By signing this Agreement, Developer warrants that it is a limited liability 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.

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

OWNER: RAINIER VIEW WATER CO., INC.

By:

Its: MANAGUR

**DEVELOPER:** LAWSON ASSOCIATES I, LLC

Bv:

Its: MRMBRA LAWSON ASSOC, LCC

