



WASHINGTON WATER SERVICE COMPANY

March 24, 2016

Joe Cedarland
Cedarland Forest Resources
PO Box 2264
Gig Harbor, WA 98335

Re: Minterbrook Water System, ID#54740B, Pierce County
110th Avenue Line Extension, Parcel No. 0122214005
131st St CT NW Line Extensions, Parcel No's. 0122214058 and 0122214057

Dear Mr. Cedarland:

Our engineering department has estimated the cost, including taxes, to extend a water main for the three parcels listed above to be \$30,800. A copy of the cost estimate "Exhibit A" is attached for your records and provides a detailed breakdown of the work. The final amount billed will be based on actual costs of the engineering, materials and labor required to complete the extension project listed above. The final amount billed may vary from the estimated costs provided in Exhibit A, due to unforeseen issues during the installation of the distribution system that are beyond the control of Washington Water.

Terms & Conditions

This Agreement is between Washington Water Service Company (herein after referred to as "Washington Water") and Cedarland Forest Resources (hereinafter referred to as "Owner") to construct/engineer and install a water mainline extension, including installation of service setters for a total of 3 services for the above named parcels. This construction/engineering Agreement sets forth the terms and conditions as well as the estimated costs to complete the distribution system extension and connection to the Minterbrook Water System.

The estimated costs are for engineering, construction materials and labor only, unless otherwise specified on the attached Exhibit A. Upon execution of this Agreement and prior to commencement of construction, Washington Water requires a deposit payment to complete the onsite distribution system extension. All past due accounts will be charged 1.5% per month (18% per annum). The estimate costs as set forth in this Agreement are subject to change after (30) days of the above written date.

Terms and conditions of this Agreement are subject to the review and approval of the Washington State Utilities and Transportation Commission (the "Commission"). Upon execution of this Agreement, Washington Water will submit the Agreement to the Commission for their approval. Upon the Commission's approval, plans will be prepared, and if required, submitted to the Washington State Department of Health for their approval. Once all necessary approvals have been obtained and the required deposit received, Washington Water will schedule and cause construction to commence.

Joe Cedarland
Onsite Distribution System - 110th Avenue Line Extension
Page 2 of 3

Owner is to provide Washington Water with a 5-foot utility easement at all property corners on approved development plans. Once all construction has been completed, certification of completion signed by an engineer and all approvals received, Owner will provide Washington Water with a Bill of Sale, which will transfer the ownership of these contributed facilities to Washington Water Service Company.

Certificate of Water Availability cannot be issued until all mains have been installed, pressure tested and certified complete by a licensed engineer and final payment for service has been received. Prior to commencement of domestic water service, Washington Water requires all remaining amounts and hookup fees paid in full. Hookup fees for each dwelling unit as listed in Washington Water's approved tariff will be in addition to this Agreement and must be paid prior to installation of individual meters.

Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law, or otherwise, by Owner without the prior written consent of Washington Water, and any such assignment without such prior written consent shall be invalid. Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

I agree to have, Washington Water to complete this installation under the conditions listed below:

- Remit deposit payment of fifty-percent (50%) of the estimated construction costs for labor and materials. Per Exhibit A, the total estimate for construction is \$16,200 (plus 15% Contingency of \$2,430 and W.S.S.T. of \$1,602.18) for a total estimated construction cost of \$20,300, for a total deposit due of \$10,150.
- Engineering Services by Washington Water, per Exhibit A, total \$8,700 (plus 20% Contingency of \$1,740) for a total estimated engineering cost of \$10,500.
- Total project for construction and engineering is estimated at \$30,800.
- If the terms and conditions are acceptable, please sign below and send this agreement and the required deposit back to our office.

I elect to hire my own qualified contractor to complete this installation under the conditions listed below:

- Remit deposit payment of \$1,000 for engineering services by Washington Water. Per Exhibit A, the total estimated cost for engineering is \$8,700.
- Provide installing contract's name and contact information, along with copies of their Contractor's License, Certificate of Insurance (Contract must have a minimum insurance coverage of \$1,000,000 per occurrence, \$2,000,000 annual aggregate naming Washington Water Service Company as Additional Insured and Certificate Holder).
- Remit payment of \$750 for materials and labor for Washington Water to tie-in the extended water mainline into the Minterbrook Water System.

Joe Cedarland
Onsite Distribution System - 110th Avenue Line Extension
Page 3 of 3

- If the terms and conditions are acceptable, please sign below and send this agreement and the required deposit back to our office.

Before Construction Begins:

- Pick up detailed plans and specifications.
- Provide installing contractor's name, insurance and license information.
- Materials must be on-site and inspected by Washington Water.
- Schedule a pre-con meeting, this meeting will not be scheduled until all required paperwork and deposits are received.

Before tie-in of new facilities:

- Schedule a final inspection meeting with Washington Water to review installed facilities and that they have been installed in accordance with the specifications provided in the engineering plans.
- Provide copies of recorded parcel map.
- Payment of the fee for Tie-in to the existing main to the Minterbrook Water System.

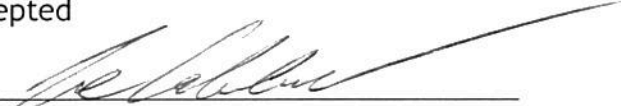
This estimate is submitted as preliminary information only and the figures and information contained herein are subject to the execution of this Agreement within (30) days of this date.

If these terms and condition are acceptable, please sign below and send this original extension agreement back to our office. If you have any questions, please give me a call directly in Gig Harbor at (253) 851-4060 or toll free at (877) 408-4060.

Sincerely,

By: 
Scott A. Bailey
General Manager

Accepted

By: 
Print Name: Joe Cedarland
Phone: 253-209-8136

Date Accepted: 4/1/16

Enclosure(s)

cc: Charlene Pratt, Accounting Manager
Matt Brown, Engineering Manager
Sue Hull, Customer Service Manager
File: Minterbrook Water System