

ORIGINAL

WATER SYSTEM EXTENSION AGREEMENT

THIS AGREEMENT is entered into this 22ND day of Sept., 2016, by and between **Rainier View Water Co., Inc.**, a corporation organized under the laws of the State of Washington, hereinafter referred to as the "Owner," and **Olympic Towne Center, LLC**, a Washington limited liability company, hereinafter referred to as "Developer." Owner and Developer may be referred to herein individually as a "Party" or collectively as "Parties."

RECITALS

1. Developer is developing a retail shopping complex and is seeking sixty-seven equivalent residential units (ERUs).
2. Developer's property is located outside of Gig Harbor, Washington and is known as the Olympic Towne Center with a site address of 5500 Point Fosdick Drive NW, Gig Harbor, Washington 98335 (the "Project").
3. Owner is willing to provide water service to the Project on the terms and conditions set forth in this Agreement and in accordance with its tariff as filed with the Washington Utilities and Transportation Commission ("Commission").

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 described in Paragraph 2, below, ("System Extension") to Owner's Conditions and Standards and in accordance with the design standards for the Project as submitted to the Washington State Department of Health ("DOH"). The Project will be developed at the location described below (referred to herein as the "Property"):

Site address of 5500 Point Fosdick Drive NW, Gig Harbor, Washington.

The foregoing Property shall be developed as follows:

One anchor tenant and eight additional retail operation sites.

Forty-six (46) Domestic ERUs and Twenty-one (21) irrigation ERUs

2. Developer agrees that as material consideration for this Agreement, it shall develop a System Extension to serve the Project which shall include, but is not limited to, the following:

(a) A water storage tank with a minimum capacity of 441,000 gallons;

(b) A booster pump station that will be wired for connection to and designed to be compatible with Owner's existing SCADA system;

(c) Piping and related appurtenances and other system design features to produce a minimum fire flow of 1,688 gallons per minute for four hours at sixty pounds per square inch;

(d) A generator of sufficient size to run the Project in times of power outages; and

(e) Mains, connections and appurtenances per Project design and as needed to connect to Owner's existing system sufficient to meet the standards set forth above and Owner's standards.

The System Extension is illustrated on Exhibit A which by this reference is incorporated herein. The details of the System Extension are contained in the Engineering Plans of PacWest Engineering, LLC as approved by Developer and Owner.

3. It is estimated that Developer will be spending between one million four hundred thousand dollars (\$1,400,000.00) and one million five hundred thousand dollars (\$1,500,000.00) on the Project. Owner will accept the System Extension on the conditions as set forth in this Agreement and as consideration therefor will provide a credit against the fire flow suppression connection charge set forth in Schedule 15 of its tariff and the developer contingency charge in Schedule 16 of its tariff of one hundred three thousand seven hundred eighty-three dollars (\$103,783.00).

4. Developer shall reimburse Owner its attorney's fee for the development of this Agreement and submission to the Commission in the amount of five thousand dollars (\$5,000.00).

5. 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 "B" and by this reference incorporated herein.

6. Developer shall procure 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 12 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 the Project 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.

7. 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.

8. 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.

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

10. Developer shall pay for any improvements to Owner's system required by the Owner's Comprehensive Plan as reasonably determined by Owner's Engineer to serve the Property, or required by a governmental agency for Owner to serve the System Extension. *The improvements referenced in this provision include the amendment of the Owner's service area with the Washington Department of Health and Pierce County as contemplated by the agreement among Owner, Developer and Stroh's Water Company, Inc.*

11. Owner shall install water services as contemplated by the System Extension at Developer's expense per Owner's tariff.

12. Developer shall furnish all necessary conveyances in form to be approved by the Owner. At a minimum these will include a Bill of Sale (Exhibit D), and easements for the facilities constructed under the System Extension with access and egress therefor (Exhibit E). Developer is responsible for all transaction taxes (e.g. retail sales tax and real estate excise tax) that may apply and recording fees.

13. From the Date of Acceptance of the System Extension, Owner shall, subject to approval by the 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 and the Project design 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 as set out herein; (2) delivery of all documents required under Paragraph 12; or (3) the System Extension passing inspection by Owner's Engineer.

14. 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 Commission.

15. 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 expert consultants to determine the adequacy of the System Extension to meet Developer's needs and those of Developer's assigns and successors in interest.

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. At a minimum, at each irrigation connection Developer must provide, at Developer's sole expense, back flow prevention devices. Developer covenants and agrees that it shall be responsible for maintaining, or causing tenants to maintain if back flow exclusively serves tenants, the back flow prevention devices in working order. The back flow prevention devices shall be inspected and tested at Customer's expense by Washington Certified Back Flow Assembly Tester as required under WAC 246-290-490. The Developer may contract for the back flow certification with any Washington Certified Back Flow Assembly Tester. A copy of satisfactory certification will be provided to Owner prior to the date of providing service under this Agreement and on an ongoing basis as testing certifications are required by state law and regulation (currently on an annual basis). The back flow prevention devices shall be accessible to the Owner and its employees at all times.

18. Developer, at its sole expense, shall provide the facilities to provide water to the fire suppression systems of its tenants, consisting of appropriately sized ductile iron mains off of the System Extension with a main for each building in the Project, with an appropriately sized turbine leak detection meter for each main connected to the fire

suppression system, which shall be installed by a duly qualified contractor possessing the necessary skills and credentials for installation of fire suppression services as chosen by Developer for its tenants. Construction must include a fire sprinkler vault, double check valve and by-pass meter for each such main. The connections for fire suppression shall be separate connections from the connections for domestic water service. Said connections shall be used only for the provision of the fire suppression system and shall not be used for any other purpose, including, but not limited to, domestic water service. Charges for fire protection are set out in Owner's tariff at Schedule 6.

19. Developer understands and agrees that Owner is not acting as an insurer of Developer or of the Property or property of others on the Property. Owner shall not be liable for any loss of life, personal injury or loss or damage to the Property of Developer and its tenants and each of their employees, agents, guests or invitees whether or not caused by failure of the System Extension and Developer shall hold Owner and Owner's directors, officers, employees and agents harmless from any such claim. Owner makes no warranties or representations as to performance of the System Extension. Nor shall Owner be liable under any theory in law or equity to Developer or Developer's employees, agents, guests or invitees or the tenants of Developer and such tenants' respective employees, agents, guests or invitees for any consequential, incidental, punitive or other loss or damage beyond direct damages caused by Owner or Owner's agents or employees gross negligence, breach of contract, or intentional misconduct or a violation of Chapter 19.122 RCW by the Owner, and then only in an amount not to exceed Ten Thousand Dollars (\$10,000.00).

20. Developer hereby agrees to purchase insurance, and to require its tenants to also purchase such insurance, in such amount as Developer and the respective tenants deems adequate, to protect against loss by fire, which insurance Developer agrees, and will require tenants to agree as a lease condition, shall be Developer's (and as to the tenant, each such tenant) sole source of recovery for failure of the System Extension, except for Owner's gross negligence, breach of contract, or intentional misconduct or

Owner's violation of Chapter 19.122 RCW. Said insurance policy shall include a waiver of subrogation as applied to Owner, its directors, officers, employees and agents. This obligation shall survive the transfer of the System Extension to Owner.

21. This Agreement may be terminated by Owner, at Owner's discretion, upon thirty (30) calendar days' written notice to Developer, if Developer fails to pay any amounts due under this Agreement when due and thereafter fails, prior to the expiration of thirty (30) day period, to pay all amounts due Owner. 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.

22. Developer shall inform each of its tenants of the obligations and limitations in Paragraphs 16, 17, 18, 19 and 20 of this Agreement as they apply to such tenants.

23. 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 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 and transfer of the System Extension to Owner.
- 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: OLYMPIC TOWN CENTER, LLC
c/o WWR Properties
3803 Bridgeport Way West
University Place, WA 98466

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.

24. The Owner's acceptance of the System Extension is subject to approval by the 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 System Extension prior to Commission approval is done at its sole risk and Owner has no duty to accept said work. Developer further understands Commission approval is not automatic and Owner has not guaranteed or warranted such approval.

25. Other than for breach and termination under Paragraph 21, 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 unless Developer has effected the appropriate cure prior to


receipt of notice of termination from Owner. Upon termination, Owner shall have no further obligation of any nature to Developer or Developer's successors-in-interest.

26. 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.

EXECUTED by the Parties the date first above written.

OWNER: RAINIER VIEW WATER CO., INC.

By:


Robert Blackman

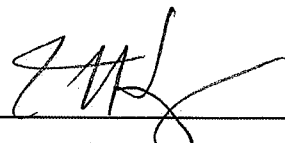
Its:

Operations Manager

DEVELOPER: OLYMPIC TOWNE CENTER, LLC

By: WWR Properties, a Washington General Partnership, its sole member

By:



9-22-16

Walter N. Hogan
Managing Partner