



**DEVELOPER EXTENSION AGREEMENT
BETWEEN
CITY OF ELECTRIC CITY, WASHINGTON,
AND SUNBANKS, LTD.,
FOR INSTALLATION OF PUBLIC WATER SYSTEM IMPROVEMENTS**

1. **Preamble.** THIS DEVELOPER EXTENSION AGREEMENT is made and entered into by and between The City of Electric City, a municipal corporation of the State of Washington, herein known as "City," and Sunbanks, Ltd., a Washington corporation, herein known as "Developer."

2. **Recitals.**

- 2.1 City operates a municipal water utility that maintains and operates a municipal water system and services the area within the City's limits.
- 2.2 Developer leases certain real property in the City and is legally described in Exhibit "A" attached hereto and incorporated herein by this reference, herein the "Property."
- 2.3 Developer has requested that the Property be served by the City's municipal water.
- 2.4 City has on file, the preliminary plans, specifications and cost estimate for construction of approved municipal water improvements that will connect the Property to the City water system, herein the "Improvements."
- 2.5 City has determined that, in addition to the Developer's Property, there are other properties located in the vicinity of the Improvements which could be provided water service at some time in the future due to the installation of the Improvements and those other properties herein to be known as the "Tributary Service Area."
- 2.6 Developer is willing to construct the Improvements such that they may provide water service to both its Property and the Tributary Service Area. In order to provide for water service to the Property and the Tributary Service Area, the City will contribute to the Improvements by compensating the Developer for an upsized water main. The Developer shall install a ten (10) inch water main instead



of the eight (8) inch water main that is required for its sole use under the City's development plan.

2.7 In exchange for the construction and dedication of the Improvements to the City, the City is willing to collect from late comers and reimburse to the Developer and City, to the fullest extent permitted by law, for certain costs associated with construction of the Improvements by reimbursing Developer and City from amounts charged to any other owner of real estate located within the Tributary Service Area who did not contribute to the original cost of the Improvements and who subsequently tap onto, connect with, or use the Improvements (a "Tributary User") in accordance with RCW 35.91.020-050 and the terms of a Developer Reimbursement Collection Agreement, which shall be entered into after the acceptance of the Improvements by the City.

2.8 City has the authority pursuant to Chapter 36.70B of the Revised Code of Washington and Chapter 17.33 of the Electric City Municipal Code to enter into this Agreement.

3. Agreement. In consideration of the mutual benefits and covenants described herein, the parties agree as follows:

3.1 Purpose. The purpose of this Agreement is to set forth the requirements for construction and maintenance of the Improvements.

3.2 Construction of Improvements by Developer. Developer agrees that it shall construct at its own expense all Improvements necessary to provide water service to the Property and to the Tributary Service Area which Improvements are described on Exhibit B attached hereto and incorporated herein by this reference. The City shall contribute to the upsizing of the water main. All construction shall be in accordance with the City approved engineering plan and all other applicable City, County, State, and Federal ordinances, statutes, or regulations. The City reserves the right to, at any time, require modification of the plans in the event of errors or mistakes in the drawings, or if new information becomes available that requires a change in the plans to construct the Improvements. Plan changes initiated by the Developer must be approved in writing by the City engineer prior to commencement or alteration of the work; modifications to engineered plans and specs may be required to be submitted for review and approval.



- 3.3 City Inspection and Acceptance of Improvements. Developer shall, upon execution of this Agreement, construction of the Improvements, and final acceptance of the Improvements by the City, transfer the Improvements to the City free and clear of all liens and debts, for inclusion into the water system as a public facility, including any right, title and interest in any property upon which the Improvements are located. Upon acceptance of the Improvement by the City, all further maintenance and operation costs of the Improvements shall be borne by the City except as may be expressly provided otherwise in this Agreement.
- 3.4 Costs Imposed on Developer. City ordinances require, and the Developer agrees to pay, the following fees, charges and deposits associated with the construction of the Improvements:
- Inspection Fees
 - Engineering Fees
 - Attorney Fees
- 3.5 Reimbursable Construction Costs. Upon final acceptance of the Improvements by the City, the Developer shall apply for a Developer Reimbursement Collection Agreement wherein the City shall set the reimbursement area and charge under process defined by RCW 35.91.020.
- 3.6 Limitation of Assignment. This Agreement shall not be assignable by Developer without the prior written approval of City which approval will not be unreasonably withheld.
- 3.7 Notice. Developer shall be responsible for providing the City with its current address at all times during the term of this Agreement. Any change of address notice submitted by the Developer shall be sent by means of Certified Mail, return receipt request, and shall be addressed as follows:
- City of Electric City
City Clerk Office
PO Box 130
Electric City, WA 99123
- 3.8 No Waiver of Permits. Nothing in this Agreement shall be construed to waive any permitting or approval process otherwise required by any Federal, State or County agency in conjunction with development on the Property.
- 3.9 Indemnification. Developer agrees to save harmless and indemnify the City, its appointed and elected officials and employees from and against all claims of loss



and expense, including, but not limited to, damage to wastewater facilities, economic loss, environmental remediation, or claims by third parties for personal injury, death, or property damages caused by Developer's construction of the Improvements.

- 3.10 Insurance. The Developer shall procure and maintain for the duration of the Agreement and until the Improvements are accepted by the City, general liability insurance covering premises, products-completed operations, and contractual liability with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate against claims for injuries to persons or damage to property which may arise from or in connection with the construction of the Improvements. The City and its elected and appointed officials, officers, employees, agents, and volunteers shall be named as an additional insured on the insurance policy and such policy shall provide that the Developer's insurance coverage shall be primary insurance as respects the City. Developer shall provide a certificate of insurance evidencing the required insurance before commencing construction of the Improvements. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII. Developer's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Developer to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.
- 3.11 Developer's Warranty of Improvements. Developer agrees and expressly warrants to the City that the Improvements shall be installed pursuant to the approved design plans at the Developer's expense, will function in a satisfactory manner and be in compliance with recognized engineering and construction standards. Such warranty shall be in effect for two years commencing on the date of the City's acceptance of the Improvements as constructed.
- 3.12 Maintenance Bonds. Developer shall provide a maintenance bond in the amount of fifty percent (50%) of the cost of the Improvements that shall run for two years after acceptance of the Improvements, or until released by the City, whichever is longer, and shall guarantee the City against defects in materials and workmanship in the Improvements. All bonds shall be executed by a surety company authorized to do business in the State of Washington. All bonds must meet the approval of the City Attorney as to form.
- 3.13 Restoration of Site. The Developer agrees to restore all public and private property disrupted by the installation of the Project, to its original condition upon completion. In the event the Developer damages or disrupts existing



improvements, the repairs shall be made at the Developer's expense. The entire job site will be left with a neat and workmanlike appearance.

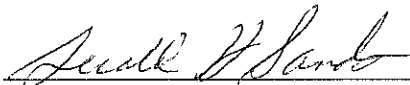
- 3.14 Risk of Loss. The Developer shall bear the risk of loss or damage for all finished or partially finished work until the entire extension has received the City's final acceptance. If more than one extension is being constructed, each extension may be accepted individually, but all extensions must be complete by the Project completion date.
- 3.15 Possession And/Or Use Prior to Acceptance. The City shall have the right to take possession of and/or use any completed or partially completed portions of the infrastructure although the time may not have expired for completing the entire Project. Possession and/or use shall not be deemed acceptance of any portion of the Project. The City is not obligated to supply water, sewer, and/or stormwater service to the Developer's property until after the City's final acceptance.
- 3.16 Maintenance Work. When defects in the Improvements are discovered within the guaranty period specified in Section 3.11 above, Developer shall start work to remedy any defects within seven (7) days of notice by the City and shall complete the work within thirty (30) days of beginning remedial work. Failure to begin correction or replacement within seven days will result in the City notifying the Developer's bonding company of the Developer's failure to complete the required construction. The City will give the bonding company 30 days to complete the required correction or replacement. If correction or replacement has not begun within the above-stated time period or is an emergency as determined by the City at its sole discretion, or when damage may result from delay, correction or replacement may be made by the City or by a contractor hired by the City at the Developer's expense. The City shall retain the right to pursue any remedy at law or equity to recover all costs associated with any work performed.
- 3.17 Entire Agreement. This Agreement constitutes the entire agreement between the Developer and the City with respect to the subject matter hereof and supersedes any and all prior agreements and understandings, oral or written, with respect to such subject matter. Any alteration or amendment or modification of this Agreement shall be valid only if set forth in writing and signed by both parties hereto.
- 3.18 Governing Law. This Agreement shall be governed by laws of the State of Washington.

- 3.19 Severability. In the event any portion of this Agreement is determined to be void or unenforceable, such provision shall be severable and will not affect the validity of the remaining portion of this Agreement.
- 3.20 Time. Time is of the essence with respect to this Agreement.
- 3.21 Recording of Agreement. Upon final signature of both parties hereto, this Agreement shall be recorded at the Developer's expense with the Grant County Auditor.

The parties below execute this Agreement, which shall become effective on the last date entered below.

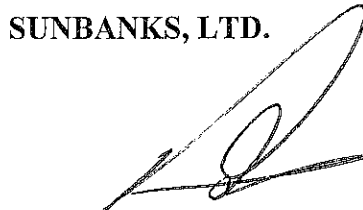
CITY OF ELECTRIC CITY

SUNBANKS, LTD.



Gerald H. Sands, Mayor

Date: 5-13-2014



Patrick Welton,

Date: 5-16-2014

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PATRICK WELTON





STATE OF WASHINGTON)

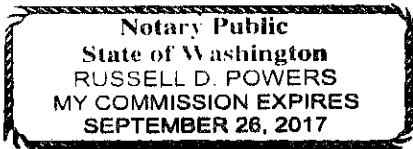
) ss.

COUNTY OF GRANT)

I certify that I know or have satisfactory evidence that Gerald H. Sands is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as Mayor of Electric City, Washington, and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: May 13th, 2014.

Russell D. Powers



Notary Type or Print Name

NOTARY PUBLIC for State of Washington,

residing at: Grant County

My commission expires: September 26th 2017

STATE OF WASHINGTON)

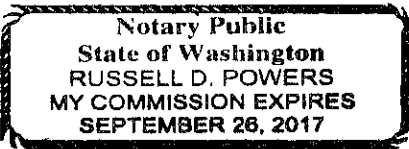
) ss.

COUNTY OF GRANT)

I certify that I know or have satisfactory evidence that PATRICK WELTON is the person who appeared before me and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as PRESIDENT of Sunbanks, Ltd., and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: MAY 16th, 2014.

Russell D. Powers



Notary Type or Print Name

NOTARY PUBLIC for State of Washington,

residing at: Grant County

My commission expires: September 26th 2017

EXHIBIT A
Property Legal Description

W ½ of the NE ¼ , NW ¼ , N ½ of the SE ¼ , above high water, Section 16, Township 28 North, Range 30 East, N.W. Grant County, Washington, containing 197.55 acres, more or less, according to the government survey thereof.

Encumbrances

Class	Number	Event	Expire Date	Applicant	Date Gtd.
ESE	50-SR0440	SROAD	Indef.	Dept. of Highways	04/16/1934
ESE	50-018671	ROAD	Indef.	Rocket Investment Co.	01/17/1946
ESE	50-SR0709	SROAD	Indef.	Dept. of Highways	01/25/1951
ESE	50-SR0842	SROAD	Indef.	Dept. of Highways	10/08/1956
W/R	78-005107	SUSRFH20	Indef.	DNR	06/18/1974
W/R	78-000810	GRNDH20	Indef.	DNR	07/29/1991
ESE	50-052648	OVPOWER	06/30/2022	Grant County PUD #2	
LSE	39-B59301	COMMER	08/01/2025	Sunbanks LTD	
LSE	60-074235	SPECUSE	12/31/2012	Sunbanks LTD	
ESE	50-CR3327	CROAD	Indef.	Grant County	06/07/2004

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PATRICK WELTON



EXHIBIT B Improvements

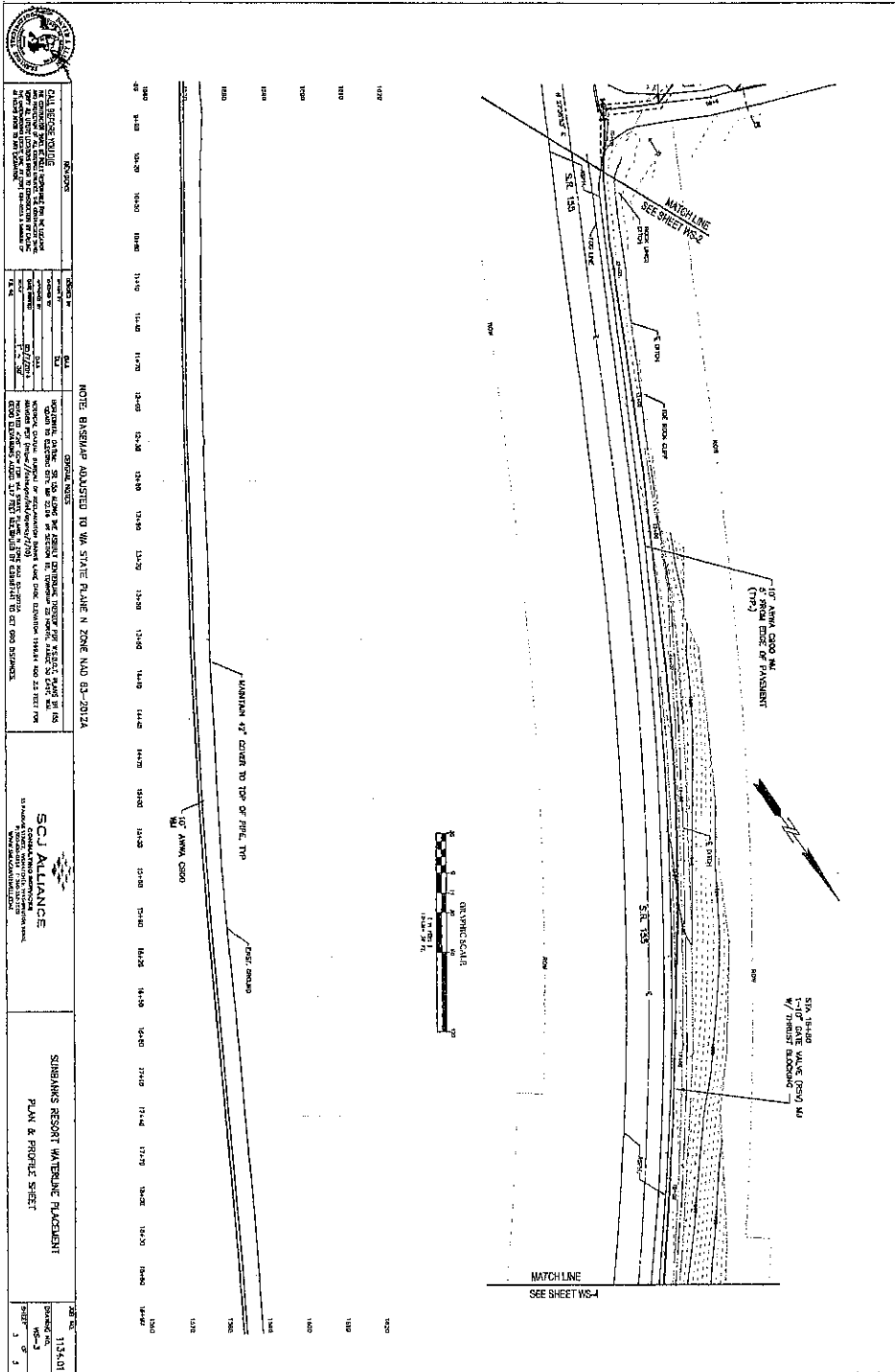


EXHIBIT B Improvements

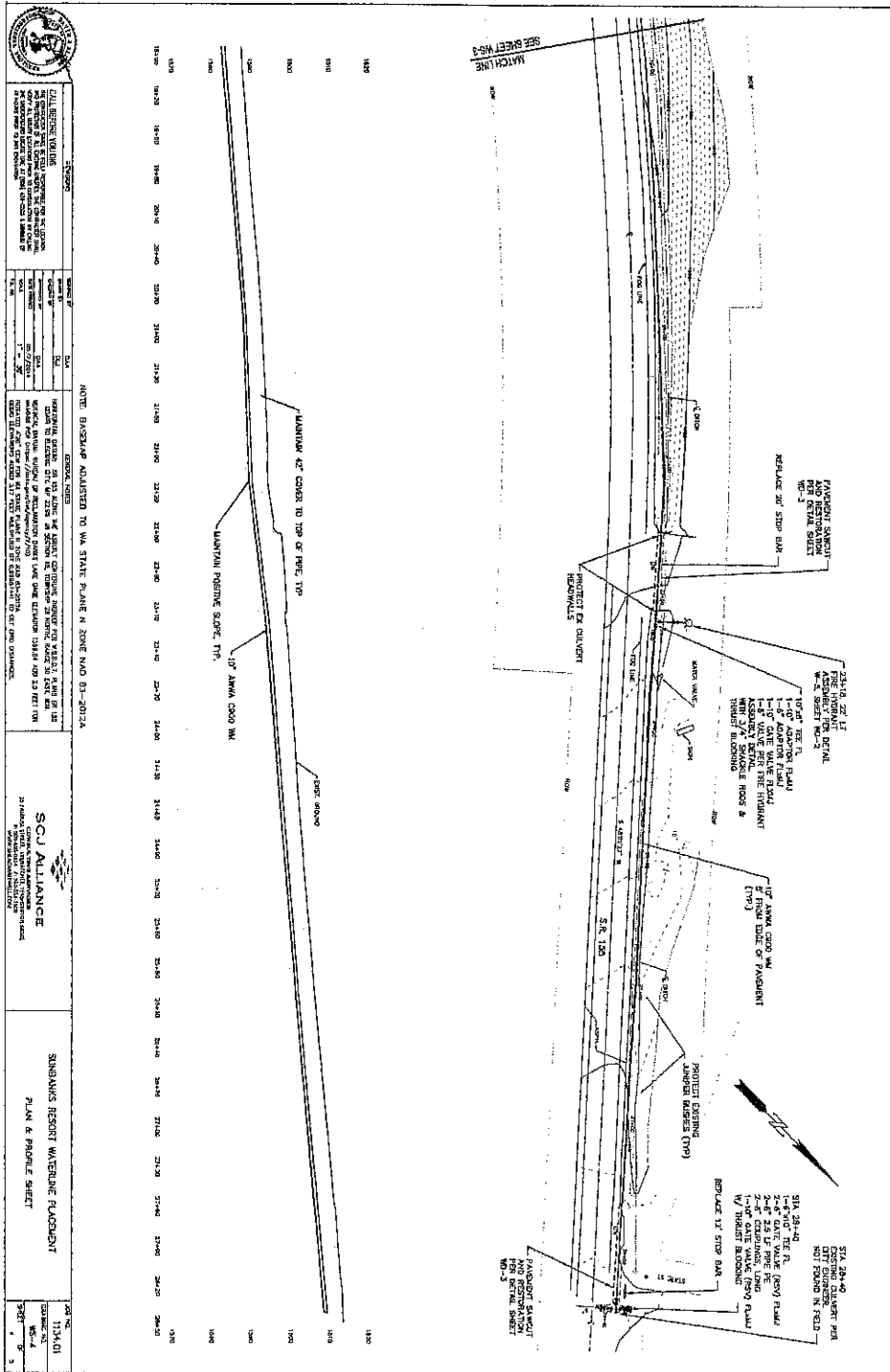
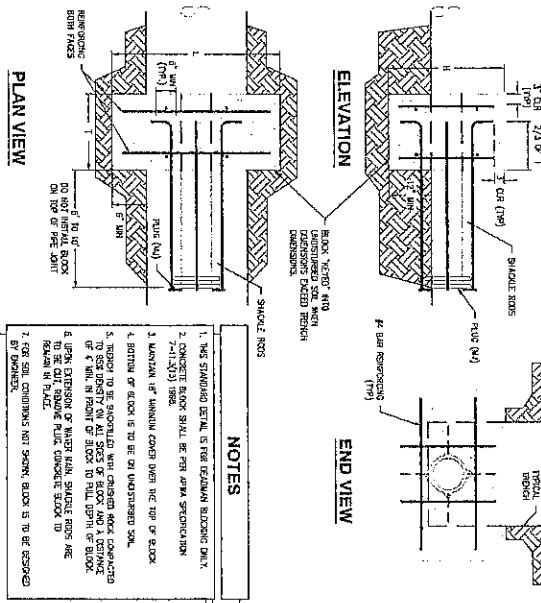


EXHIBIT B Improvements

EXHIBIT A (Property Legal Description)
W/2 of the NE/4, NW/4, N/2 of the SE/4, above 18th water, Section 16, Township 28 North, Range 30 East, W/4, Grant County, Washington, containing 197.25 acres, more or less, according to the government survey thereof.

Class	Number	Event	Expire Date	Applicant	Date Filed
ESB	20-3800440	SRROAD	Indef	Dept of Highways	04/18/1994
ESB	20-0116791	SRROAD	Indef	Dept of Highways	01/17/1996
ESB	20-3897029	SRROAD	Indef	Dept of Highways	01/23/1997
ESB	20-3897072	SRROAD	Indef	Dept of Highways	01/23/1997
W/A	20-0081417	SRROAD	Indef	DNR	07/28/1991
W/A	20-0081417	SRROAD	Indef	DNR	07/28/1991
ESB	20-0076448	OVERPOWER	06/30/2022	Grant County PUD #2	07/28/1991
ESB	20-3959301	COSAMBER	09/01/2025	Substantia LTD	
ESB	20-0744335	SPECIALSE	1/21/2012	Substantia LTD	
ESB	20-0033377	SRROAD	Indef	Grant County	06/07/2004

Barrabanssee



NOTES

1. THIS STANDARD DETAIL IS FOR DEADMAN BLOCKING ONLY.
2. CONCRETE BLOCK SHALL BE PER ASTM SPECIFICATION 7-41-(2013) 1888.
3. FINISH OF MASONRY COVER OVER THE TOP OF BLOCK.
4. BOTTOM OF BLOCK IS TO BE ON UNWEATHERED SOIL.
5. BLOCK TO BE SUPPORTED WITH CONCRETE BLOCK COMPACTED TO 4\"/>

SIZING TABLE

PIPE DIA.	T (Inch)	H (Inch)	SPACING (Inch)	RESPONSE
6"	18"	30"	(1) E (S) (S) A	H 6" D 10" C 2" E
8"	24"	40"	(1) E (S) (S) A	H 8" D 12" C 2" E
10"	30"	50"	(1) E (S) (S) A	H 10" D 14" C 2" E
12"	36"	60"	(1) E (S) (S) A	H 12" D 16" C 2" E
14"	42"	70"	(1) E (S) (S) A	H 14" D 18" C 2" E
16"	48"	80"	(1) E (S) (S) A	H 16" D 20" C 2" E
18"	54"	90"	(1) E (S) (S) A	H 18" D 22" C 2" E
20"	60"	100"	(1) E (S) (S) A	H 20" D 24" C 2" E

MIN. BLOCK LENGTH (L)

PIPE DIA.	SOIL CONDITION	MIN. BLOCK LENGTH (L)
6"	SOFT CLAY	30"
8"	SOFT CLAY	36"
10"	SOFT CLAY	42"
12"	SOFT CLAY	48"
14"	SOFT CLAY	54"
16"	SOFT CLAY	60"
18"	SOFT CLAY	66"
20"	SOFT CLAY	72"

DEADMAN THRUST BLOCKING

SCU ALLIANCE
CONSULTING ENGINEERS ARCHITECTS

1100 1ST AVENUE, SUITE 100
SEASIDE, WA 98138

SILVERMAN'S RESORT WATERLINE PLACEMENT

DETAIL SHEET

PROJECT NO. 1332791

DATE 05/16/2014

SHEET 3 OF 3

SCALE: AS SHOWN

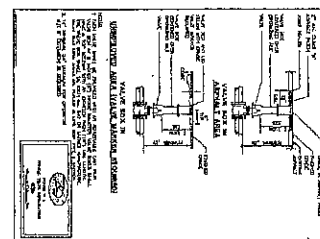
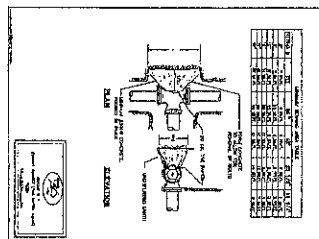
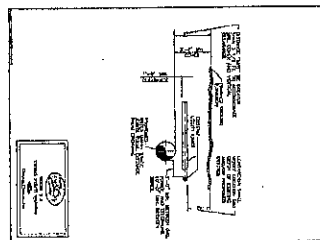
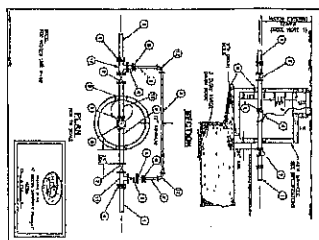
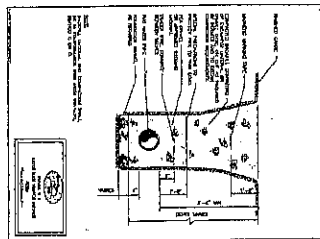
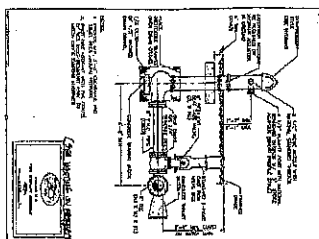
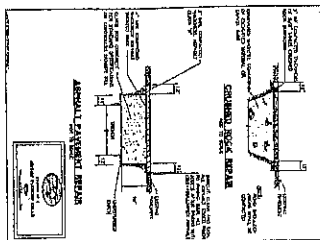
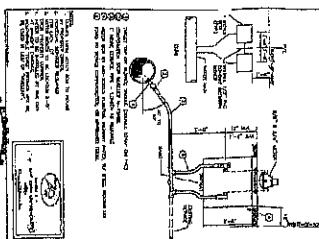
DESIGNED BY: [Name]

CHECKED BY: [Name]



EXHIBIT B Improvements

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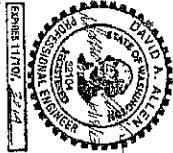


WD2	PROJECT:	WATER DETAILS & NOTES SUNDANKS RESORT	ENGINEER DAVID A. ALLEN 12122		
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 PATRICK WELTON



EXHIBIT B Improvements



WD 3	PROJECT: SUNBANKS RESORT	WATER SYSTEMS & NOTES	S PER DS DESIGN INC.		
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 PATRICK WELTON



EXHIBIT B Improvements



DATE	DESCRIPTION	ACTION	STATUS
05/16/2014	Initial site visit and review of project documents.	Review and comment on preliminary plans.	Completed
05/20/2014	Review of revised site plan and environmental assessment.	Provide feedback on site plan modifications.	In Progress
05/23/2014	Meeting with project team to discuss regulatory requirements.	Clarify requirements for wetland delineation.	Completed
05/27/2014	Review of wetland delineation report.	Identify areas for further investigation.	In Progress
06/03/2014	Final review of all project documents.	Prepare final report and recommendations.	Completed

GENERAL NOTES

WGN2	WGN2	PROJECT: SUNBANKS RESORT	MATTER DETAILS • NOTES	SPEROS WELTON INC. 1000 1st Ave Seattle, WA 98101	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table>				

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