

After Recording Return To:
City of Shelton
Attn: Public Works
525 West Cota Street
Shelton. WA 98584

**UTILITY EXTENSION AGREEMENT
(CITY WATER SERVICE)**

Applicant: Ashby Equities, LLC

Property Description: Parcel #2 of BLA #08-54, Mason County Tax Parcel #32018-42-00011

In requesting city water services for the above addressed property, the applicant, being the owner of the property referenced above and having the authority to enter into this agreement, hereby agree as follows:

I. Water Service Extension

1. To comply fully with the terms of SMC Chapter 17.10, the City's Comprehensive Water Plan, the City's public works design and utility standards, and this Agreement.
2. To solely fund all design, engineering, construction, easements, licenses, inspections, and all other costs associated with extension of water service.
3. To include in it's engineering a provision to ensure that extension of the water main is compatible with future extension of sanitary sewer service and reclaimed water.
4. To supply all information requested by the City Public Works Department for utility extensions, including plans, drawings, and evidence of approvals from all regulatory agencies.
5. To sign and record an agreement, that shall bind the current and future owners of the subject property, providing the city with an irrevocable power of attorney to allow a city representative to sign a petition of annexation on behalf of the property owner, and which waives its right to protest the formation of any local improvement district per SMC § 17.10.020(G) and (I).
6. To dedicate all capital facilities constructed as part of the water extension at no cost to the City, upon completion of the construction, approval and acceptance by the City.
7. To comply with the City of Shelton, Design and Construction Standards in the design and construction of all public roads and water and sewer system improvements, except as amended herein.

8. To pay all lawfully established rates and charges and comply with all requirements regarding the use and maintenance of the utility services as required in Title 14 and 15 of the SMC.
9. In the event the applicant or its contractor damages or disrupts existing public improvements, the repairs shall be made at the applicant's expense. In the event the improvements are so damaged or the service disrupted and the applicant fails or is unable to immediately restore the service, then the City may cause the repairs to be made by others and all costs for the same shall be at applicant's own expense. Where the construction crosses or is adjacent to existing utilities, the applicant shall exercise extreme care to protect such utilities from damage. If any damage is done to an existing utility, the applicant shall notify the utility company involved who will dispatch a crew to repair the damage at the applicant's expense. All costs for the same shall be at the applicant's own expense.
10. The applicant shall be aware that some existing facilities are known to contain asbestos cement pipe. The applicant and its contractors shall conduct all work related to existing asbestos cement pipe in strict accordance with WISHA safety regulations and provisions contained within WAC 296-62077. All costs related to work in compliance with established rules and regulations shall be the responsibility of the applicant. Demolition of existing, asbestos cement pipe, if required, will be permitted only after the proper permits are obtained. The applicant shall be responsible for all associated fees and permits required for asbestos removal and disposal. Work crews shall be provided with proper protective clothing and equipment. Hand tools shall be used, and the asbestos cement pipe shall be scored and broken in lieu of the sawing or other methods which release fibers into the atmosphere. Waste asbestos pipe shall be buried in the trench. Asbestos pipe to be abandoned in - place shall not be disturbed, except as noted herein, and shall remain in its original position. The applicant is cautioned that all existing drainage systems, whether open ditch, buried pipe, or drainage structures, are not on record. It shall be the responsibility of the applicant to repair or replace all such systems found during construction, which are damaged by the applicant's construction in a manner, which is satisfactory to the City. Where the applicant is allowed to use private property adjacent to the work, the property so used shall be returned to its original or superior condition. The applicant shall make all arrangements in advance with such property owners, to insure that no conflicts will ensue after the property is restored as described above. The applicant will be required to furnish the City with a written release from said private property owners, if the City deems it to be necessary to obtain such document.
11. The construction of the water main extension to the property shall be supervised by the City in such a manner and at such times as the City deems reasonably necessary to assure that construction of the system will conform with the above-mentioned plans and specifications. The applicant agrees to allow such inspections and agrees to cooperate

providing reasonable advance notice on his construction schedule during, the various construction phases as requested by the City.

12. The applicant agrees to cover the City's reasonable review fees and construction supervision expenses incurred.
13. The construction of the water main extension to the Premises shall not be accepted for service and use until the same have been fully inspected and approved, and the applicant has performed all of the following requirements:
 - a. Submit to the City electronic files on CD ROM, compatible with release 2000 or newer Auto-CAD format. Provide individual drawings independent of x-refs, and include all non-standard font files and plot files accompanied by the original mylars, with all changes from the original design clearly marked to reflect the as-built conditions. The applicant's Engineer shall certify the accuracy of the record drawings and shall affix his seal and signature.
 - b. Pay all permit fees and equivalent assessment changes and any other applicable City charges required for Premises.
 - c. Pay all plan check and inspection fees.
 - d. Prepare and furnish the required easements in compliance with the City's standard form prior to recording of same. The proponent shall pay all the necessary recording fees.
 - e. Furnish the City with a Bill of Sale conveying the water main to the City.
 - f. Furnish the City with a maintenance bond covering the costs of repairing defects for a period of two years.
14. The applicant warrants that the water main extension shall be free of defects in labor and materials for a period of one year following completion. The applicant shall repair any defects discovered within one year of completion at the applicant's sole expense. In the event any warranty repairs are required, the City agrees, whenever feasible, to provide the applicant with reasonable notice, before directly undertaking such repairs. The City reserves the right, however, to effect emergency repairs as deemed necessary by the City. The applicant shall reimburse the City for all costs thereof.
15. The applicant shall defend, indemnify and hold harmless the City from all claims for damages by third parties, including costs and reasonable attorney's fees in the defense of claims for damages, arising from the applicant's construction and installation of the water extension described in this Agreement except that the applicant shall not be required to

indemnify the City against a claim or loss to the extent the claim is the result of the negligence or willful misconduct of the City's employees, agents or officials.

II. Connection to water service

16. The applicant shall not connect to the City water system until authorized by the City, and such connection shall be performed under the supervision and direction of the City.
17. Prior to connecting to City water service, the applicant shall provide the City with an estimate of daily water consumption.
18. The applicant agrees to pay all charges in the form of General Facilities Charges and consumption rates as are currently listed in the City's fee schedule or may be amended in the future.
19. Once the applicant has connected to City water service, the applicant shall use City water as its primary potable water source.
20. If requested and appropriate, the City shall administer a latecomer agreement on the applicant's behalf pursuant to Chapter 35.91 RCW, with the goal of reimbursing the applicant for its contribution to the extension of the water main over and above its pro rata share.

III. Commitment to extend and connect to sewer.

21. The applicant shall immediately connect to sewer and extend the sewer main along its property frontage, if necessary to achieve full compliance with all requirements of Chapter 14.12 SMC, when a sewer main or lateral is within 300 feet of the subject property, at the applicant's sole expense, regardless of whether the on-site sewer or septic system is still functioning. For the Purpose of this agreement, the 300-foot threshold shall apply to and be met by all properties affected by this agreement when the current "dry" sewer line located in the adjoining segment of Northcliff Road becomes active.
22. If "dry" sewer mains are not installed as part of the current development, the applicant shall enter into a utility extension agreement for sewer service prior to extending the sewer main or constructing sewer facilities, unless said properties have been annexed to the City of Shelton. The utility extension agreement for sewer shall provide that if the applicant contributes more than its pro-rata share to a sewer extension, the City shall administer a latecomer agreement on the applicant's behalf pursuant to Chapter 35.91 RCW, with the goal of reimbursing the applicant for its contribution to the extension of the sewer facilities over and above its pro rata share.
23. All applicable fees and charges shall be paid prior to making connection to the City sewer system as required in item 21 above. General Facility Charges may be paid in advance or

may be deferred until the time of application for the sewer connection. General Facility Charges shall be the current charge at the time of payment or application to a maximum of the rates in effect at the time of execution of this agreement

IV. Miscellaneous

24. The City agrees to waive the requirement for compliance with the City's street design standards for the development's internal street system. In exchange the applicant and all subsequent owners of the effected properties shall agree that the internal street system shall be designed and constructed as private streets in accordance with Mason County development standards. Said streets shall be covered by a Home Owners Association or other mechanism to assure ongoing maintenance and shall remain private streets until such time as they are upgraded to City street design standards.
25. The applicant and all subsequent owners of the effected properties further agree to hold harmless the City for any damages to the private street system that may occur in the course of routine maintenance and operation of the water system as it is approved and installed under this agreement or may be modified in the future and the future sewer extension required by this agreement.
26. Per SMC § 17.10.020(A), this Agreement shall be recorded in the office of the Mason County Auditor and shall constitute a covenant running with the land that binds current and subsequent property owners to all its terms.
27. Each party agrees to perform any further acts and to execute and deliver any further documents as may be reasonably necessary to fully effectuate the provisions of this Agreement.
28. In addition to all other remedies available at law for noncompliance by the applicant or any subsequent property owner with the terms of this Agreement, the City shall have the authority to disconnect utility service, and for that purpose may at any time enter upon the private property or any public street or road.

