

After Recording Return to:

Skagit County Sewer District No. 2
17079 St. Route 9
Mt. Vernon, Washington, 98274
(360) 422-8373

DOCUMENT TITLE(S):

DEVELOPER SEWER EXTENSION AGREEMENT

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

N/A

GRANTOR(S):

SKAGIT COUNTY SEWER DISTRICT NO. 2

GRANTEE(S):

OVERLOOK CREST, LLC

LEGAL DESCRIPTION (ABBREVIATED: I.E., LOT, BLOCK, PLAT OF SECTION, TOWNSHIP, RANGE):

PTNS. OF SECTION 31, TOWNSHIP 34N, RANGE 5E, and SECTION 36, TOWNSHIP 34N, RANGE 4E

ADDITIONAL LEGAL DESCRIPTION IS ON **EXHIBIT A** OF DOCUMENT

ASSESSOR'S PROPERTY TAX PARCEL (S) / ACCOUNT NUMBER(S):

P30527 / 340531-0-003-0005, P30528 / 340531-0-004-0004, P104392 / 340531-0-003-0100,
P104391 / 340531-0-004-0100, P29883 / 340436-0-020-0000, P29855 / 340436-0-012-0000,
P29999 / 340436-1-004-0008, P29854 / 340436-0-010-0002, P30526/340531-0-002-0006

DEVELOPER SEWER EXTENSION AGREEMENT - 1

**SKAGIT COUNTY SEWER DISTRICT NO. 2
SKAGIT COUNTY, WASHINGTON**

DEVELOPER SEWER EXTENSION AGREEMENT

21st This Developer Sewer Extension Agreement ("Agreement") is entered into this day of December, 2021 by and between **OVERLOOK CREST, LLC**, a Washington Limited Liability Company (hereinafter referred to as "Developer"), and **SKAGIT COUNTY SEWER DISTRICT NO. 2**, a Washington Municipal Corporation, (hereinafter the "District"). By signing this Agreement, Developer hereby confirms its application to the District dated June 24, 2021, and conditionally approved by the District on August 17, 2021 for permission to construct and install a sewer system extension in the public right-of-way under permission obtained from Skagit County, or the State of Washington, which has not yet occurred, and/or within easements which have not yet been obtained, said permission and/or easements to be obtained by the Developer, all of which will be assigned or transferred to the District and/or subject to the approval of the District, and to connect to the District's sewer collection system.

1. LOCATION AND EXTENSION

The proposed extension will be installed in public roads and/or easements and/or on other approved rights-of-way and shall be for the use and benefit of the Property hereinafter legally described as follows:

Legal Description of Property:

See **Exhibit A**, attached hereto, hereafter referred to as the "Property."

All easements, franchise rights, or similar where the sewer system extension is to be located, shall be assigned and/or transferred to the District and confirmed by the Property owner burdened by such easement, right of way or franchise.

The Developer has a proposed boundary line adjustment pending approval with Skagit County that will upon approval and recording affect the legal descriptions of Parcels A-D described in **Exhibit A**, attached hereto. The Parties will reasonably cooperate with each other to amend **Exhibit A** as may be reasonably required.

2. DESCRIPTION OF EXTENSION AND OWNERSHIP

The proposed extension will extend, from the District's sanitary sewer collection system, a new collection system into the Property based on plans to be approved by the District Engineer, including the installation and testing of approximately 11,400 lineal feet of sewer main, 2,500 lineal feet of side sewer pipes, and 102 manholes, and various appurtenances (hereafter "Project" or "Project Extension"), and shall be installed in accordance with plans and specifications approved by the District, and in accordance with the standards and conditions for constructing extensions to the sewer system adopted by the Board of Commissioners of the District, the terms and conditions of which are attached hereto and made a part hereof.

The development to be served by the Project Extension is and shall be limited to: The Reserve at Overlook Crest, approved by Skagit County Permit Number PL07-0465, and

consisting of no more than 106 single family residential lots located upon the real property described in *Exhibit A*, attached hereto (referred to herein as the "Development").

Developer represents, guarantees, and warrants that it is the owner of the Property, and specifically that Overlook Crest, LLC owns Parcels A, B, C and D described in *Exhibit A*, attached hereto.

3. FEES AND CHARGES

- A. The Developer has paid a non-refundable application fee of \$375.00 to the District, which is in addition to any other fees or charges set forth in this Agreement. The Developer shall pay in full if and when due any charges assessed to the District or the Developer by Skagit County and/or the Washington State Department of Ecology related to the Project Extension, and shall be paid by the Developer to the District for projects involving sewer mains, lift/pump stations, or treatment facilities, and any other fees required for such review charged by any entity shall be paid by the Developer to the District.
- B. All fees and costs incurred by the District on or related to this Project shall be borne by the Developer, which are in addition to any fees or charges in Section 3.A. When the Developer Extension Agreement is fully executed and construction plans are submitted for review, a plan review deposit fee in the amount of Fifteen Thousand Dollars (\$15,000.00) shall be paid for the District's estimated expenses. In addition, construction inspection deposit fees and the bond or cash deposit as required by Section 8.A below, shall be paid to the District prior to scheduling a pre-construction meeting. Should actual expenses exceed the deposit, the difference shall be paid by Developer to the District prior to final acceptance of the Project. If the District determines, after the Project is completed and accepted, that expenses were less than the deposit, then the balance of the fee shall be refunded to Developer. The estimate of plan review and construction inspection expenses does not include allowance for any unusual costs incurred by the District such as Property surveys, outside consultant review, changes in design, excessive construction inspections, project coordination, errors or omissions by the Developer, its contractor or agents, unusual negotiations, legal expenses, or any other Project related costs. Additional review or inspection costs due to design modifications or changes in the original Project design or layout shall be considered unusual costs. The District will bill the Developer for any unusual costs listed above which shall be paid by the Developer within thirty (30) days of the date of the invoice, and in all circumstances prior to final acceptance of the Project. The District may discontinue review or inspection work on the Project until payment is received for any unusual costs incurred. The Developer shall be responsible for the payment of all such costs incurred by the District prior to Final Acceptance by the District and for two years thereafter. The meaning of the term "Final Acceptance" as used in this Agreement is set forth in Section 14 herein. The fee deposit shall be retained for two (2) years after Final Acceptance, at which time any remaining unexpended fee will be returned to the Developer.

- C. Connection Fee/Sewer General Facilities Charge - Any application for Sewer service facilities shall be subject to the District's General Facilities Charge (currently \$9,135.00) for each residential customer equivalent (RCE) to be located on the Property, as defined by the District including District Commission resolutions setting the General Facilities Charge and any amendments thereto.

The General Facilities Charge reimburses the District for a pro rata share of the cost of the general system required to furnish District-wide service. Such system consists of both existing facilities constructed and future facilities to be constructed as identified in adopted District plans. Payment of the General Facilities Charge does not guarantee availability of Sewer at the time connection to the system is requested until the General Facilities Charge is paid in full at the time of connection of the residential lot to the system.

Payment of one-half (1/2) of the General Facilities Charge shall be made by Developer before Project construction begins.

Payment of the remaining one-half (1/2) of the General Facilities Charge and any increase in the General Facilities Charge occurring prior to final acceptance shall be made by Developer prior to the District's final acceptance of the Project.

Should the General Facilities Charge be increased after the District's final acceptance of the Project, but prior to a structure's actual connection to the system and commencement of monthly service payments to the District, the Property owner at the time of connection to the system shall be subject to such increased General Facilities Charge and shall pay the difference to the District prior to the District providing service.

The District will allow a credit against the General Facilities Charge to any Developer who is required to install a line larger than ten-inch (10") in diameter for the additional cost of acquiring and installing such larger line over and above the cost of the ten-inch (10") diameter lines as reasonably determined by the District engineer.

The Developer paid a deposit under a prior and no longer valid Developer Extension Agreement dated on or about October 16, 2007. Funds under that agreement that were not used to reimburse expenses of the District will be refunded to the Developer.

- D. Prior to the beginning of Project construction, the District may, at its sole discretion, require the Developer to submit for District approval, a Project Estimate in a form approved by the District identifying the estimated cost and funding source for each Project element. If applicable, the Project Estimate shall specify which Project elements are General Facilities and which Project elements are to be subject to a Reimbursement Agreement, if any, pursuant to Section 16 below. The Parties recognize that the actual costs of construction may vary from the Project Estimate and that the Project Estimate is to be used only as a general guide for development of the Reimbursement Agreement herein and determination of fees and charges during Final Acceptance.

4. PRELIMINARY ENGINEERING

- A. The Developer may have its own professional engineer prepare plans and specifications for Sewer mains, or the Developer may have the District's engineer prepare said plans and specifications.
- B. The Developer shall furnish two (2) copies of the proposed plat, and/or binding site plan, and/or similar map to a scale of 1 inch = 100 feet or 1 inch = 50 feet with contour intervals of 5 feet or less, and proposed road profile sheets prior to the District's ordering of engineering design or plan review from its engineer. The final plat, and/or binding site plan, and/or similar map shall be furnished as soon as possible. The Developer shall also provide the description, location, and elevation of all bench mark data available on the Project site in a manner consistent with District requirements, and this information, wherever possible, shall be indicated on the maps furnished by the Developer. The datum used shall be consistent the District's requirements and not an assumed datum.
- C. The District requires that the pump station and pump system plans and specifications be prepared by the District's engineer, provided that grinder pumps shall be designed by the Property owner.
- D. The District reserves the right to require changes in the plans during the course of work to conform to the District's standards and/or the requirements of the District Engineer.

5. DESIGN AND CONSTRUCTION

The design and construction of the Sewer mains and related facilities shall be subject to standards of design and construction as required by the Washington State Department of Ecology, the District's Engineer, and/or as set forth in the District's Sewer System Plan, and other related standards, as interpreted by the District.

6. INSURANCE

- A. The Developer shall purchase and maintain at all times, including the warranty period, an insurance policy from an insurance company which has an A.M. Best rating of "A VII" or better commercial general liability and automobile liability insurance against liability to the Developer, the District, the Developer's engineer, and the District employees for negligent injury to persons or property resulting from performance, supervision, or inspection of the Work. The District shall be named as an additional insured under such policy by an endorsement to the policy generated by the insurer and provided to the District. Proof of the existence of such insurance shall be provided to the District in a form acceptable to the District and shall include the Project name and number. Developer is also responsible for ensuring any contractor primarily responsible for the Project Extension work ("Contractor") satisfies the insurance requirements set forth in this Section 6. The Developer shall not begin work under this Agreement or under any special condition until all required insurance has been obtained and until such insurance has been reviewed and accepted by the District.

- B. The minimum coverage limits shall be as follows unless approved in writing by the District:

General Aggregate: \$2,000,000
Products - Comp/OPS Aggregate: \$2,000,000
Personal Injury: \$2,000,000
Each Occurrence: \$2,000,000
Automobile Liability: \$1,000,000

Note:

- All current policies shall be provided before work can occur.
 - The General Aggregate requirement may be fulfilled with an umbrella policy with equivalent limits.
 - Ongoing operations coverage must be equivalent to ISO form 20 10 07 04 and products and completed operations coverage must be similar to ISO form CG 2037 07 04.
- C. Policies shall be kept in force until the Project is accepted by the District and the warranty period has been completed. Developer will provide evidence of insurance and an endorsement adding the District as an additional insured for each additional policy year until the District's final acceptance. The District shall be given at least thirty (30) days written notice of cancellation, non-renewal, material reduction or modification of coverage.
- D. The coverage provided by the insurance policies is to be primary to any insurance maintained by the District, except with respect to losses attributable to the sole negligence of the District. Any District insurance that might cover any claim or loss in connection with the Project Extension work shall be in excess of insurance maintained by Developer or Developer's Contractor and shall not contribute with the District's insurance.
- E. The insurance policy shall protect each insured in the same manner as though a separate policy had been issued to each. The inclusion of more than one insured shall not affect the rights of any insured with respect to any claim, suit, or judgment made or brought by or for any other insured or by or for any employee of any other insured.
- F. The general aggregate provisions of the insurance policy shall be amended to show that the general aggregate limit of the policies apply separately to this Project.
- G. The insurance policy shall not contain a deductible or self-insured retention in excess of \$10,000 unless approved by the District.
- H. Providing coverage in the stated amounts shall not be construed to relieve the Developer from liability in excess of such limits.

- I. In the event the owner of the right of way, including, but not limited to Skagit County or WSDOT, is required to be added as an additional insured, then it is the Developer's responsibility for complying with any such additional insured requirements.
- J. All of the insurance requirements in this Section 6 shall also apply to the Developer's Contractor. The Developer shall require such Contractor to comply with all of the insurance requirements in this Section 6, and the District shall be named as an additional insured under such contractor's policy by an endorsement to the policy generated by the insurer and provided to the District. Proof of the existence of such insurance shall be provided to the District in a form acceptable to the District and shall include the Project name and number. Developer or its Contractor will provide evidence of insurance and an endorsement adding the District as an additional insured for each additional policy year and for such until the expiration of the warranty period. Such Contractor shall not begin work under this Agreement or under any special condition until all required insurance has been obtained and until such insurance has been reviewed and accepted by the District.

7. INDEMNITY

The Developer shall indemnify, defend and hold the District and all of its representatives harmless from and against all losses and claims, demands, payments, suits, actions, recoveries and judgments of every nature and description brought or recovered against the District by reason of the act or omission of the Developer, or its agents or employees, in the performance of the Project work, and for any cost or expense incurred by the District in connection therewith, including overhead expense, legal expense, and reasonable attorney's fees and costs attributable thereto; and if suit in respect to the foregoing is filed, then Developer shall appear and defend the same at its own cost and expense, and, if judgment is rendered or settlement made requiring payment of damages by the District, then the Developer shall pay the same. Developer shall indemnify, defend, and hold the District harmless from any liability or expense, including reasonable attorney's fees incurred by the District by reason of Developer (or Developer's employees or subcontractors), breach of franchise, permit, or right-of way approval granted by the state, city, or public or private utility to the District for the purpose of enabling Developer to undertake construction within any right-of-way. In the event a District franchise permit has expired, the conditions of the expired permit of the local or state codes, whichever is more stringent shall apply. Developer further agrees that if any agency complains to the District that the Developer is violating such franchise or permits in any respect, or if the Developer damages any District's facilities, then the District shall give the Developer reasonable notice to comply with such franchise or permit or to make repairs or restoration. If the District deems it necessary to make any repairs or restoration (emergency or otherwise) then the Developer shall reimburse the District for the cost thereof. In any claim against the District, or its agents or employees by any employees of the Developer, or any contractor or subcontractor, or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation contained herein shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Developer, or any subcontractor under Workmen's Compensation Acts, Disability Benefit Acts, or other employee benefit acts. This waiver has been mutually negotiated by the Parties.

8. BONDS

- A. **PERFORMANCE BOND.** Prior to the beginning of Project construction, the Developer shall provide to the District, at the Developer's expense, a performance bond in a penal sum equal to the amount of the contract price, conditioned upon the performance by the Developer of all undertakings, covenants, terms, conditions and agreements of the contract documents, and upon the prompt payment by the Developer to all persons supplying labor and materials in the prosecution of the work provided by the contract documents. The District may accept a refundable cash deposit, in an amount to be determined by the District, in lieu of the performance bond. In appropriate circumstances the requirements of a performance bond may be waived by the District. The requirement will be waived only if this paragraph is approved by the District Board of Commissioners. The District shall release the performance bond on satisfactory completion and final acceptance of the Project Extension.
- B. **MAINTENANCE BOND.** In addition to the cash deposit or performance bond required by paragraph 8.A herein, the Developer shall provide a maintenance bond, prior to release of the Performance Bond or cash deposit, in an amount equal to fifteen percent (15%) of the cost of the Project, but in no event less than ten thousand dollars (\$10,000.00). The maintenance bond shall guarantee that the Sewer system transferred to the District by bill of sale shall remain free of defects and in proper working order for a period of two (2) years from the date of final acceptance of the Project improvements by the District and shall be in a form acceptable to the District. A precondition of the District's release of the maintenance bond shall be payment by the Developer of all outstanding expenses incurred by the District. At the end of warranty period listed in Section 15 of this Agreement, the District will inspect the Project and release this Bond in writing if the Project was installed and operating in satisfactory condition; otherwise, the maintenance bond remains in effect until released in writing by the District.

9. EASEMENTS

Any required easements shall be obtained by the Developer at Developer's sole cost and expense. The easement legal description shall be prepared by a licensed professional surveyor and shall bear such surveyor's seal. The District engineer will place the easement on the proper form, and it will be returned to the Developer for signature. Where applicable, the Developer shall provide an easement compatible with the District's Sewer System Plan to insure continuation of the sewer line. At the completion of Project construction and prior to the District accepting the Project, a final signed easement shall be delivered to the District by the Developer and recorded with the Skagit County Auditor by the District.

Easements required for intervening properties shall be obtained by the Developer prior to commencement of construction. All easements shall be dedicated to the District; plat and/or binding site plan general dedicated easements are not acceptable.

10. PERMITS

All necessary Project permits shall be obtained by the Developer at the Developer's sole cost and expense. Developer shall bear sole responsibility for compliance with all local, state, and federal laws applicable to Project construction. The District shall be provided with a copy of all applicable permits before Project construction begins.

11. GRADING OF ROADS

Developer shall grade all roads to the design subgrade elevation prior to the start of Project construction and shall advise the District in writing of any changes which may be contemplated during construction. If the Developer changes the subgrade elevation of the road after completion of the Project Extension, or any part thereof, the Developer shall be responsible for all costs incurred for the Project Extension as a result of said change in subgrade elevation. This obligation shall remain in full force and effect until Skagit County or other municipality releases the right-of-way or road construction bond or bond of other description in connection with the Developer's obligation for completion of the roads within the area.

12. MAINTENANCE OF CORRECT GRADES

The Developer shall maintain design slope between manholes and shall check all intermediate grade stakes by means of a taut grade wire between at least three intermediate grade stakes. The use of a laser for maintaining pipe slope does not preclude the use of grade stakes or the checking of said stakes. In the event that the grade stakes do not line up, the work shall be stopped until the situation is corrected by the Developer to the satisfaction of the District Engineer. The Developer shall make certain that all sewers slope toward the connection to the existing sewer and that all sewers run at a constant grade and alignment between manholes.

13. CONNECTION TO THE DISTRICT'S SYSTEM

Not less than 48 hours prior to the time that said Project is partially or fully completed and connection to the District's System is desired, written application for permission to make the actual connection at a specified time shall be made by the Developer. All new connections to the existing system and all testing of the new line shall require authorization of the District and shall be conducted in the presence of the District's representatives.

14. FINAL ACCEPTANCE

Compliance with all terms and conditions of this Agreement, the approved plans, the District Standards and Specifications, and other District requirements is a condition precedent to the District's obligation to allow connection to the District's system, to accept the bill of sale to the Project Extension to maintain and operate the Project Extension, and to provide service to the real Property described in this Agreement. The District shall not be obligated to accept title to the Project Extension or to provide service to the Property described in this Agreement if construction by third parties of facilities to be deeded to the District has not been completed and those facilities are necessary to provide service to the Property described in this Agreement. The District shall not be

obligated to allow service connections to its system until all fees and connection charges have been paid in full, provided that the General Facility Charges are to be paid by individual lot connections which shall not delay final acceptance.

Prior to final acceptance, the completed and executed bill of sale, the warranties, all necessary easements, maintenance bond, and the recorded documents required by this Agreement shall be delivered to the District, and the Developer shall have paid in full all fees and charges and has delivered any applicable reimbursement agreement.

Following final acceptance, the Developer may elect to connect lots within the Property to the District's system by paying any General Facilities Charge owing and by commencing and continuing payment of monthly charges for the lot; provided, however, no lot within the Property will be allowed to connect unless such connection occurs in conjunction with a building permit.

15. BILL OF SALE AND WARRANTIES OF DEVELOPER

Developer agrees to execute a bill of sale approved by the attorney for the District within thirty (30) days of the approved and completed Project Extension. Said bill of sale will provide for transfer of title of the constructed Project Extension from the Developer to the District and will further include the following items, statements, and warranties for the benefit of the District:

- A. Costs including administration, legal, and engineering fees, for the sewer main installation.
- B. The Developer will represent and warrant (1) that it is the lawful owner of said Project Extension and that it has the right to transfer title; (2) that the Project Extension is free from all encumbrances, including without limitation all liens; (3) that all bills for labor and material, and all taxes, have been paid; (4) that all laws, regulations, and ordinances pertaining to construction of the Project Extension have been complied with; and (5) that there are no pending lawsuits or claims involving the Project. Developer will agree to indemnify and hold the District harmless from and to defend all claims and demands made against the District which implicate any of the above warranties. If any lawsuit is filed as a result of, or involving, this Project and its warranties, then the Developer shall undertake to defend the lawsuit and shall accept responsibility for all costs of litigation, including costs on appeal, and shall hold the District harmless for any judgment rendered against the District.
- C. The Developer will warrant that the Project Extension is in proper working order, condition, and repair, is fit for its intended purpose and has been constructed in accordance with District standards.
- D. That Developer has complied with all laws and ordinances respecting construction of this Project, and the Project Extension is in proper working condition, order, and repair, and is adequate and fit for the intended purpose of use as a sewer system and as an integral part of the sewer collection system of the District, and the Project has been constructed in accordance with the conditions and standards of the District.

- E. The Developer will warrant that for a period of two (2) years from the date of final acceptance of the Project Extension, all parts thereof shall remain in proper working order, condition, and repair; and the Developer shall repair or replace, at Developer's expense, any work or material which may prove defective during the warranty period. When defects in the Project are discovered within the warranty period, Developer shall start work to remedy any such defects within seven (7) calendar days from the date of written notice sent via email and first-class mail by the District and shall complete such work within a reasonable time. In emergencies, where damages may result from delay or where loss of service may result, corrections may be made by the District, and the cost thereof shall be paid by the Developer. If the Developer does not commence or accomplish corrections within the time specified, then the work may be accomplished by the District, and the cost thereof shall be paid by the Developer. Developer shall reimburse the District for damages or expenses incurred by the District resulting from defects in the Developer's work, including the cost of materials and labor, the cost of engineering, and the cost of inspection and supervision by the District.
- F. The warranty period commences with the Final Acceptance of the Project by the District. Final Acceptance also transfers ownership of the Project to the District for operation as a public system subject to District rules and regulations, conditions of service, and service charges.
- G. The sole consideration, which shall be recited in a bill of sale, is that Developer grants and transfers ownership of the Project to the District for the consideration of incorporating the system in the overall Sewer system of the District.

16. REIMBURSEMENT AGREEMENT, EXECUTION, AND RECORDING

Following completion of Project construction, execution, and receipt of a bill of sale, maintenance bond, necessary easements and all other required documents, and payment in full of all fees and charges, the Parties will, if applicable, enter into a Reimbursement Agreement in the form consistent with RCW 35.91.020, or RCW 57.22.020, if applicable. The District will record the Reimbursement Agreement with the Skagit County Auditor's office at the Developer's expense.

17. RESPONSIBILITY FOR PROJECT MANAGEMENT

The Developer shall be responsible for Project management and coordination. Project management includes, but is not limited to, overall Project coordination, utility and road locations and elevations, and conflicts of same.

18. DURATION OF AGREEMENT; LIMITATION OF PERIOD FOR ACCEPTANCE

The Project Extension shall be complete and accepted within four (4) years of the date of acceptance of this Application by the District. If the Project Extension is not completed and accepted within four (4) years from the date below, this Agreement shall be deemed terminated, unless and until Developer shall make a new Agreement or the District consents to the extension of the existing Agreement and Developer pays any

and all District costs associated with such new or extended Agreement, all as determined by the Board of Commissioners.

19. NO ASSIGNMENT WITHOUT DISTRICT APPROVAL/BINDING NATURE

Prior to Final Acceptance, this Agreement and Developer's rights and responsibilities may not be assigned without the prior written consent of the District. Any District approved assignment shall be in writing in a form approved by the District and filed with the District by the Developer. After Final Acceptance, this Agreement shall run with the Property and shall be binding on and be an obligation of the successors, heirs and assigns of the Developer until such time as all of the Developer's obligations herein have been fully and satisfactorily fulfilled, provided that after the transfer of the Property or assignment of any interest in this Agreement, the Developer shall continue to be liable and responsible for any representations and/or warranties made pursuant to this Agreement.

20. SUBCONTRACTING

Developer is fully responsible for the acts and omissions of Contractor, subcontractors, and any persons employed, directly or indirectly, by Contractor or subcontractors, as well as the acts and omissions of Developer's employees.

21. NO THIRD PERSON SHALL HAVE ANY RIGHTS HEREUNDER

This Agreement is made only for the benefit of the District and the Developer. No third person or party shall have any rights hereunder, whether by agency or as a third-party beneficiary or otherwise.

22. GOVERNING LAW/FORUM

This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. Any suit to enforce the provisions of this Agreement shall be brought in the Superior Court of Skagit County, Washington.

23. REMEDIES AVAILABLE TO DISTRICT

If the Developer fails to pay any fees, charges, or fines when due as determined by the District, then the charge or fine shall be delinquent and shall accrue interest at lesser of twelve percent (12%) or the highest legal rate per annum until paid as permitted by law. In addition to other remedies, the District may file a lien against the Real Property referenced herein and commence foreclosure proceedings as permitted by law.

24. COSTS OF LITIGATION

If either the District or the Developer commences any legal action relating to the provisions of this Agreement, then the prevailing party shall be entitled to recover all costs of litigation, including out of pocket expenses, expert fees, and reasonable attorneys' fees, including all such costs and fees incurred on appeal. In any litigation arising out of this Agreement or related to this Project to which the District is not a party, the Developer shall reimburse the District for all of its costs and expenses, including

attorneys' or engineers' fees, that are reasonably and necessarily incurred as a result of such litigation.

25. NOTICE

Unless otherwise notified, any notice or other correspondence required by this Agreement shall be in writing to the addresses identified in the application for Developer's Extension Agreement.

26. ENTIRE AND COMPLETE AGREEMENT

This Agreement constitutes the entire agreement between the Developer and the District and supersedes in its entirety any prior agreement between the Parties related to the Project, and any such prior agreement, whether oral or in writing, shall be of no force or effect. This Agreement may be modified in writing only upon mutual agreement of the Parties hereto.

THIS AGREEMENT is effective as of the day and year first written above.

[SIGNATURES AND NOTARIES ON FOLLOWING PAGES]

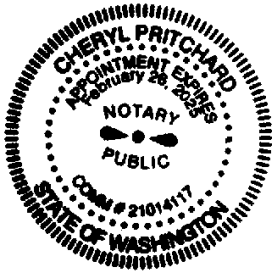
SKAGIT COUNTY SEWER DISTRICT NO. 2



By: President, Board of Commissioners

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Brian McWhorter, to me known to be the Board President of SKAGIT COUNTY SEWER DISTRICT NO. 2, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this 12th day of January, 2022.




Print Name: Cheryl Pritchard
NOTARY PUBLIC in and for the
State of Washington, residing at Sedro Woolley, WA
My commission expires: February 26, 2025

**EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY**

PARCEL A

Tax Parcel Nos. P29855 & P29883:

Lot A of that certain Quit Claim Deed for Boundary Line Adjustment, dated August 26th, 2021 and recorded December 2, 2021 under Skagit County Auditor's File Number 202112020017 and as further depicted on that certain Record of Survey for Hansen / Overlook Boundary Line Adjustment dated October 29, 2021 and recorded December 2, 2021 under Skagit County Auditor's File Number 202112020016; also being described as

A TRACT OF LAND BEING A PORTION OF GOVERNMENT LOTS 7 AND 8 OF SECTION 36, TOWNSHIP 34 NORTH, RANGE 4 EAST OF W.M. DESCRIBED AS FOLLOWS:

THAT PORTION OF SAID GOVERNMENT LOTS 7 AND 8 LYING EAST OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTH CORNER COMMON TO SAID SECTIONS 36 AND 31, AS SHOWN ON THAT RECORD OF SURVEY FILED UNDER AUDITOR'S FILE NO. 202112020016.

THENCE NORTH 02°04'01" EAST, ALONG THE LINE COMMON TO SAID SECTIONS 36 AND 31, 553.16 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE TO THE RIGHT, THE CENTER OF WHICH BEARS NORTH 35°51'13" EAST, AND HAVING A RADIUS OF 1010.00 FEET, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING.

THENCE CONTINUING ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 33°00'54", AN ARC DISTANCE OF 581.98 FEET TO A POINT OF TANGENCY; THENCE NORTH 17°38'01" WEST, 460.80 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 63°54'22" WEST, AND HAVING A RADIUS OF 1825.00 FEET; THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 07°26'01", AN ARC DISTANCE OF 236.78 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE TO THE RIGHT, THE CENTER OF WHICH BEARS NORTH 56°28'21" EAST, AND HAVING A RADIUS OF 2175.00 FEET; THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 16°44'35", AN ARC DISTANCE OF 635.58 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 73°12'56" WEST, AND HAVING A RADIUS OF 2325.00 FEET; THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 11°42'15", AN ARC DISTANCE OF 474.94 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36, SAID POINT BEARING NORTH 89°13'29" WEST, 1135.11 FEET FROM THE EAST QUARTER CORNER OF SAID

SECTION 36 AS SHOWN ON SAID RECORD OF SURVEY FILED UNDER AUDITOR'S FILE NO. 202112020016, RECORDS OF SKAGIT COUNTY, WASHINGTON, SAID POINT ALSO BEING THE POINT OF ENDING FOR THIS DESCRIBED LINE.

SAID TRACT CONTAINING 1,319,101 SQUARE FEET, OR 30.28 ACRES, MORE OR LESS.

SITUATED IN SKAGIT COUNTY, WASHINGTON.

PARCEL B

Tax Parcel Nos. P30527, P30528, P104391 & P104392:

Lot B of that certain Quit Claim Deed for Boundary Line Adjustment, dated August 26th, 2021 and recorded December 2, 2021 under Skagit County Auditor's File Number 202112020017 and as further depicted on that certain Record of Survey for Hansen / Overlook Boundary Line Adjustment dated October 29, 2021 and recorded December 2, 2021 under Skagit County Auditor's File Number 202112020016; also being described as

A TRACT OF LAND, DESCRIBED AS FOLLOWS:

GOVERNMENT LOTS 3 AND 4 OF SECTION 31, TOWNSHIP 34 NORTH, RANGE 5 EAST OF W.M.

EXCEPT THE SOUTH 330 FEET (20 RODS) OF SAID GOVERNMENT LOT 4.

ALSO EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH CORNER COMMON TO SAID SECTIONS 36 AND 31, AS SHOWN ON THAT RECORD OF SURVEY FILED UNDER AUDITOR'S FILE NO. 202112020016;

THENCE NORTH 02°04'01" EAST, ALONG THE LINE COMMON TO SAID SECTIONS 36 AND 31, 330.43 FEET TO THE NORTHWEST CORNER OF SAID SOUTH 330 FEET (20 RODS) OF GOVERNMENT LOT 4;

THENCE NORTH 88°56'36" EAST, ALONG THE NORTH LINE OF SAID SOUTH 330 FEET (20 RODS) OF GOVERNMENT LOT 4, 200.30 FEET TO THE TRUE POINT OF BEGINNING.

THENCE NORTH 02°04'01" EAST, 108.22 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE RIGHT, THE CENTER OF WHICH BEARS NORTH 23°02'58" EAST, AND HAVING A RADIUS OF 1010.00 FEET; THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 12°48'15", AN ARC DISTANCE OF 225.71 FEET TO SAID COMMON LINE TO SECTIONS 36 AND 31;

THENCE SOUTH 02°04'01" WEST, ALONG SAID LINE COMMON TO SECTIONS 36 AND 31, 222.73 FEET, TO THE NORTHWEST CORNER OF SAID SOUTH 330 FEET (20 RODS) OF SAID GOVERNMENT LOT 4 AND THE TRUE POINT OF BEGINNING.

SAID TRACT CONTAINING 2,990,003 SQUARE FEET, OR 68.64 ACRES, MORE OR LESS,

SITUATED IN SKAGIT COUNTY, WASHINGTON.

PARCEL C

Tax Parcel Nos. P29854 & P29999:

The Southeast Quarter of the Northeast Quarter and that portion of Government Lot 6, lying East of the Northern Pacific Railway right of way, in Section 36, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT highway right of way.

AND EXCEPT that portion of said property described as follows:

Beginning at the Southeast corner of the Northeast Quarter of said Section 36;
Thence South 89°25'43" West along the South line of said Northeast Quarter a distance of 1,208.46 feet to the true point of beginning of this description;
Thence North 17°05'32" West, a distance of 930.67 feet;
Thence South 74°16'52" West, a distance of 508.04 feet, more or less, to a point on the Easterly right of way line of State Highway 1-A;
Thence in a Southerly direction along the Easterly right of way line of State Highway 1-A on a curve to the right to a point on the South line of said Northeast Quarter of said section;
Thence North 89°25'43" East along said South line of said Northeast Quarter, a distance of 514.21 feet, more or less, to the true point of beginning.

Situated in Skagit County, Washington.

PARCEL D

Tax Parcel No. P30526

The Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 31, Township 34 North, Range 5 East, Willamette Meridian,

Situate in Skagit County, Washington.