HIGHLINE WATER DISTRICT
King County, Washington

RESOLUTION 17-12-20E

RESOLUTION ACCEPTING AN EXTENSION TO THE WATER DISTRICT SYSTEM
ALOFT HOTEL - 19030 28TH AVE S, SEATAC, WASHINGTON

WHEREAS, the Board of Commissioners of Highline Water District has heretofore approved an application for the above-titled extension; and

WHEREAS, said extension has been found to have been constructed in accordance with the District’s standards; and

WHEREAS, pressure, bacteriological and other tests have been made and the results have proven satisfactory. The General Manager agrees with the recommendation for acceptance of said extension.

NOW, THEREFORE, BE IT RESOLVED:

1. The above-entitled extension to the District’s system is hereby accepted by the District, subject to the guarantee and other provisions of the Developer Extension Agreement on file at the District’s office.

2. The Bill of Sale, notarized on 09/11/17 and executed by Ed Kim, Managing Member, is hereby accepted and attached as Exhibit A, along with system map.

ADOPTED BY THE BOARD OF COMMISSIONERS of Highline Water District, King County, Washington, at an open public meeting held this 20th day of December 2017.

BOARD OF COMMISSIONERS

Todd Fultz, President
Vince Koester, Commissioner
Kathleen Quang-Vermette, Commissioner

Daniel Johnson, Secretary
George Landon, Commissioner
HIGHLINE WATER DISTRICT

BILL OF SALE

Know all men by these presents that for and in consideration of the sum of One Dollar ($1.00) and other good and sufficient consideration, receipt whereof is hereby acknowledged, the undersigned grantor,

HCS SeaTac, LLC

presents hereby convey, set over, assign, transfer and sell to HIGHLINE WATER DISTRICT, King County, Washington, a municipal corporation, the following described water mains and all appurtenances thereto, situated in King County, Washington.

LOCATION: 19030 28th Ave S, SeaTac, WA 98188

ALONG: ____________________ FROM: ____________________ TO: ____________________

ALONG: ____________________ FROM: ____________________ TO: ____________________

ALONG: ____________________ FROM: ____________________ TO: ____________________

DESCRIBED WATER MAINS & APPURTENANCES

<table>
<thead>
<tr>
<th>Appurtenance</th>
<th>Size/Type</th>
<th>Amount Installed</th>
<th>Unit Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>432' 8&quot; Water Main</td>
<td>8&quot;</td>
<td>432'</td>
<td></td>
<td>$34,244.00</td>
</tr>
<tr>
<td>96' 6&quot; Water Main</td>
<td>6&quot;</td>
<td>96'</td>
<td>$</td>
<td>$7,600.00</td>
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<tr>
<td>44&quot; Water Main</td>
<td>4&quot;</td>
<td>71'</td>
<td>$</td>
<td>$5,150.00</td>
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<td>Fire Hydrants</td>
<td>C502</td>
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<td>$5,100</td>
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<td>Domestic Water Service 4&quot;</td>
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<td>1</td>
<td></td>
<td>$40,475.00</td>
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<tr>
<td>2&quot; Bypass meter</td>
<td>On Domestic Service see detail F/W4</td>
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<td>$4,500.00</td>
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<tr>
<td>5/8&quot; SBF Meter</td>
<td>For fire service</td>
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<td>Cost included below</td>
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<td>Fireline</td>
<td>See 4&quot; Main above</td>
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<td></td>
<td>$4,350.00</td>
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<tr>
<td>Irrigation Service</td>
<td>1.0</td>
<td>1</td>
<td></td>
<td>$4,350.00</td>
</tr>
<tr>
<td>Valves</td>
<td>8&quot;</td>
<td>5</td>
<td>Cost included in main above</td>
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</tr>
<tr>
<td>Valves</td>
<td>4&quot;</td>
<td>2</td>
<td>Cost included in main above</td>
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</tbody>
</table>

Total Cost of Water Improvements: $125,028.00
CORPORATION ACKNOWLEDGEMENT

STATE OF WASHINGTON    
COUNTY OF KING          

On this 11th day of September, 2017, before me the undersigned, a Notary Public, personally appeared Ed Kim, to me known to be the within and foregoing instrument, and acknowledged 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 or they) was (were) authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

[Signature of Notary]

[Printed name of Notary]

Notary Public for the State of Washington, residing at [City]

My appointment expires [05-21-2021]
CASH MAINTENANCE AND PLEDGE OF MONIES AGREEMENT

This Agreement ("Agreement") is made this 8 day of Sept, 2017 by and between the Highline Water District, a municipal corporation ("District"), and HC SeaTac, LLC ("Developer") (individually a "Party" and collectively the "Parties") for the purposes set forth herein.

SECTION 1: RECITALS

1.01 The District and the Developer are parties to a developer extension contract dated the 20 day of April, 2016 ("Extension Contract") regarding the construction of certain water extension improvements ("Extension Improvements") for the project known as Aloft Hotel ("Project") referenced therein.

1.02 Pursuant to Section 11, "Insurance and Bonding" of the Extension Contract, the Developer is required to furnish the District with a maintenance bond to insure compliance with the District's standards and specifications and the terms and conditions of the Extension Contract covering a two (2) year period from the date of the District's acceptance of the Extension Improvements. Pursuant to such provision, the Developer desires to furnish the District with a cash maintenance bond in lieu of a surety maintenance bond as the required by the Extension Contract.

1.03 The District will accept, hold and disburse such cash as the maintenance bond as set forth below.

1.04 Therefore, the Parties, in consideration of the terms and conditions herein stated, now agree as follows:

SECTION 2: CASH MAINTENANCE BOND

2.01 The Developer shall provide the District cash funds ("Funds") in the amount of U.S. sixty two thousand five hundred and fourteen dollars to guarantee Developer's performance of the maintenance obligations referenced in Section 1.02 above.

2.02 The District shall hold and deposit the Funds in an interest-bearing deposit account in Highline Water District Bank ("Bank"), such account to be in the sole name of the District. District shall have the right to direct the Bank regarding the disposition of the Funds pursuant to this Agreement without the Developer's consent.

2.03 The conditions under which the District will disburse or utilize the Funds for the completion of the Developer's obligations under the Extension Agreement are such that:

a. If the Developer complies with the District's standards and specifications and the terms and conditions of the Extension Contract, remedies all damages to the District's system and the Extension Improvements resulting from the Developer's failure to properly perform the work under the Extension Contract, and remedies all damages or claims by other agencies or private owners, the District shall disburse the Funds less charges for District administrative and other costs associated with this Agreement.

b. If the Developer fails to comply with the District's standards and specifications and the terms and conditions of the Extension Contract, the District may utilize the Funds for the work required to remedy the Developer's failure.
CASH MAINTENANCE AND PLEDGE OF MONIES AGREEMENT

referenced in this Agreement to the Developer within thirty (30) days of such
determination by the District; or

b. If the Developer fails to comply with the District's standards and specifications
and the terms and conditions of the Extension Contract, fails to remedy all
damages to the District's system and the Extension Improvements resulting from
the Developer's failure to properly perform the work under the Extension
Contract, or fails to remedy all damages or claims by other agencies or private
owners arising out of or relating to the Extension Contract, the District shall have
the right to use the Funds to perform and complete the terms and conditions of
the Extension Contract and remedy and satisfy all damages and claims arising out
of or relating to the Extension Contract and the Bank shall immediately release
the Funds to the District for that purpose upon demand by the District; in such
event, the District shall return any unused Funds thereon to the Developer within
thirty (30) days of the end of the two (2) year period referenced in Section 1.02
above.

2.04 Forfeiture and the District's use of the Funds as herein provided shall be in addition to
all the rights and remedies granted by law, equity or contract to the District to seek
reimbursement of damages incurred or to enforce the provisions of the Extension
Agreement.

SECTION 3: PLEDGE AND SECURITY AGREEMENT

3.01 Developer hereby grants to the District, its successors and assigns, a security interest in
the Funds pursuant to Chapter 62A.9A RCW, including RCW 62A.9A-312, 313 and 314,
and as such statutes may be amended and revised, which Funds will be delivered to the
District and placed in the District's possession and control. Developer further grants to
the District a security interest in all proceeds of the Funds, whether in the form of
profits, dividends, accrued interest or otherwise.

3.02 For purposes of the security interest granted herein, Bank shall be the agent of the
District for possession of the Funds such that possession of the Funds by Bank shall be
deemed to be possession and control of the Funds by the District.

3.03 Developer warrants that, except as provided for herein, Developer has full title to the
Funds and the Funds are free and clear of any other security interest, encumbrance, or
claim of right, title or ownership. Developer shall not create or permit the existence of
any lien or security interest other than that hereby created in the Funds without the
express written consent of the District nor shall Developer assign any interest in the
Funds to any other person or entity without the District's written consent, such consent
to be in the District's sole discretion.

3.04 Developer agrees to repay to the District all sums including, but not limited to, legal
fees and costs which the District may expend or incur in conserving or protecting the
Funds, or in enforcing its security interest herein, including without limitation such
CASH MAINTENANCE AND PLEDGE OF MONIES AGREEMENT

sums as may be charged by Bank or any governmental entity with respect to the Funds. The sums agreed to be paid herein shall be secured by this Agreement.

3.05 The District shall have the right to enforce and collect on its security interest in the Funds in accordance with the terms and provisions contained in this Agreement. Enforcement and collection of the District's security interest in the Funds shall be in addition to all other rights and remedies placed by law, equity or contract to the District to seek reimbursement of additional damages incurred and/or to enforce the provisions of the Extension Agreement and this Agreement, should the Funds be insufficient to discharge the Developer's obligations to the District.

SECTION 4: GENERAL PROVISIONS

4.01 This Agreement shall serve as an addendum to the Extension Contract and shall supersede and amend such Extension Contract to the extent provided herein.

4.02 All time limits set forth herein are of the essence. The Parties agree to perform all obligations under this Agreement with due diligence.

4.03 In the event that this Agreement or any obligation secured by it is referred to an attorney to protect or defend the priority of the District's interest in the Funds, or for collection or realization procedures, Developer agrees to pay the District's reasonable attorneys' fees and costs incurred by the District and such fees and costs shall be secured by this Agreement.

4.04 The District will cause to be performed certain services by its legal counsel, engineers and District personnel to carry out the foregoing purposes, including but not limited to the preparation and administration of this and any related agreements and documents. The Developer agrees to pay the cost of such services as a condition of the District's agreement herein.

4.05 This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The State of Washington shall also be the jurisdiction for the Bank for the purposes of this Agreement pursuant to RCW 62A.9A-304(b). Venue for any action arising out of or relating to this Agreement shall lie in King County Superior Court.

HIGHLINE WATER DISTRICT

("District")

By __________________________

Its __________________________

HC SeaTop, LLC

("Developer")

By __________________________

Its Manager ____________________
CASH MAINTENANCE AND PLEDGE OF MONIES AGREEMENT

STATE OF WASHINGTON

COUNTY OF KING

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

DATED: ________________________________

(Signature)

NAME: ________________________________

(Print Name)

Notary Public in and for the State of Washington.
Commission Expires: ____________________

STATE OF WASHINGTON

COUNTY OF KING

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

DATED: ________________________________

(Signature)

NAME: ________________________________

(Print Name)

Notary Public in and for the State of Washington.
Commission Expires: ____________________
CASH PERFORMANCE AND PLEDGE OF MONIES AGREEMENT

This Agreement ("Agreement") is made this 10 day of OCT, 2016 by and between the Highline Water District, a municipal corporation ("District"), and HC Sense LLC ("Developer") (individually a “Party” and collectively the “Parties”) for the purposes set forth herein.

SECTION 1: RECITALS

1.01 The District and the Developer are parties to a developer extension contract dated the 20 day of April 2016 ("Extension Contract") regarding the construction of certain water extension improvements ("Extension Improvements") for the project known as Atef Hotel ("Project") referenced therein.

1.02 Pursuant to Section 7 "Insurance and Bonding" of the Extension Contract, the Developer is required to furnish the District with a performance guarantee of a type and in a form as determined by the District to guarantee the installation of the Extension Improvements and the performance of the Developer's obligations and duties under the Extension Contract. Pursuant to such provision, the Developer desires to furnish the District with cash as the required performance guarantee.

1.03 The District will accept, hold and disburse such cash as the performance guarantee as set forth below.

1.04 Therefore, the Parties, in consideration of the terms and conditions herein stated, now agree as follows:

SECTION 2: CASH PERFORMANCE GUARANTEE

2.01 The Developer shall provide the District cash funds ("Funds") in the amount of U.S. eighty five thousand five hundred seventy seven ($85,577.00) to guarantee the Developer's installation of the Extension Improvements and completion of the Extension Contract as referenced in Section 1.02 above.

2.02 The District shall hold and deposit the Funds in an interest-bearing deposit account in Highline Water District Bank ("Bank"), such account to be in the sole name of the District. District shall have the right to direct the Bank regarding the disposition of the Funds pursuant to this Agreement without the Developer's consent.

2.03 The conditions under which the District will disburse or utilize the Funds for the completion of the Developer's obligations under the Extension Agreement are such that:

a. If the Extension Improvements are completed by the Developer and given final acceptance by the District within eighteen (18) months of the date the District Board
CASH PERFORMANCE AND PLEDGE OF MONIES AGREEMENT

of Commissioners adopts a resolution accepting Developer's application to enter into an Extension Contract and the Developer fully performs all other duties and obligations set forth in the Extension Contract, the District shall disburse the Funds less charges for District administrative and other costs referenced in this Agreement to the Developer within thirty (30) days of such determination by the District; or

b. If the Extension Improvements are not completed by the Developer and given final acceptance by the District within eighteen (18) months of the date the District Board of Commissioners adopts a resolution accepting Developer's application to enter into an Extension Contract or the Developer fails to fully perform all other duties and obligations set forth in the Extension Contract by such date, the District shall have the right to use the Funds to complete the installation of the Extension Improvements to the District's satisfaction and specifications referenced in the Plans and the Extension Contract and the Bank shall immediately release the Funds to the District for that purpose upon demand by the District; in such event, the District shall return any unused Funds thereon to the Developer within thirty (30) days of the completion and acceptance of the Extension Improvements by the District.

SECTION 3: PLEDGE AND SECURITY AGREEMENT

3.01 Developer hereby grants to the District, its successors and assigns, a security interest in the Funds pursuant to Chapter 62A.9A RCW, including RCW 62A.9A-312, 313 and 314, and as such statutes may be amended and revised, which Funds will be delivered to the District and placed in the District's possession and control. Developer further grants to the District a security interest in all proceeds of the Funds, whether in the form of profits, dividends, accrued interest or otherwise.

3.02 For purposes of the security interest granted herein, Bank shall be the agent of the District for possession of the Funds such that possession of the Funds by Bank shall be deemed to be possession and control of the Funds by the District.

3.03 Developer warrants that, except as provided for herein, Developer has full title to the Funds and the Funds are free and clear of any other security interest, encumbrance, or claim of right, title or ownership. Developer shall not create or permit the existence of any lien or security interest other than that hereby created in the Funds without the express written consent of the District nor shall Developer assign any interest in the Funds to any other person or entity without the District's written consent, such consent to be in the District's sole discretion.

3.04 Developer agrees to repay to the District all sums including, but not limited to, legal fees and costs which the District may expend or incur in conserving or protecting the Funds, or in enforcing its security interest herein, including without limitation such sums as may
be charged by Bank or any governmental entity with respect to the Funds. The sums agreed to be paid herein shall be secured by this Agreement.

3.05 The District shall have the right to enforce and collect on its security interest in the Funds in accordance with the terms and provisions contained in this Agreement. Enforcement and collection of the District’s security interest in the Funds shall be in addition to all other rights and remedies placed by law, equity or contract to the District to seek reimbursement of additional damages incurred and/or to enforce the provisions of the Extension Agreement and this Agreement, should the Funds be insufficient to discharge the Developer’s obligations to the District.

SECTION 4: GENERAL PROVISIONS

4.01 This Agreement shall serve as an addendum to the Extension Contract and shall supersede and amend such Extension Contract to the extent provided herein.

4.02 All time limits set forth herein are of the essence. The Parties agree to perform all obligations under this Agreement with due diligence.

4.03 In the event that this Agreement or any obligation secured by it is referred to an attorney to protect or defend the priority of the District’s interest in the Funds, or for collection or realization procedures, Developer agrees to pay the District’s reasonable attorneys’ fees and costs incurred by the District and such fees and costs shall be secured by this Agreement.

4.04 The District will cause to be performed certain services by its legal counsel, engineers and District personnel to carry out the foregoing purposes, including but not limited to the preparation and administration of this and any related agreements and documents. The Developer agrees to pay the cost of such services as a condition of the District’s agreement herein.

4.05 This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The State of Washington shall also be the jurisdiction for the Bank for the purposes of this Agreement pursuant to RCW 62A.9A-304(b). Venue for any action arising out of or relating to this Agreement shall lie in King County Superior Court.

HIGHLINE WATER DISTRICT
(“District”)

By [Signature]  

HC SeaTac LLC
(“Developer”)

By [Signature] Han Kim
CASH PERFORMANCE AND PLEDGE OF MONIES AGREEMENT

Highline Water District BANK hereby consents and agrees that it is the agent of HIGHLINE WATER DISTRICT for purposes of possession by HIGHLINE WATER DISTRICT of the Funds in the amount of Eighty Five Thousand Five Hundred Seventy Dollars ($85,577.——), which funds the District has a security interest in pursuant to this Agreement and Chapter 62A.9A RCW.

DATED this ___ day of October__, 2016.

Highline Water District BANK ("BANK")

Branch

By

Its

STATE OF WASHINGTON )
) ss:

COUNTY OF KING )

I certify that I know or have satisfactory evidence that ____________________________ is the person who appeared before me, and said person acknowledged that ____ signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the ____________________________ of ____________________________ BANK to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED: __________________________

(Signature)

NAME:

(Print Name)

Notary Public in and for the State of Washington.
Commission Expires: __________________________

STATE OF WASHINGTON )
) ss:

COUNTY OF KING )

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REF #: 114

REVISED: 6/6/2011
CASH PERFORMANCE AND PLEDGE OF MONIES AGREEMENT

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

DATED: _____________________________

______________________________
(Signature)

NAME: _____________________________

______________________________
(Print Name)

Notary Public in and for the State of Washington.
Commission Expires: _____________________________

STATE OF WASHINGTON )
)
)
COUNTY OF KING )
) ss:

I certify that I know or have satisfactory evidence that _____________________________ is the person who appeared before me, and said person acknowledged that ___ signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the _____________________________ of Highline Water District to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED: _____________________________

______________________________
(Signature)

NAME: _____________________________

______________________________
(Print Name)

Notary Public in and for the State of Washington.
Commission Expires: _____________________________
PAY TO THE ORDER OF: Highline Water District

$ 85,577.00

Eighty-Five Thousand Five Hundred Seventy-Seven and 00/100

MEMO

Highline Water District
23828 30th Ave S
Kent, WA 98032-2821

HC SeaTac, LLC

Highline Water District
Cash Bond

10/5/2016

85,577.00

Checking

85,577.00
Subject: Developer Extension - Accept as Complete
Aloft Hotel

ATTACHMENTS:

1. Resolution
2. Map
3. Bill of Sale
4. Maintenance Bond

BACKGROUND:

Name of DE: Aloft Hotel
Name of Developer: HC SeaTac, LLC

Plat or Subdivision: Provide and install approximately 432 lf 8" water main, 96 LF 6" water main, 60 lf 4" water main, 3 fire hydrants, one 4" service/meter, one 1" service/meter, one 6" fire device and related appurtenances needed to supply fire suppression, domestic and irrigation water to new 143 room hotel.

Resolution # Authorize DE: 16-4-20B

General Location of DE: 19030 28TH Ave So., SeaTac, WA 98148

Bill of Sale Dated: 9/11/2017

Signed by: Ed Kim, Managing Member

Requesting Latecomers Payback Agreement?: Yes ☐ No ☒ N/A ☐

Deposit Paid?: Yes ☒ No ☐ N/A ☐

Amt. of Deposit: $6,000

Explanation: This is the final step in the developer extension process. This resolution authorizes acceptance of the developer extension, and staff has verified that it is complete in accordance with the District's standards.