

**BILL OF SALE  
FOR SNOQUALMIE RIDGE WATER SYSTEM  
AND RELATED IMPROVEMENTS**

WEYERHAEUSER REAL ESTATE COMPANY, a Washington corporation, ("WRECO"), in consideration of compliance with Sections 2.1.9 and 2.1.10 of the Snoqualmie Ridge Water System Developer Extension Agreement, dated November 19, 1997 ("Developer Extension Agreement"), does by these presents, grant, bargain, sell and deliver unto the CITY OF SNOQUALMIE (the "City") all those improvements more specifically described in **EXHIBIT A**, attached hereto and incorporated herein by this reference.

WRECO, for its successors, heirs, executors, administrators and assigns, covenants and agrees to and with the City that: (1) WRECO is the owner of such personal property and has good right and full authority to grant the same, and that it will warrant and defend the grant hereby made unto the City, its successors, and assigns, against all and every person or persons, whomsoever, lawfully claiming the same; (2) WRECO provides more specific warranties as set forth in **EXHIBIT B** attached hereto and incorporated herein by this reference, and as agreed upon in Section 2.1.10 of the Developer Extension Agreement; and (3) to the extent that some elements of work are still being finalized, as identified in **EXHIBIT C** which is incorporated herein by this reference, and some bills for work completed are yet to be paid, as estimated in the Statement of Costs attached to the Affidavit of Completion of Work and Payment of Costs, WRECO will provide a bond to the City for 150% of the cost of completion of those elements yet to be paid for or completed.

EXECUTED this 23 day of February, 1998.

**WEYERHAEUSER REAL ESTATE COMPANY**

By James A. Nyberg  
James A. Nyberg  
Its Assistant Vice President

## EXHIBIT A

### LIST OF IMPROVEMENTS

1. Plans and specifications entitled Snoqualmie Ridge Water Supply System, Wells 6 and 7 and Raw Water Transmission Pipelines, April 1996, prepared by Earth Tech, Inc.
2. Plans and specifications entitled Snoqualmie Ridge Water Supply System, Water Treatment Plant, prepared by Earth Tech, Inc., and approved by the City on February 13, 1997.
3. Plans and specifications entitled Snoqualmie Ridge Water Supply System, Treated Water Transmission Supply Pipeline, June 1996, prepared by Earth Tech, Inc.
4. Plan entitled Snoqualmie Ridge Water System Transmission Pipeline Connection Detail, 1 sheet prepared by Earth Tech, Inc., and approved by the City on December 29, 1997.
5. Sheets 36 through 39 and 59 through 77 of a plan set entitled Phase 3 Construction Plans for Snoqualmie Ridge Parkway and Related Improvements, July 1996, prepared by ESM, Inc., which constitute domestic water supply distribution pipeline located within the Snoqualmie Parkway (the "Parkway Water Lines") and including pipelines within SR-202.
6. Plans and specifications entitled 705 Zone Pump Station and Pipeline, prepared by Earth Tech, Inc., for the 705 Pump Station Facility, submitted to and approved by the City on August 10, 1995, excepting pipelines shown in this set of plans and specifications, which have not been built.
7. 705 pump facilities, mechanical and electrical appurtenances, and water pipeline improvements only from the plans and specifications entitled City of Snoqualmie, Wastewater Facility Improvements, Kimball Creek Pump Station/705 Pump Station, prepared by KCM, Inc., and approved by the City on June 19 and 23, 1997.
8. Plans and specifications entitled Snoqualmie Ridge Water Supply System, 1040 Pump Station, prepared by Earth Tech, Inc., and approved by the City on January 30, 1997.
9. Plans and specifications entitled Snoqualmie Ridge Water Supply System, 1040 Zone Reservoir No. 1, May 1996, prepared by Earth Tech, Inc.

10. Plans and specifications for the potable water system portion of the Monitoring and Control Systems for the Snoqualmie Ridge Water System and Class A System, prepared by Earth Tech, Inc., and approved by the City on November 20, 1997.

## EXHIBIT B

### WARRANTY OF CONSTRUCTION

(a) In addition to any other warranties in the Snoqualmie Ridge Water System Developer Extension Agreement (“Developer Extension Agreement”), WRECO warrants that work performed in construction of the Snoqualmie Ridge Water System (“Water System”) conforms to the requirements of the Developer Extension Agreement and is free of any defect in equipment or material furnished or workmanship performed by WRECO or its contractors, subcontractors or suppliers.

(b) This warranty shall continue for a period of one (1) year from the date of conveyance to the City of the Water System components identified in the Bill of Sale, provided, however, that i) for equipment and work identified in **EXHIBIT C ATTACHMENT C-2**, the warranty shall continue for a period of one (1) year from the date that the Water Treatment Plant is completed consistent with plans and specifications and approved as ready for operation by the City, which approval shall not be unreasonably withheld, and ii) for the Water System improvements within the Parkway, the warranty shall run for a period of one (1) year from the date that the final lift is completed, and iii) for the 705 connection described in **Exhibit C Attachment C-3**, the warranty shall run for a period of one (1) year from the date that the change over from the 599 zone to the 705 zone is accomplished.

(c) During the warranty period, WRECO shall remedy at its expense any failure to conform, or any defect in equipment or material furnished or workmanship performed by WRECO or its contractors, subcontractors or suppliers. WRECO shall complete the remaining work items listed in **EXHIBIT C** with due diligence, and that work shall also be covered by this warranty. WRECO shall correct such other deficiencies in the Facilities’ construction and/or equipment that become apparent during the warranty period, provided that WRECO and the City agree that an identified correction is reasonable and necessary to the proper functioning of the Facilities as agreed to in the Developer Extension Agreement. Nothing in this Warranty shall be construed to amend, change, or expand the scope of the Facilities agreed to in the Developer Extension Agreement.

Nothing in this agreement shall limit WRECO’s right to direct that remedial work be performed by its contractors, subcontractors, or suppliers, or that WRECO be reimbursed by the same, as may be provided by contract or warranty between WRECO and its contractors, subcontractors and suppliers. In addition, WRECO shall remedy at its expense any damage to City-owned or controlled real or personal property when that damage is the result of:

1. WRECO's failure to conform to requirements of the Developer Extension Agreement; or
2. Any defect in material or workmanship furnished.

(d) The City shall notify WRECO, in writing, within a reasonable time not to exceed 30 days after the discovery of any failure, defect, or damage. The notice shall include a reasonable time stated for completion of the repair work. WRECO shall start work to remedy such defects within a reasonable time of written notice of discovery thereof by the City and shall complete such work within the time stated in the notice. In emergencies, where damage may result from delay, where loss of services may result, or in the interest of public safety, such corrections may be made by the City, in which case the cost shall be borne by WRECO. In such case, the City shall provide written notice to WRECO and include a cost estimate of the work to be performed by the City. In the event WRECO does not accomplish corrections at the time specified, the work will be otherwise accomplished and the cost of same shall be paid by WRECO.

(e) Pursuant to Section 2.1.10.3 of the Developer Extension Agreement, WRECO hereby assigns to the City the right to enforce all contractual warranties, express or implied, granted to WRECO from contractors, subcontractors, or suppliers for work performed and materials furnished for construction or equipping of the Water System, to the extent that such assignment is consistent with the terms of said warranty(ies). The City and WRECO will cooperate as necessary to enforce all applicable warranty provisions.

(f) Unless a defect is caused by negligence of WRECO, its contractors, subcontractors or suppliers at any tier, WRECO shall not be liable for the repair of any defects of material or design furnished by the City, nor for the repair of any damage that results from any defect in City-furnished material, design, or operation.

**EXHIBIT C**  
**ELEMENTS TO BE COMPLETED**

- A. As Built Record Drawings to be submitted within 30 days of conveyance (See **ATTACHMENT C-1**)
- B. Water Treatment Plant to be completed consistent with Plans and Specifications (See **ATTACHMENT C-2**)
- C. Change over from 599 Zone to 705 Zone to be completed and PRVs to be installed and operational (See **ATTACHMENT C-3**)
- D. 1040 Reservoir to be completed consistent with Plans and Specifications (See **ATTACHMENT C-4**)
- E. Finish Punchlist items for individual Water System facilities (To be provided by the City following inspection)
- F. Work with City to install FF&E per **EXHIBIT D** to the Snoqualmie Ridge Water System Developer Extension Agreement

**ATTACHMENT C-1**  
**AS BUILT RECORD DRAWINGS**

Earth Tech, Inc. and ESM, Inc. are proceeding with As Built Record Drawings (As Builts) for the Water System, and have assured WRECO that As Builts will be issued within 30 days of conveyance for those components of the Water System that are completed.

**Action:** Earth Tech, Inc. will provide As Builts and certification to DOH that construction of all components of the Water System, except for water lines in the Parkway, complied with the approved plans and specifications. The Parkway lines shall be certified by KBA. ESM, Inc. will provide As Builts for the lines in the Parkway.

**ATTACHMENT C-2**  
**WATER TREATMENT PLANT PLANS & SPECIFICATIONS**

The work required to complete construction of the Water Treatment Plant includes:

- Installation of ozone contact tanks and interconnecting piping
- Completion of installation of electrical panels and wiring
- Exterior finish grading and landscaping
- Pressure testing and disinfection of the ozone contact tanks, pressure filter tanks, and process piping
- Completion of the of Monitoring and Control System for Potable Water System
- Startup and testing of operation
- Training of City Staff
- Punch list items identified by the City as a result of final inspection following completion of construction

**Action:** WRECO will cause the construction work to be completed in accordance with the Plans and Specifications entitled “Snoqualmie Ridge Water Supply System - Water Treatment Plant, February 1997, prepared by Earth Tech, Inc., and approved by the City Engineer on February 13, 1997.

Pressure testing, disinfection, and startup and testing of operations will be performed in accordance with procedures to be identified and documented by WRECO and reviewed and approved by the City, as provided in **EXHIBIT D SECTION 4** of the Snoqualmie Ridge Water System Developer Extension Agreement.

WRECO will cause the construction of the Water Treatment Plant to be completed and the operation of the process components to be adjusted as required to produce treated water that complies with the maximum containment levels defined by WAC 246-290-310 for iron (Fe) and Manganese (Mn).

WRECO will cause the potable water system Monitoring and Control System to be installed and tested consistent with **EXHIBIT D SECTION 2** of the Snoqualmie Ridge Water System Developer Extension Agreement.



**ATTACHMENT C-3**  
**599 ZONE TO 705 ZONE CHANGE OVER**

The connection of the Water Treatment Plant and wells on the north side of the Snoqualmie River to the new Snoqualmie Ridge Water Supply System (pipeline along SR 202 and Snoqualmie Parkway, 1040 Pump Station, and 1040 Reservoir) on the south side of the river will be accomplished by the construction shown on the plan entitled “Snoqualmie Ridge Water Supply System - Transmission Pipeline Connection Detail, December 1997” prepared by Earth Tech, Inc., and approved by the City Engineer on December 29, 1997. Since this connection will convert the existing pipeline on the SR 202 bridge and along SR 202 north of the bridge from the existing 599 Zone to the new 705 Zone, pressure reducing valves must be installed on all services north of the bridge before the connection is completed.

**Action:** WRECO will cause construction of the pressure reducing valves as described in the memorandum dated January 8, 1998, to Bob Hanson, City of Snoqualmie, from George Nordby, Earth Tech, Inc., regarding Pressure Reduction for Salish Lodge and Related Services at no cost to the City. After such valves are installed, tested and approved by the Salish Lodge, Puget Sound Energy and the City of Snoqualmie, WRECO will cause construction of the connection shown on the plan referenced above at no cost to the City. The connection shall be undertaken consistent with a Water Treatment Plant Facilities Phase 2 Activation Plan being prepared by Earth Tech, Inc., subject to the City’s approval, which shall not be unreasonably withheld.

**SUBJECT:** Pressure Reduction for Salish Lodge and Related Services

**TO:** Bob Hanson, City of Snoqualmie

**DATE:** January 8, 1998

**FROM:** George Nordby

We have completed our investigation of the subject pressure reduction requirements. This has included acquiring data and information from PSE and Salish Lodge. It is our recommendation that the Salish Lodge be responsible for installation of six pressure reducing valve assemblies as specified on the attached sketches titled Salish Lodge PRV Additions. Five of the PRV assemblies will be installed outdoors downstream of the existing City meters (see attached site plan). The remaining PRV assembly will serve the Lodge itself and will be installed in a room where the 4-inch building service enters the building. This procedure will eliminate the need for RCI to perform work on private property and the associated liability and will place the complete responsibility for management of service shut down PRV assembly with the Salish Lodge.

Kathryn Dennis of Weyerhaeuser has advised me that they approve of our above recommendation. They require a minimum of two plumbing contractor quotes from the Salish Lodge for review. Upon Weyerhaeuser approval of a plumbing contractor and the associated terms and conditions, the Salish Lodge will be authorized to perform the work which will be paid for by Weyerhaeuser.

APPROVED:

  
City of Snoqualmie

1/8/98  
Date

**ATTACHMENT C-4**  
**1040 RESERVOIR**

The 1040 Reservoir structure is substantially complete. Some site work remains to be completed consistent with the plans and specifications and applicable King County permits. Work that remains to be completed includes erecting a fence around the site perimeter, providing an easement for access from 96th street, and conversion of the construction sedimentation pond to a permanent water quality detention pond.

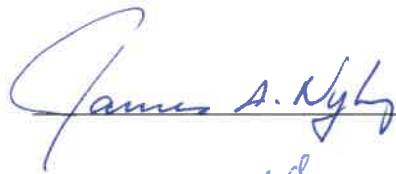
**Action:** WRECO will cause the 1040 Reservoir construction and site work to be completed consistent with plans and specifications and County permits, at no cost to the City.

**AFFIDAVIT OF COMPLETION OF WORK  
AND PAYMENT OF COSTS**

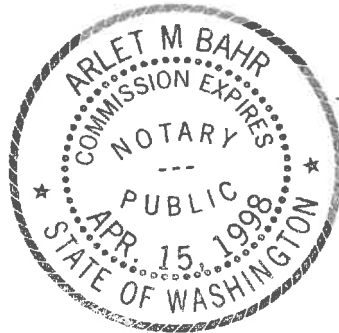
STATE OF WASHINGTON }  
                                  } ss.  
COUNTY OF KING

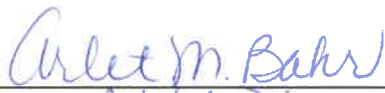
I, James C. Nyberg, Assistant Vice President of Weyerhaeuser Real Estate Company ("WRECO"), of the City of Federal Way, County of King, and State of Washington, being first duly sworn upon oath, deposes and says that:

- (1) WRECO is the present owner and developer of the Snoqualmie Ridge Water System;
- (2) The improvements described on **EXHIBIT A** to the Bill of Sale (the "Facilities") have been completed in accordance with the plans and specifications listed therein with the exception of the Water Treatment Plant, which is not yet complete;
- (3) All bills for labor and material incurred in the construction of the Facilities have been fully paid and satisfied, except for the items indicated in the "Snoqualmie Ridge Water System Estimated Total Cost," attached hereto as **ATTACHMENT 1**;
- (4) There are no liens of any kind or character against the Facilities for labor performed or material furnished unless noted above; and
- (5) WRECO agrees to pay all outstanding invoices and hold the City harmless against any lien claims arising from the furnishing of labor and materials for the Facilities.

  
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SUBSCRIBED AND SWORN to before me this 23<sup>rd</sup> day of February, 1998.



  
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Printed Name Arlet M. Bahr  
NOTARY PUBLIC in and for the State of Washington,  
residing at Pierce County  
My Commission Expires 4/15/98

**WEYERHAEUSER REAL ESTATE COMPANY  
WATER SYSTEM  
ESTIMATED TOTAL COST**

Cost Center	Cost Code	Item Description	Invoiced Costs	Estimated To Complete
2104531	All	Water Supply Source	1,616,695	729,392
2104532	Various	1040 Reservoir	1,823,847	273,153
2104533	All	Water Transmission (705 & 1040 Pump Station)	2,543,886	343,701
2104611	146000	1040 Pump Station-Landscaping	-	38,400
2104621	All applicable	Project Management- Prop. Distribution	1,496,768	98,029
2104621	130202.02&3	City of Snoqualmie Services / Bonds / Fees	180,517	26,106
2104622	All applicable	General Site- Proportional Distribution	638,564	77,414
<b>Totals</b>			<b>\$8,300,277</b>	<b>\$1,586,195</b>

**TOTAL ESTIMATED COST: \$9,886,473**