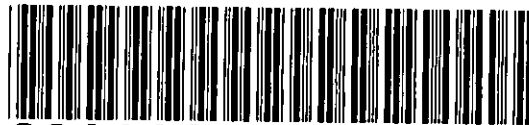


When Recorded, Return to:
CITY OF SNOQUALMIE
Attention: City Clerk
P.O. Box 987
Snoqualmie, WA 98065



20111228000526

CITY OF SNOQUALMIE AG 70.00
PAGE-001 OF 009
12/28/2011 10:38
KING COUNTY, WA

**DEVELOPER EXTENSION AGREEMENT
FOR
Puget Sound Energy Mount Si Substation
(Portions of Tax Parcels Nos. 362407-9091 and 362407-9102)**

Grantor: Puget Sound Energy, Inc.

Grantee: CITY OF SNOQUALMIE

Legal Description (abbreviated): Portion of NW-1/4 of Section 35, Township 24 North, Range 7 East, W.M.,
King County, Washington

☒ **Additional on:** EXHIBIT A

Assessor's Tax Parcel ID #: 362407-9091 and 362407-9102

Reference Nos. of Documents Released or Assigned: N/A

This Developer Extension Agreement ("Agreement") is made this 26th day of AUGUST, 2011,
between the CITY OF SNOQUALMIE ("the City"), a Washington municipal corporation, and Puget Sound Energy,
Inc., ("PSE"), a Washington corporation.

I. RECITALS

1.1 The City is a municipal corporation of the State of Washington, organized under the Optional
Municipal Code, Title 35A RCW, located in King County, Washington.

1.2 The property is legally described on Exhibit A (the "Property").

1.3 The City and PSE executed a Pre-Annexation Development Agreement ("Pre-Annexation
Agreement") (King County Recorder #20110202001508). The Pre-Annexation Agreement was intended to define
the standards and mitigations that would apply to development of the Property for a substation and associated
transmission lines, which are commonly referred to as the "Mount Si Substation", upon annexation of the Property
by the City. The Pre-Annexation Agreement was intended to be binding upon the parties.

1.4 The City of Snoqualmie annexed the portion of the Property lying within the City's Urban Growth
Boundary by approving the annexation ordinance.

1.5 The Snoqualmie Municipal Code ("SMC") 12.16.740 provides "A developer agreement shall be
entered into between the city and the person or firm desiring to extend, revise or replace water . . . utilities where
allowed by city ordinances, or to construct, reconstruct streets, etc., within the city limits. The agreement
particularly applies to development of plats, but is also applicable to those improvements required for certain
remodeling of buildings and new construction of buildings within the city limits. The developer agreement includes

the required cash deposits, fees and other obligations to the city as indicated within this article to perform the work in compliance with these standards."

1.6 PSE is willing to enter into this developer extension agreement on terms consistent with the terms of the Pre-Annexation Agreement and to construct and install the Required Improvements described in this Agreement upon the expectation that the City will accept the same, consistent with the terms of this Agreement.

◦ **1.7** The City is willing to extend public services and utilities for the Mount Si Substation, on the terms and conditions set forth in this Agreement and the Pre-Annexation Agreement, which the City deems necessary to protect the health, safety, and welfare of the public.

1.8 This developer extension agreement is only intended to address the Required Improvements for construction of the Mount Si Substation, and is not intended to affect any other obligations of PSE or others to construct any other improvements which may be required to serve development, if any, subsequent to construction of the Mount Si Substation.

1.9 This Agreement is made upon the basis of the foregoing provisions, and in consideration of the mutual promises and covenants herein and the mutual benefits to be derived by the parties therefrom.

II. AGREEMENT

2.1 Definitions. The term "Required Improvements" means (i) the water lines and facilities comprising the Initial SE Douglas Street Extension Water Lines, (ii) the Initial SE Douglas Street Extension (also referred to as "Segment I of the SE Douglas Street Extension"), and (iii) storm water management facilities to address storm water from the Initial SE Douglas Street Extension, as set forth on Exhibit B.

2.2 Construction of Required Improvements. PSE agrees to construct and pay all costs of designing, reviewing, permitting, engineering, inspecting and constructing the Required Improvements, at the sole expense of PSE. PSE shall construct the Required Improvements in conformity with the approved plans, city codes and regulations and applicable development standards as set forth by the City.

2.3 Approval of Plans. Pursuant to SMC 12.16.650, PSE may not begin construction of the Required Improvements until the City Engineer has approved the plans and specifications.

2.4 Intentionally deleted.

2.5 Intentionally deleted.

2.6 Connection to City's Public Utility System. After completion of Required Improvements, the City shall permit connection to the City's public utility systems, subject to applicable connection charges.. All public utilities shall be tested per methods established in the Development Standards, WSDOT Standard Specifications, A W W A test methods, and as described in the pre-construction meeting minutes. Procedures for and timing of the various tests for different utilities are contained in the Development Standards and in the pre-construction meeting minutes for the project. A Completion of Construction report shall be prepared, consistent with the provisions of WAC 246-290-010 et seq., which shall include without limitation certification of required testing appropriate for submittal to the Department of Health.

2.7 Construction Close-Out. When PSE has Substantially Completed the Required Improvements, it shall notify the City of such completion in writing and request a preliminary inspection for conveyance purposes. "Substantial Completion" shall mean that the Required Improvements can perform their intended function and are ready to be conveyed for that purpose. The City shall schedule the inspection to occur within 14 days of receiving notice. Within 14 days after the inspection, the City shall provide PSE with a written list of any items that need completion or correction to conform to the approved Plans and Specifications and to this Agreement. PSE shall promptly complete or, upon City approval under the terms set forth in Paragraph 2.9, bond for completion of the listed items, at which time PSE may initiate the conveyance of the Required Improvements to the City under the process set forth in Paragraph 2.8 of this Agreement. The failure of the City to act within the time periods set forth

corresponding Performance Bond upon PSE's request. The failure of the City to act within the time periods set forth in this section shall not excuse the obligation of the PSE to construct the Required Improvements in accordance with the approved Plans and Specifications, nor constitute a waiver of any rights on the part of the City.

2.10 Insurance. PSE or its contractor shall maintain in full force and effect public liability insurance during the time this Agreement is in effect, covering bodily injury and property damage, which insurance shall name the City and its employees and contracted consultants as additional insureds. Such insurance shall provide limits of liability of \$500,000 per person and \$1,000,000 per occurrence for bodily injury and \$100,000 per person and \$300,000 per occurrence for property damage.

2.11 Indemnification. Except as otherwise provided in this Agreement, PSE agrees to defend, indemnify, and hold harmless the City and all of its elected and appointed officials and staff from all claims, liability and costs, including without limitation, reasonable attorneys' and expert witness fees, arising from acts, errors, omissions or negligence of PSE, its employees, agents, contractors or suppliers, arising in connection with the construction of the Required Improvements, except to the extent due to the negligence of the City or that of its officials, staff, employees, or contractors.

2.12 Costs Incurred by the City. PSE shall pay to the City all reasonable costs incurred by the City prior to conveyance that are associated with the Required Improvements, including checking and inspection fees pursuant to SMC 12.16.720 and .730, and other engineering, legal, and administrative costs, pursuant to SMC 14.20.050, or as may be provided by a separate Memorandum of Understanding.

2.13 Notices. All notices pursuant to this Agreement shall be sent to the following addresses:

City of Snoqualmie: City of Snoqualmie
P.O. Box 987
Snoqualmie, W A 98065

With a copy to: Patrick B. Anderson
Snoqualmie City Attorney
City of Snoqualmie
P.O. Box 924
Snoqualmie, W A 98065

Puget Sound Energy Puget Sound Energy, Inc
P. O. Box 97034
Bellevue, Washington 98009

With a copy to: Jerry Lutz
Perkins Coie, LLP
10885 NE 4th Street, Suite 700
Bellevue, Washington 98004-5579

2.14 Governing Law. This Agreement is entered into under the laws of the State of Washington, and the parties intend that Washington law shall apply to the interpretation hereof.

2.15 Enforcement. Venue and jurisdiction to enforce all obligations under this Agreement shall lie in the King County Superior Court. The obligations of the parties hereunder may not have an adequate remedy by way of an action for damages and may be enforced by an action for specific performance.

2.16 Severability. In the event a court of competent jurisdiction declares any material provision of this Agreement invalid, unconstitutional, or otherwise unenforceable, any party may elect to terminate the remainder of this Agreement. In the event a non-material provision of this Agreement is declared invalid, unconstitutional, or otherwise unenforceable, such provisions hereof as are not affected by such declaration shall remain in full force and effect.

Exhibit A
(Legal Description of the Property)

THOSE PORTIONS OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 24 NORTH,

RANGE 7 EAST, W.M., KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

LOT 2 KING COUNTY SHORT PLAT 675002 AS FILED UNDER RECORDING NO.

7510100717;

TOGETHER WITH:

THAT PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION LYING NORTHERLY OF THE 2008 KING COUNTY URBAN GROWTH BOUNDARY AS DEFINED BY KING COUNTY ORDINANCE NO.

16263, AND AS SHOWN ON RECORD OF SURVEY FILED JULY 21, 2010, UNDER RECORDING NO. 20100721900002, RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION, A 1" IRON PIPE WITH A

TACK IN PLUG FOUND IN PLACE, FROM WHICH THE WEST QUARTER CORNER OF SAID

SECTION, A 2" IRON PIPE WITH TACK AND PLUG FOUND IN PLACE BEARS

SOUTH 01°40'27" WEST 2,663.46 FEET DISTANT;

THENCE SOUTH 01°40'27" WEST ALONG THE WEST LINE OF SAID SECTION A DISTANCE

OF 1,331.73 FEET TO THE NORTH LINE OF SAID SOUTHWEST QUARTER AND THE POINT

OF BEGINNING;

THENCE SOUTH 87°35'13" EAST ALONG SAID NORTH LINE A DISTANCE OF 1,312.58 FEET

TO THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER;

THENCE SOUTH 01°28'31" WEST ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER

A DISTANCE OF 442.35 FEET TO THE 2008 KING COUNTY URBAN GROWTH BOUNDARY

LINE AS DEFINED BY KING COUNTY ORDINANCE NO. 16263, AND AS SHOWN ON RECORD OF SURVEY FILED JULY 21, 2010, UNDER RECORDING NO.

20100721900002,

RECORDS OF KING COUNTY, WASHINGTON; THENCE WESTERLY ALONG SAID URBAN

GROWTH BOUNDARY THE FOLLOWING COURSES;

NORTH 85°34'05" WEST A DISTANCE OF 90.18 FEET;

THENCE NORTH 82°50'28" WEST A DISTANCE OF 208.74 FEET;

THENCE NORTH 89°57'59" WEST A DISTANCE OF 284.88 FEET;

THENCE SOUTH 84°01'25" WEST A DISTANCE OF 164.91 FEET;

THENCE SOUTH 83°41'34" WEST A DISTANCE OF 234.43 FEET;

THENCE SOUTH 67°46'56" WEST A DISTANCE OF 205.15 FEET;

THENCE SOUTH 58°26'30" WEST A DISTANCE OF 128.55 FEET;

THENCE SOUTH 00°48'17" EAST A DISTANCE OF 15.19 TO THE SOUTH LINE OF SAID NORTH HALF;

THENCE NORTH 87°38'29" WEST ALONG SAID SOUTH LINE A DISTANCE OF 41.35 FEET TO