

**Highline Water District
King County, Washington**

RESOLUTION 10-11-3E

RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO AGREEMENT BETWEEN HIGHLINE WATER DISTRICT AND SEGALE PROPERTIES REGARDING THE TUKWILA SOUTH PROJECT

WHEREAS, District and Segale are parties to an agreement dated May 27, 2010, entitled "Agreement by and between the Highline Water District and Segale Properties LLC Regarding the Tukwila South Project" ("Agreement"). The Agreement sets forth the terms and conditions between the Parties to pay for and install certain water utility improvements to serve certain real property known as the Tukwila South Property owned by Segale and being developed as the Tukwila South Project and other real property in the area of the water utility improvements.

WHEREAS, in part, the Agreement provides that the District shall construct and pay for certain water utility improvements referred to as the Orillia Road Extension and the PRV Work in the Agreement (collectively the "Public Works Project"). Section 2.4 of the Agreement requires Segale to pay and reimburse to the District fifty (50) per-cent of the total cost to construct the Public Works Project as such cost is defined in the Agreement ("Public Works Project Total Cost") ("Segale Final Cost"), and to secure payment of Segale's obligation to pay the Segale Final Cost to the District at the time and the amount provided in the Agreement as set forth in Section 2.5 of the Agreement.

WHEREAS, Section 2.5 of the Agreement requires Segale, following the District's competitive bid of the Public Works Project, the District's receipt of bids for the Public Works Project, and District notice to Segale of the District's intent to award the Public Works Project contract to the Project Contractor, to secure Segale's obligation to pay Segale's share of the Public Works Project to the District by providing the District with a Letter of Credit in the amount of one hundred ten (110) per-cent of fifty (50) per cent of the Public Works Project Bid Amount.

WHEREAS, the District opened bids for the Public Works Project on October 15, 2010, and notified Segale by letter dated October 22, 2010 of the District's intent to award the Public Works Project contract to Titan Earthwork, LLC, as the lowest responsible bidder for the bid amount of \$743,037.44, including tax; and, pursuant to Section 2.5 of the Agreement, Segale is now required to provide the District with a Letter of Credit in the amount of \$408,670.58, which is one hundred ten (110) per-cent of fifty (50) per cent of \$743,037.44, to secure Segale's obligation to pay Segale's share of the Public Works Project. However, in lieu of the Letter of Credit as required by Section 2.5, Segale has proposed to provide the District with cash funds in the amount of \$408,670.58 to secure payment of Segale's obligation to pay the Segale Final Cost to the District.

WHEREAS, the District is willing to accept cash funds in the amount of \$408,670.58 in lieu of the Letter of Credit to secure payment of Segale's obligation to pay the Segale Final Cost to the District with certain conditions, including the District's right to utilize such cash funds to pay the Segale Final Cost, and the Parties now desire to amend the Agreement to that effect.

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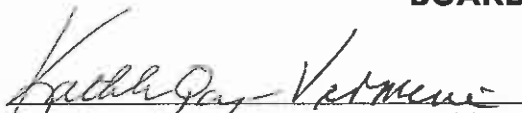
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NOW, THEREFORE, BE IT RESOLVED:

The Board of Commissioners authorizes the General Manager or Designee to execute Amendment No. 1 (attached and incorporated herein by this reference).

ADOPTED BY THE BOARD OF COMMISSIONERS of Highline Water District, King County, Washington, at a Regular Open Public Meeting held this **3rd** day of **November 2010**.

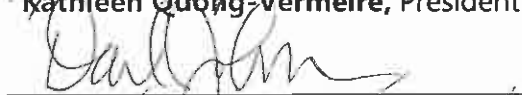
BOARD OF COMMISSIONERS



Kathleen Quong-Vermeire, President



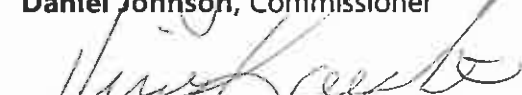
Gerald R. Guite, Secretary



Daniel Johnson, Commissioner



George Landon, Commissioner



Vince Koester, Commissioner