

**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:**

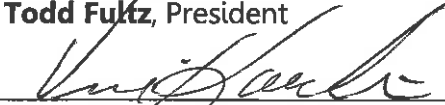
1. The above-entitled extension to the District's system is hereby accepted by the District, subject to the guarantee and other provisions of the Developer Extension Agreement on file at the District's office.
2. The Bill of Sale, notarized on 09/11/17 and executed by Ed Kim, Managing Member, is hereby 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



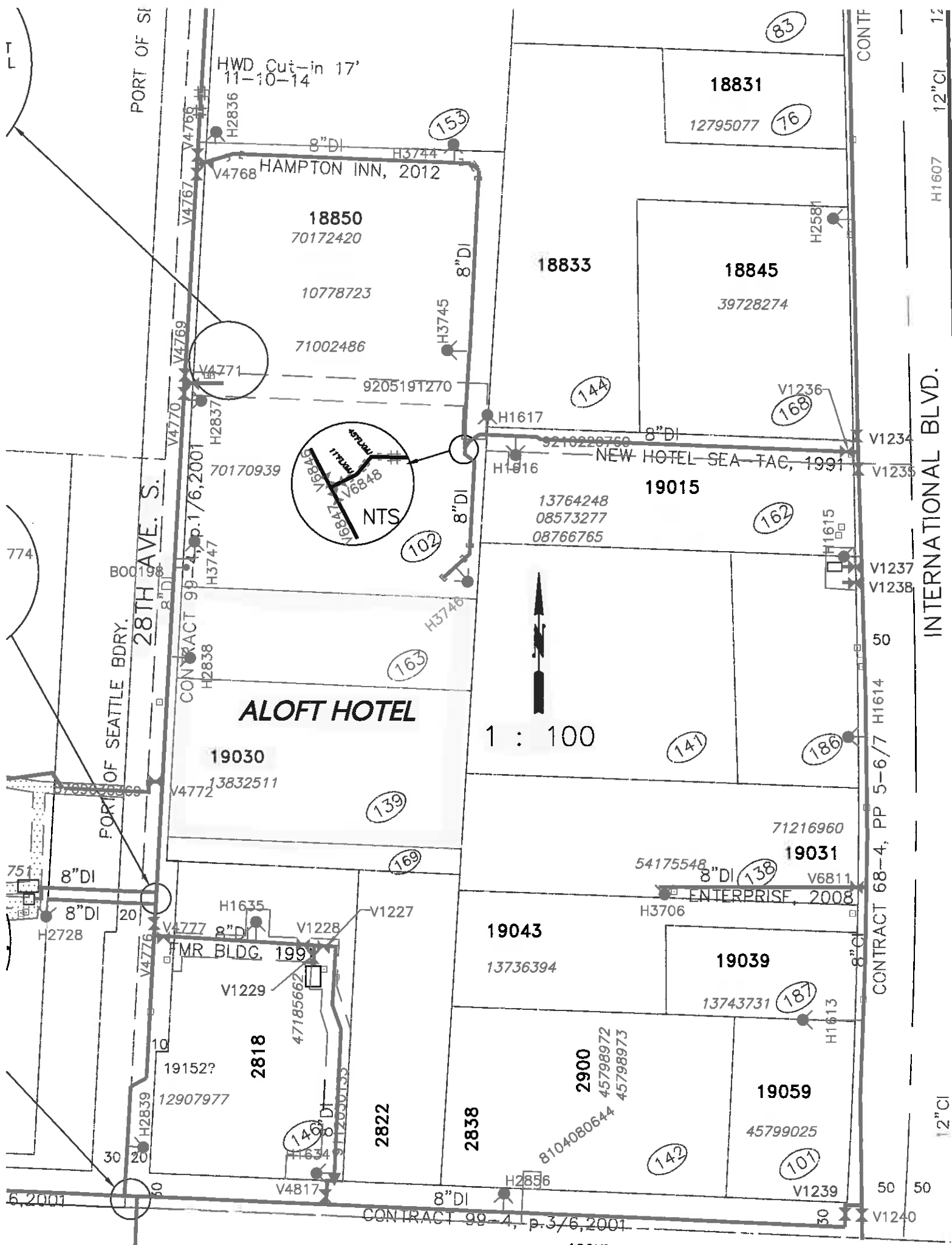
**Kathleen Quong-Vermeire**, Commissioner



**Daniel Johnson**, Secretary



**George Landon**, Commissioner



12" CI  
 H1607  
 12" CI  
 12" CI  
 12" CI

# HIGHLINE WATER DISTRICT

**EXHIBIT A**

## 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.

HCSeatac, LLC, does by the 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

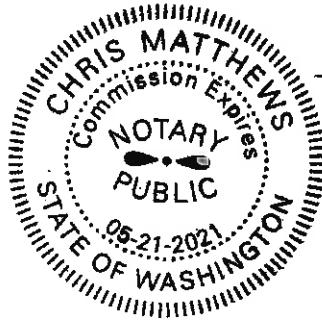
Appurtenance	Size/Type	Amount Installed	Unit Cost	Total Cost
432' 8" Water Main	8"	432'		\$34,244.00
96' 6" Water Main	6"	96'	\$	\$7,600.00
4" Water Main	4"	71'	\$	\$ 5,150.00
Fire Hydrants	C502	3	\$ 5,100	\$ 15,300.00
Domestic Water Service 4"		1		\$ 40,475.00
2" Bypass meter	On Domestic Service see detail F/W4			\$4,500.00
5/8" SBF Meter	For fire service			Cost included below
Fireline	See 4" Main above			\$ 13,409.00
Irrigation Service	1.0	1		\$4,350.00
Valves	8"	5		Cost included in main above
Valves	4"	2		Cost included in main above
<b>Total Cost of Water Improvements</b>				<b>\$ 125,028.00</b>

**CORPORATION ACKNOWLEDGEMENT**

STATE OF WASHINGTON    )  
  )   SS  
COUNTY OF KING        )

On this 11<sup>th</sup> 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.



Chris Matthews  
Signature of Notary

Chris Matthews  
Print or stamp name of Notary

Notary Public for the State of Washington,  
residing at Seattle

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

## 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 Seatac, LLC*

("Developer")

By  \_\_\_\_\_

Its *Manager* \_\_\_\_\_

**CASH MAINTENANCE AND PLEDGE OF MONIES AGREEMENT**

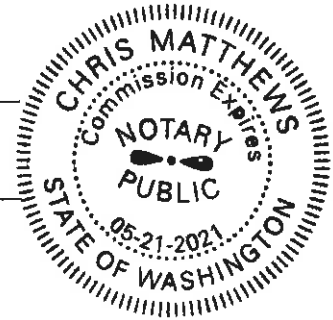
STATE OF WASHINGTON )  
 ) ss:  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Ed Kim 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 member of HC SeaTac, LLC to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED: September 11, 2017

Chris Matthews  
(Signature)

NAME: Chris Matthews  
(Print Name)



Notary Public in and for the State of Washington.

Commission Expires: 05-21-2021

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/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: \_\_\_\_\_



## 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 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 Albft 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

## CASH PERFORMANCE AND PLEDGE OF MONIES AGREEMENT

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 Matt Everett

HC SeaTac LLC  
("Developer")

By Arnie Han Kim

# CASH PERFORMANCE AND PLEDGE OF MONIES AGREEMENT

Its \_\_\_\_\_ Its owner

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 seven Dollars (\$ 85,577. — ), which funds the District has a security interest in pursuant to this Agreement and Chapter 62A.9A RCW.

DATED this 10 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)

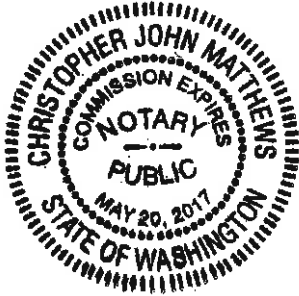
Notary Public in and for the State of Washington.

Commission Expires: \_\_\_\_\_

STATE OF WASHINGTON     )  
  ) ss:  
COUNTY OF KING         )

**CASH PERFORMANCE AND PLEDGE OF MONIES AGREEMENT**

I certify that I know or have satisfactory evidence that Ed Kim 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 owner of HC Seatac LLC to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.



DATED: October 4, 2016  
 \_\_\_\_\_  
 (Signature) Chris John Matthews  
 NAME: Christopher John Matthews  
 \_\_\_\_\_  
 (Print Name)  
 Notary Public in and for the State of Washington.  
 Commission Expires: May 20, 2017

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/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: \_\_\_\_\_

HC SeaTac, LLC  
3926 Aurora Ave N, Ste 400  
Seattle, WA 98103

Wells Fargo Bank  
999 3rd Ave  
Seattle, WA 98104  
19-854/1250  
19-854/1250

1074

10/5/2016

PAY TO THE ORDER OF Highline Water District

\$ \*\*85,577.00

Eighty-Five Thousand Five Hundred Seventy-Seven and 00/100\*\*\*\*\* DOLLARS

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

MEMO

⑈001074⑈ ⑆125008547⑆ 3654645716⑈

HC SeaTac, LLC

1074

Highline Water District

10/5/2016

Cash Bond

85,577.00

Checking

85,577.00

CRB 1143  
HIGHLINE WATER DISTRICT  
23828 30th AV S  
KENT, WA 98032-2821

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID		CHECK	<input checked="" type="checkbox"/>
BALANCE DUE		MONEY ORDER	<input type="checkbox"/>
		CREDIT CARD	<input type="checkbox"/>

**CASH RECEIPT** Date 10/5/16 204295  
Received From H. C. SeaTac, LLC  
Address Eighty Five Thousand Five Hundred Seventy Seven and 00/100 Dollars \$ 85,577.00  
For Cash Bond  
By [Signature]

**Agenda Item No.:** 3.1  
**Agenda Date:** 12/20/17  
**Reviewed By:** JN

**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:**

**Scope of Work:** 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 28<sup>TH</sup> 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.