

INTERAGENCY AGREEMENT

This Interagency Agreement ("Agreement") is entered into by the Washington State Department of Natural Resources ("DNR") and Island County, together the "Parties," as of the date of last signature ("Effective Date").

DNR and Island County enter into this Agreement under Chapter 39.34 RCW, the Interlocal Cooperation Act.

DNR leased state trust lands, known as High Point, Skyline West, Wahl Road, and Swantown, located in Island County ("TLT Properties"), under DNR Lease Nos. 60-078833, 60-078731, 60-078807, 60-082294 (collectively, "Leases"), to Island County in 2009. The leases were made as trust land transfers under the authority of Washington Laws of 2007 regular session, capital budget, chapter 520, 3204.

Island County desires to exercise its authority under the Leases to purchase the fee interest of the TLT Properties from the State of Washington. The Parties desire to take such steps as are necessary to prepare for this transfer and to provide for the payment of DNR's costs anticipated in preparing this transaction.

THE PARTIES HEREBY AGREE AS FOLLOWS:

- 1. PURPOSE.** The purpose of this Agreement is to facilitate the transfer of the TLT Properties by allocating responsibilities, including responsibility for the costs to prepare the transaction, between the Parties before the Parties enter a purchase and sale agreement, and to set forth the Parties' agreement as of the Effective Date on some of the terms to be included in the purchase and sale agreement.
- 2. PROJECT REPRESENTATIVES.**

(1) The Project Representative for DNR is:
Kenny Ocker, Trust Land Transfer Manager
Email: kenny.ocker@dnr.wa.gov
Work Phone: 360-810-1217

(2) The Project Representative for Island County is:
James Sylvester, Assistant Public Works Director,
Email: j.sylvester@islandcountywa.gov
Work Phone: 360-679-7336

3. RESPONSIBILITIES.

- A. Appraisal Process.** DNR will select the Appraiser and Review Appraiser in its sole discretion. DNR shall share the approved appraised value for the TLT Properties to Island County. Island County will not receive a copy of the appraisal or appraisal review prior to closing the transaction. In accordance with RCW 79.11.100, Island County shall not rely upon the appraisal prepared by DNR for the purposes of deciding whether to purchase the TLT Properties. Island County shall make its own independent appraisal.
- B. Parcel Segregation.** If sale of the TLT Properties creates a separate tax lot (e.g., if any of the TLT Properties are a portion of a larger parcel), Island County shall either obtain a survey, if needed, or reimburse DNR's costs to survey the property. If DNR performs the survey, the cost to survey will be

added to costs set forth in subsection 3C, Costs. Island County shall complete any forms and petitions and pay any fees required by local government. DNR may provide technical assistance to Island County as needed.

C. Costs. The Parties agree that Island County shall pay DNR's costs to prepare the transfer of the TLT Properties to Island County, including but not limited to appraisal, staff time, and incidental costs. By agreeing to the terms of this subsection, the Parties intend to meet the requirements of RCW 39.34.130. The Parties estimate DNR's costs will be approximately \$35,000. Payment by Island County shall not exceed this amount unless the Parties agree to a higher amount prior to the commencement of any work that will cause the maximum payment to be exceeded. Island County shall deposit \$35,000 with DNR within 45 days of the Effective Date. DNR will not order the appraisal until the funds have been received. Any portion of the \$35,000 not used to cover DNR's costs to prepare the transaction shall be refunded to Island County.

If DNR surveys the TLT Properties under Section 3B, Parcel Segregation, the cost of the survey(s) shall be paid by Island County and shall be in addition to the \$35,000 set forth herein.

4. ADDITIONAL AREAS OF AGREEMENT.

A. Approvals.

(1) Board of Natural Resources Approval. The proposed transfer of the TLT Properties is subject to approval by the Board of Natural Resources. DNR will not present the transaction to the Board of Natural Resources for its approval until the Parties have entered a purchase and sale agreement, substantially in the form attached as Exhibit A, and DNR has received notice and documentation of approval of the transaction by the governing body of Island County as provided in subsection (2).

(2) Island County Approval. The proposed acquisition of the TLT Properties is subject to approval by Island County's governing body. Prior to DNR presenting this proposal to the Board of Natural Resources, Island County shall notify DNR of the approval by its governing body of its acquisition of the TLT Properties and its authority to accept the TLT Properties at closing. Island County shall provide DNR the documents necessary to demonstrate this approval and authority.

B. Reservations. DNR will reserve minerals pursuant to RCW 79.11.210. DNR will reserve the ability to purchase access if needed at a future date pursuant to RCW 79.36.370.

C. Prorations. All rents and other income, if any, and water, sewer, utility and any other expenses relating to the property shall be prorated as of Closing.

D. Deed/Title Insurance. Title will be conveyed by quitclaim deed. Island County may acquire title insurance for the property at its own expense. DNR will not provide title insurance.

E. Seller's Disclosure Statement. If and to the extent the property is commercial real estate, unimproved residential real property, or improved residential real property, as such terms are used in Chapter 64.06 RCW, Island County will be required to waive the right to receive a seller's disclosure statement under Chapter 64.06 RCW. However, to the extent that DNR has actual knowledge of conditions on the property that would result in a "yes" answer to any of the questions in the Environmental section of the disclosure forms, DNR shall provide a completed copy of that section to Island County.

F. Closing. Closing shall be carried out at DNR's Olympia office. Island County acknowledges that DNR

is acting as an interested party in preparing documents for, and closing, this transaction; escrow will not be formed.

- G. Timing.** Land sales and transfers typically take from nine to 12 months to complete, depending on complexity.
- 5. PERIOD OF PERFORMANCE.** Subject to its other provisions, the period of performance of this Agreement shall commence on the last date that the Agreement is executed by the Parties and be completed within one year, unless terminated as provided in this Agreement or extended through a properly executed amendment.
- 6. AMENDMENT.** This Agreement may be amended by mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the Parties.
- 7. ASSIGNMENT.** The work to be provided under this Agreement, and any claim arising under this Agreement, is not assignable or delegable by either party in whole or in part, without prior written consent of the other party, which consent shall not be unreasonably withheld.
- 8. ASSURANCES.** The Parties agree that all activity pursuant to this Agreement shall be in accordance with all applicable federal, state, and local laws and rules as they currently exist or as amended.
- 9. DISPUTES.** In the event a dispute arises under this Agreement, it shall be determined by a dispute board ("Dispute Board") in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall evaluate the facts, Agreement terms, applicable statutes and rules, and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on both Parties.
- 10. GOVERNING LAW AND VENUE.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington and the venue of any action brought under this Agreement shall be in Superior Court for Thurston County.
- 11. MAINTENANCE OF RECORDS.** The Parties shall each maintain books, records, documents and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the service(s) described herein. These records shall be subject to inspection, review or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration of agreement. The Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

Records and other documents, in any medium, furnished by one party to this Agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available any confidential information to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties. However, the parties acknowledge that State Agencies are subject to chapter 42.56 RCW, the Public Records Act.

12. ORDER OF PRECEDENCE. If there is an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order: Applicable state and federal statutes and rules, local laws and rules, and case law.

13. RESPONSIBILITIES OF THE PARTIES. Each party to this Agreement hereby assumes responsibility for claims and/or damages to persons and/or property resulting from any act or omissions on the part of itself, its employees, its officers, and its agents. Neither party assumes any responsibility to the other party for the consequences of any claim, act, or omission of any person, agency, firm, or corporation not a party to this Agreement.

14. SEVERABILITY. If any term or condition of this Agreement is held invalid, such invalidity shall not affect the validity of the other terms or conditions of this Agreement.

15. TERMINATION.

A. Purchase and Sale Agreement. This Agreement shall terminate when the Parties have each signed the purchase and sale agreement, except that Island County's obligation to pay DNR's costs of preparing this transaction under subsection 3C, Costs, shall survive the Parties' entry into the purchase and sale agreement to the extent any costs are unpaid at the time of signing.

B. Termination for Cause. If for any cause either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15 working days. If the failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

C. Termination for Convenience. Either party may terminate this Agreement upon 30 calendar days' prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

16. WAIVER. A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement. Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Agreement unless stated to be such in writing and signed by personnel authorized to bind each of the parties.

17. HARASSMENT. Per RCW 43.01.135, Sexual harassment in the workplace, Agency Contractors hereby

have access to DNR Policy PO01-007 Harassment Prevention:
https://www.dnr.wa.gov/publications/em_PO01-007_harassment_prevention.pdf

18. ALL WRITINGS CONTAINED HEREIN. This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Island County

By: Melanie Bacon
Name: Melanie Bacon
Date: 7/15/25

State of Washington
Department of Natural Resources

By: _____
Name: _____
Date: _____

APPROVED AS TO FORM ONLY

Approval on File 4/29/2021
Office of the Attorney General (Date)

Exhibit A: Purchase and Sale Agreement Template

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
DAVE UPTHEGROVE, COMMISSIONER OF PUBLIC LANDS

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

THIS AGREEMENT is made as of the _____ day of _____, 20____, by and between the STATE OF WASHINGTON, acting by and through the Department of Natural Resources ("State") and Island County, ("Purchaser").

WHEREAS, State is the owner of certain real property known as "Project Name" located in Island County, Washington; and

WHEREAS, State desires to convey the real property to Purchaser, and Purchaser desires to acquire the real property;

NOW, THEREFORE, in exchange for the mutual promises and covenants herein contained, and other good and valuable consideration, the mutual receipt and sufficiency of which is hereby acknowledged by Purchaser and State, it is agreed as follows:

SECTION 1 PROPERTY

1.1 Property to be Sold. State shall sell and convey to Purchaser, and Purchaser shall purchase and accept from State, all subject to the terms, conditions and contingencies of this Agreement, that certain real property located in Island County, Washington, the legal description of which is set forth on Exhibit A, together with all easements, rights-of-way and other rights appurtenant to said real property. The foregoing property and rights and interests described above are collectively referred to herein as the "Property."

1.2 Reservation. This sale is subject to the reservation of oils, gases, and minerals and easements for removal of valuable materials as prescribed in RCW 79.11.210 and in RCW 79.36.370.

SECTION 2 PAYMENT

2.1 Purchase Price. Purchaser shall pay State the Purchase Price of "INSERT written dollar Amount" {**INSERT the written format for the dollar amount of the purchase price**} U.S. Dollars (\$"Dollar Amount") {**INSERT the numeric format for the dollar amount of the purchase price**} and other charges owed by Purchaser described in Section 10.2 below in cash sufficiently in advance of Closing to facilitate certification of payment to the Governor and issuance of the deed, but in no event shall the Purchase Price be paid later than forty five (45) days after approval of this sale by the Board of Natural Resources.

2.2. No Interest. Any deposits or advance payments made by Purchaser under this Agreement shall be held by the state treasurer without interest.

SECTION 3 CLOSING

3.1 Date. The "Closing Date," "Closing," or "Date of Closing," as those terms are used herein, shall mean the date upon which all monies are paid and all documents are recorded. Closing shall be as soon as practical for State to issue a quitclaim deed from the Governor's Office upon confirmation that the entire Purchase Price shall have been paid to the State Treasury and all terms, conditions and contingencies have been met. Closing shall not occur later than ninety (90) days after approval of this sale by the Board of Natural Resources unless otherwise agreed in writing by the parties.

3.2 Place. Closing shall be carried out at the Olympia office of the Department of Natural Resources. Purchaser acknowledges that State is acting as an interested party in preparing documentation for and closing this sale; State is not acting as an escrow. Purchaser should consult an attorney regarding the legal effects of this transaction.

SECTION 4 CONVEYANCE, TITLE INSURANCE AND POSSESSION

4.1 Possession. Purchaser shall be entitled to possession of the Property on the Closing Date.

4.2 Form of Deed. State shall convey title to the Property to Purchaser by quitclaim deed executed by the Governor of the State of Washington. Said deed shall be in the same form and format as Exhibit B, attached hereto and incorporated by this reference herein.

4.3 Title Insurance. State shall not furnish a policy of title insurance. Purchaser may procure title insurance at its sole expense. To exercise the termination rights hereafter set out, Purchaser must obtain a preliminary commitment of title insurance (Preliminary Commitment) within ten (10) days after the date of this Agreement. Within ten (10) days of receipt of the Preliminary Commitment, Purchaser must notify State in writing of any objections to exceptions listed on the Preliminary Commitment ("Objection Notice"). Failure to object to an exception shall be deemed an approval of such exception. State shall, without obligation, attempt to remove any exception to which Purchaser has objected within thirty (30) days of receipt of the Objection Notice ("Cure Period"). If State has not cured such objections within the Cure Period, State shall so notify Purchaser ("Notice of Non-Cure"). Within ten (10) days of receipt of the Notice of Non-Cure, Purchaser shall elect to terminate in writing this Agreement without further obligations of either party or to waive such objection(s) and proceed to Closing. Failure to notify State of Purchaser's intent to terminate shall be deemed an election to waive the right to terminate. The right of termination as provided in this Section 4 shall be Purchaser's exclusive remedy for title encumbrances. Upon election to terminate, Purchaser shall be entitled to a refund of any deposit.

SECTION 5 RIGHTS AND OBLIGATIONS AFTER ACCEPTANCE

5.1 Inspection. Following the date of this Agreement, and with two (2) business days' prior notice, State shall permit Purchaser and/or its designated agents to enter upon the Property at all reasonable times for the purpose of investigating the Property, and the physical condition thereof, including without limitation, the condition of improvements, if any, located upon the Property. Purchaser shall not conduct any invasive testing of the soils without prior written consent of State.

5.2 Indemnification and Hold Harmless Regarding Purchaser's Inspection. Purchaser agrees to indemnify, defend with counsel acceptable to State, and release State, its officers, agents, and employees from any and all claims, liens or costs, damages, fees and expenses (including but not limited to attorney and paralegal fees, costs and expenses, including costs and fees incurred on appeal and in bankruptcy, as

well as consultant fees and costs) arising out of or relating to the actions of Purchaser and actions of Purchaser's agents or employees in exercising such rights of entry or inspections under this Agreement. Purchaser will be responsible for the payment of any fines or penalties charged against State or Purchaser, or for any employees or equipment while under Purchaser's control, employment, or direction, related to activities under Sections 5.1 above and 5.3 below.

5.3 Reports and Studies.

- (a) Subject to the conditions set forth above, Purchaser shall have the right to prepare, or have prepared, engineering studies, feasibility studies, surveys, resurveys or survey updates, environmental reviews, studies or investigations all of which are also collectively referred to as the "Purchaser's Studies" with respect to the Property. All information discovered by Purchaser through Purchaser's Studies shall be deemed to have been disclosed by State.
- (b) Further, with respect to Purchaser's Studies, Purchaser agrees that it is not acting as the agent of State, and that Purchaser's contractors, architects, engineers, or other consultants are solely employed by Purchaser to perform the studies for the benefit of Purchaser. Purchaser further shall provide written notice to each contractor, architect, engineer and other consultant of these facts, which notice shall also instruct these parties not to file any liens or notices against the Property prior to Closing. Purchaser shall ask each party to acknowledge receipt of the notice. Purchaser shall supply State with a written list of each party to whom this notice was sent within ten (10) days of their issuance, as well as a copy of each notice as acknowledged by the party to whom it was given or sent.
- (c) In the event that Purchaser does not complete the purchase contemplated in this Agreement, Purchaser shall immediately provide State with Purchaser's Studies at no cost to State.
- (d) Purchaser shall have the right to examine studies and reports, if any, prepared by State or its consultants, excluding appraisal reports (all of which are collectively referred to as "State's Studies").

- 5.4 Condition of Purchase.** If Purchaser's Studies indicate the Property is not reasonably suitable for the intended use by Purchaser or the Property presents an unreasonable risk to Purchaser of liability associated with hazardous substances, Purchaser may terminate this Agreement without further obligation, and Purchaser shall be refunded any deposit. Purchaser shall give State written notice of Purchaser's decision to terminate within thirty (30) days of the date of this Agreement. The termination notice shall specify the problems identified. In the event Purchaser fails to give State such written notice, this termination right shall expire.

SECTION 6 DESTRUCTION OR CONDEMNATION

State shall bear the risk of loss until Closing. If on or before the Closing Date either the Property is materially damaged, or condemnation proceedings are commenced with respect to the Property, Purchaser shall elect either to terminate this Agreement or to purchase the Property. Purchaser must give written notice of such election to State within fifteen (15) days of Purchaser's knowledge of such damage or condemnation. Failure to give State notice of Purchaser's election to terminate shall be deemed an election to purchase. If Purchaser elects to terminate this Agreement, any deposit shall be returned to Purchaser, and all rights and obligations of Purchaser and State shall terminate. If Purchaser elects to purchase the Property, Purchaser shall be entitled to the insurance proceeds, if any, or to the condemnation award either of which shall be without adjustment to the Purchase Price. Damage shall be deemed "material" if it cannot be repaired or replaced within ninety (90) days or it represents more than ten percent (10%) of the Purchase Price.

SECTION 7 CONDITION OF THE PROPERTY

7.1 **As Is.** The Property is sold "AS IS, WHERE IS." Purchaser is encouraged to examine the Property to ascertain the condition of the Property, including but not limited to the existence of encumbrances, encroachments, etc. State does not make and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose about the Property, including but not limited to any improvements located thereon. No employee or agent of State is authorized to make any warranty or representation to the contrary. The foregoing specifically disclaims warranties with respect to the existence or nonexistence of any pollutants, contaminants, or hazardous waste or claims based thereon arising out of the actual or threatened discharge, disposal, seepage, migration, or escape of such substances at, from, or into the Property.

7.2 **Release/Indemnity.** Purchaser hereby fully releases State from any and all liability to Purchasers arising out of or related to the condition of the Property prior to, at, or after Closing, including but not limited to the deposit or release of hazardous or toxic wastes or material, pollutants, and the following known or suspected defects: NONE. It is the intent of the parties that this constitutes a full and final release of any and all claims concerning any substance including, but not limited to, hazardous substances. This release extends to and includes any action for contribution for any environmental remedial action. Purchaser agrees to indemnify, defend with counsel acceptable to State, and release State with respect to, but not limited to any claims, damages, liabilities, penalties (civil or criminal), and any other costs, including attorneys' fees and costs imposed or related to any hazardous, toxic, dangerous, or harmful substances on the Property deposited or released after Closing.

7.3 **Waiver of Seller's Disclosure.** If and to the extent that the Property is used for residential purposes or is zoned for residential use, the Purchaser hereby agrees to waive the right to receive a seller's disclosure statement pursuant to RCW Chapter 64.06. Notwithstanding the foregoing, to the extent that the State has actual knowledge of conditions on the Property that would result in a "yes" answer to any of the questions in the Environmental section of the statutory disclosure form, State shall provide a completed copy of that section of the disclosure statement to Purchaser.

7.4 **Notice of Possible Proximity to Farming Operations.** This notice is to inform Purchaser that the Property being purchased may lie in close proximity to a farm. The operation of a farm involves usual and customary agricultural practices, which are protected under RCW 7.48.305, the Washington right to farm act.

SECTION 8 ASSESSMENTS

Purchaser shall buy the Property subject to any assessment remaining unpaid at Closing.

SECTION 9 STATE CONTINGENCY

State's obligations are contingent upon the following:

(a) approval of the sale by the Board of Natural Resources which shall be made at their sole discretion; and

(b) performance prior to or at Closing of all other acts and payments required of Purchaser under this Agreement.

SECTION 10 CLOSING AND CLOSING COSTS

Prior to or at Closing the parties shall do the following:

10.1 State.

- (a) issue a duly executed quitclaim deed conveying title to the Property within a reasonable time after confirmation of receipt of the Purchase Price by the State Treasury;
- (b) sign a Real Estate Excise Tax Affidavit;
- (c) provide any other documents necessary to consummate this agreement; and
- (d) pay prorations to the extent required and determinable.

10.2 Purchaser.

- (a) pay the Purchase Price into the State Treasury as set forth in Subsection 2.1;
- (b) sign a Real Estate Excise Tax Affidavit;
- (c) provide any other documents necessary to consummate this Agreement;
- (d) pay all sums and prorations to the extent required under this Agreement and determinable; and
- (e) pay the cost of recording the deed and the county processing fee for filing the Real Estate Excise Tax Affidavit.

10.3 Prorations. All rents and other income, if any, and water, sewer, utility and maintenance charges and any other expenses (excluding local improvement assessment as provided under Section 8) with respect to the operation of the Property levied against the Property shall be prorated between Purchaser and State as of the Closing Date. To the extent information is then available, such prorations shall be calculated and paid as of Closing. Such prorations shall be adjusted and completed after the Closing Date, if necessary, as and when complete information becomes available, and State and Purchaser agree to cooperate and use their best efforts to complete such prorations not later than sixty (60) days after the Closing Date. No insurance proration shall be made.

SECTION 11 SURVIVAL

The obligations not satisfied at Closing or intended to continue beyond Closing shall not be deemed to have merged in the deed.

SECTION 12 REAL ESTATE COMMISSION

Purchaser shall pay any real estate commission payable in connection with this transaction. Any real estate agent or broker acting in this transaction shall be deemed to be the sole agent of Purchaser.

SECTION 13 NOTICES

All notices required or permitted to be given hereunder shall be in writing and shall be deemed given upon personal service or deposit in the United States first class mail, postage prepaid, and addressed as follows:

To Purchaser:

Island County
Attn: James Sylvester, Assistant Director, Public Works
1 NE 7th Street
Coupeville, WA 98239
j.sylvester@islandcountywa.gov
360-679-7336

To State:

Department of Natural Resources
Strategic Planning Division
Attn: "Project Manager Name"
PO Box 47014
Olympia, WA 98504-7014
Facsimile: (360) 902-1789

The foregoing addresses may be changed by written notice.

SECTION 14 MISCELLANEOUS

14.1 Entire Agreement. This Agreement constitutes the entire Agreement between the parties. No prior and contemporaneous negotiations, understandings and agreements, whether oral or written shall be deemed to exist or bind any of the parties hereto.

14.2 Binding Nature; Assignment of Rights. All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective assigns, if any, of the parties hereto. However, this Agreement shall not be assignable by Purchaser without the prior written consent and acceptance by State, which shall be at State's sole and absolute discretion.

14.3 Washington Law. This Agreement shall be construed, interpreted, and enforced pursuant to the laws of the state of Washington and venue shall be in Thurston County. The terms of this Agreement shall be given their ordinary meaning and shall not be construed in favor of or against either party hereto.

14.4 Time of the Essence. Time is of the essence in this Agreement. No waiver or consent to any breach or other default in the performance of any of the terms of this Agreement shall be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition hereof. In the event time for performance falls on a weekend or legal holiday designated by the United States or Washington State, performance shall be deemed to be timely rendered if so rendered on the next business day.

14.5 Captions. The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.

14.6 Invalidity. If any provisions of this Agreement shall be invalid, void or illegal, it shall in no way affect, impair or invalidate any of the other provisions hereof.

14.7 Counterparts. This Agreement may be signed in counterparts, any one of which shall be deemed an original.

14.8 Date of Agreement. The date of this Agreement shall be the date on which the last party executes this Agreement. Said date shall be inserted on the first page hereof when such date is determined.

14.9 Good Faith. Both parties shall act reasonably and in good faith in order to consummate this transaction.

14.10 Authorization. Purchaser and the person(s) executing this Agreement on behalf of Purchaser represent and warrant that they are authorized to do so and that this is a legal, valid, and binding obligation on behalf of Purchaser, and is enforceable against Purchaser in accordance with its terms.

14.11 Default. In the event of default, neither party shall be liable for consequential damages.

14.12 Attorneys' Fees and Costs. If either party brings suit or submits to an alternative dispute process to interpret or enforce any provision of the agreement, the prevailing party shall be entitled to reasonable attorney fees, paralegal fees, accountant and other expert witness fees and all other fees, costs and expenses actually incurred in connection therewith, including those incurred on appeal, in addition to all other amounts provided by law, regardless of whether the matter proceeds to judgment or is resolved by the defaulting party curing the default.

14.13 Submission. This Agreement must be executed by Purchaser, and an original delivered to State, at the address set forth in this Agreement, on or before 4:00 p.m. on "Insert Date", to be considered by State. This Agreement shall not be binding upon State until signed by an authorized representative of the State.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

PURCHASER: ISLAND COUNTY

Dated: _____ By: _____

Title: _____

STATE: STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: _____ By: _____

Dave Upthegrove
Commissioner of Public Lands

Affix the Seal of the Commissioner
of Public Lands

Approved as to Form this _____ day of

_____, 20____.

Assistant Attorney General
State of Washington

PUBLIC AGENCY ACKNOWLEDGMENT

STATE OF WASHINGTON)
)
) SS
COUNTY OF ISLAND)

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

Notary Public in and for the State of Washington, residing at _____.

My appointment expires _____.

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this _____ day of _____, 20____, personally appeared before me DAVE UPTHEGROVE, to me known to be the Commissioner of Public Lands, and administrator of the Department of Natural Resources of the State of Washington, that he executed the within and foregoing instrument on behalf of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of the State of Washington for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the State of Washington.

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

Notary Public in and for the State of Washington, residing at _____.

My appointment expires

EXHIBIT B

Form of Deed

AFTER RECORDING RETURN TO:

Department of Natural Resources
Strategic Planning Division
Attn: "Project Manager"
PO Box 47014
Olympia, WA 98504-7014

**QUITCLAIM DEED
Island County**

Grantor: State of Washington, acting by and through the Department of Natural Resources.

Grantee: Island County, Washington

Abbreviated

Legal Desc: (put in abbreviated legal description)

Tax Parcel #: (put in affected tax parcel #s)

THE GRANTOR, STATE OF WASHINGTON, acting by and through the Department of Natural Resources, for and in consideration of the sum of (USE UPPER CASE LETTERS FOR WRITTEN AMOUNT) Dollars \$(#)), hereby conveys and quitclaims to "PUBLIC AGENCY NAME" , GRANTEE, all interest in the real property situated in Island County, Washington, and described in Exhibit A, attached hereto, which by this reference is made a part hereof.

The above-described lands are subject to that certain statutory reserved right as set forth in RCW 79.36.370 and to the following reservation:

The Grantor hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself and its successors and assigns forever, all oils, gases, coal, ores, minerals, and fossils of every name, kind, or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, and fossils; and it also hereby expressly saves and reserves out of the grant hereby made, unto itself and its successors and assigns forever, the right to enter by itself or its agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, and working mines thereon, and taking out and removing therefrom all such oils, gases, coal, ores, minerals, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its successors and assigns, forever, the right by its or their agents, servants, and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, and railroads, sink such shafts, remove such soil, and to remain on said lands or any part thereof for the business of mining and to occupy as much of said lands as may be

necessary or convenient for the successful prosecution of such mining business, hereby expressly reserving to itself and its successors and assigns, as aforesaid, generally, all rights and powers in, to, and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and the rights hereby expressly reserved.

No rights shall be exercised under the foregoing reservation, by the state or its successors or assigns, until provision has been made by the state or its successors or assigns, to pay to the owner of the land upon which the rights reserved herein to the state or its successors or assigns, are sought to be exercised, full payment for all damages sustained by said owner, by reason of entering upon said land: PROVIDED, That if said owner from any cause whatever refuses or neglects to settle said damages, then the state or its successors or assigns, or any applicant for a lease or contract from the state for the purpose of prospecting for or mining valuable minerals, or option contract, or lease, for mining coal, or lease for extracting petroleum or natural gas, shall have the right to institute such legal proceedings in the superior court of the county wherein the land is situate, as may be necessary to determine the damages which said owner of said land may suffer.

This Deed is executed and delivered pursuant to RCW 79.02.270 at the request of the Commissioner of Public Lands with the approval of the Board of Natural Resources, State of Washington.

WITNESS the Seal of the State of Washington, affixed this _____ day of
_____, 2025.

GOVERNOR

ATTEST: _____
SECRETARY OF STATE

Approved as to form this _____ day
of _____, 2025

Assistant Attorney General

State Deed No. (#)
State Record of Deeds, Volume (#), Page (#).
Transaction File No. 02-(#)

(Including acknowledgement and exhibit(s))

ATTACHMENT Event Date: Tue Jul 15 00:00:00 PDT 2025
Page 16 of 16 Tue Jul 15 00:00:00 PDT 2025

