INTERLOCAL AGREEMENT FOR PROVISION OF INFRASTRUCTURE

THIS AGREEMENT, made and entered into this 30th day of August, 1993, by and between the **CITY OF CHEHALIS, WASHINGTON,** a municipal corporation, hereinafter referred to as "City", and the **PORT OF CHEHALIS,** a legally constituted political subdivision of the state of Washington under RCW 53.04, et seq., hereinafter referred to as "Port",

W I T N E S S E T H:

WHEREAS, City is the recipient of a Public Works Trust Fund Loan from the state of Washington for purposes of design and construction of infrastructure for the benefit of development of land within the sphere of influence of the City located and owned by the Port; and

WHEREAS, the Interlocal Cooperation Act, Chapter 39.34 of the Revised Code of Washington, allows City and Port to enter into an agreement to make the most efficient use of their powers by enabling both City and Port to cooperate with each other on a basis of mutual advantage and thereby provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities; and

WHEREAS, it is in the best interest of all parties to reduce to writing the responsibilities of each entity involved in this loan and work project for the area indicated; and

WHEREAS, the Port has had a fair market appraisal on the real property legally described in Exhibit A, which is in the amount of $2.5 million; and

WHEREAS, the fair market value per acre, after infrastructure improvements, is approximately Twenty-two Thousand Four Hundred and no/100 Dollars ($22,400.00); now, therefore,

In consideration of the above referenced recitals and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. City shall be, and the same hereby is, granted the responsibility to contract with the state of Washington for a Public Works Trust Fund Loan in the sum of Five Hundred Seventy-one Thousand Eight Hundred Twenty-nine and no/100 Dollars

($571,829.00), which loan shall be accepted on behalf of both entities to this agreement, subject to the review and approval of the governing boards of each entity.

2. All funds received from the Public Works Trust Fund Loan shall be transferred to Port for the specific purpose of design, construction, and implementation of infrastructure for the benefit of Port property located near Maurin Road between Bishop Road and Jackson Highway, Lewis County, Washington, more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

3. Port, acting in concert with City, shall be responsible for all phases of design and construction of the infrastructure, including, but not limited to, the hiring of a consulting engineer to oversee the design and construction project.

4. Port, acting in concert with City, shall be responsible to direct the engineer employed during the design of improvements and shall also have responsibility to control construction. All construction shall be in conformity with the minimum requirements of City and shall be subject to City approval and final sign-off by City before acceptance by engineer of Port.

5. Port shall bear the entire burden of repayment of the Public Works Trust Fund Loan in accordance with the terms of the loan, a copy of which is attached hereto, marked Exhibit "B", and incorporated herein by this reference. Port shall pledge its full taxing authority for the repayment of the loan in accordance with the terms hereof.

6. As additional security for City, Port shall pledge as collateral for repayment of the above referenced loan, property described in Exhibit "A" attached hereto and incorporated herein by this reference through the execution of mortgages or other appropriate security documents in favor of City, pledging said property as collateral for the timely and appropriate repayment of the Public Works Trust Fund Loan. At Port's expense, City shall procure a title policy providing lender's coverage to the City showing that the property is free and clear of liens excluding only those acceptable to City, which insurance coverage shall be in the sum of no less than Five Hundred Seventy-one Thousand Eight Hundred Twenty-nine and no/100 Dollars ($571,829.00).

7. It is understood and agreed between the parties that Port shall make all payments on the Trust Fund Loan through City so that City can monitor the repayment of said loan according to its terms. City may waive this requirement at its discretion.

8. It is agreed and understood between the parties that time is of the essence of this agreement and that should Port fail to make any payment or attend to any obligation as required hereunder, City may immediately demand payment of all moneys due and owing under the terms of the Public Works Trust Fund Loan and seek to collect the same from Port forthwith. In addition to all other remedies provided by law, City shall have the authority to commence foreclosure proceedings on the pledged property to secure funds for the repayment of the obligation to the state of Washington.

9. It is agreed and understood between the parties that upon completion of the infrastructure projects and their transfer to the City, the parties hereto shall enter into a subsequent agreement entitled "Late-Comers Agreement" wherein owners of property in the general area of said infrastructure projects who desire to connect to said services will have levied against them a charge for their proportionate share of the cost of said infrastructure projects, and City shall pay to Port a portion of said charges to reimburse Port for some of the costs of said projects.

10. Should either party to this agreement breach the same, thereby requiring the other party to seek legal recourse for the enforcement hereof, the prevailing party in any action shall be entitled to recovery of costs and attorney's fees in addition to any other remedies allowed under Washington law.

11. This Interlocal Agreement shall cease upon the date of completion of the infrastructure projects and collection of all indebtedness due the state of Washington under the Public Works Trust Fund Loan referred to herein. Upon payment in full of said loan, City agrees to release and satisfy any liens against property of Port held as collateral for payment of the loan referred to herein. When requested by the Port, the City shall release its security interest in the real property described on Exhibit A, provided, however, at no time will the fair market value of the land subject of the security interest be less than the outstanding indebtedness.

12. This Interlocal Agreement shall be governed by the terms set forth herein, together with Washington law authorizing formation of interlocal agreements between municipal corporations.

EXECUTED IN DUPLICATE on the date and year first above written.

CITY OF CHEHALIS, WASHINGTON,
a municipal corporation

By_____
Its Mayor

Attest:_____
Its City Clerk

Approved as to form:

By_____
Its City Attorney

CITY

PORT OF CHEHALIS, a political subdivision of the state of Washington

By_____
Its Chairman

Attest:_____
Its Secretary

Approved as to form:

By_____
Port Attorney

PORT

EXHIBIT "A"

Parcel 1:

The West Half of the Northwest Quarter of the Southwest Quarter and that portion of the West Half of the Southwest Quarter of the Northwest Quarter lying Southerly of Jackson Highway, also known as Pacific Highway, as conveyed to the state of Washington by deed recorded under Recording No. 187372, all in Section 11, Township 13 North, Range 2 West, W. M., AND the Northeast Quarter of the Southeast Quarter of Section 10, Township 13 North, Range 2 West, W. M., EXCEPT the West 682.5 feet of the North Half of the Northeast Quarter of the Southeast Quarter of Section 10, Township 13 North, Range 2 West, W. M., Lewis County, Washington.

Parcel 2:

That portion of the North Half of the Northeast Quarter of the Southeast Quarter, and that portion of the Southeast Quarter of the Northeast Quarter, lying South of Jackson Highway, in Section 10, Township 13 North, Range 2 West, W. M., described as follows: Beginning at the Northeast corner of the Northeast Quarter of the Southeast Quarter of said Section; thence South 89°53'35" West along the North line 637.46 feet; thence South 00°22'11" West parallel with and 682.50 feet East of the West line of said Subdivision as measured along the South line thereof, 656.11 feet, to the South line of the North Half of said Subdivision; thence South 89°47'27" West along said South line 682.50 feet, to the West line of said Subdivision; thence North 00°22'07" East along said West line 657.33 feet, to the Northwest corner thereof; thence North 89°53'35" East 354.28 feet; thence North 00°05'28" East 432.51 feet; thence South 89°54'32" East 347.88 feet; thence North 00°22'11" East 607.90 feet, to the South line of Jackson Highway; thence Southeasterly along said South line to the East line of the Northeast Quarter of said Section 10; thence South along said East line to the Point of Beginning. TOGETHER WITH a nonexclusive easement 60 feet in width, 30 feet on either side of Section line between Section 10 and 11, Township 13 North, Range 2 West, W. M., Lewis County, Washington. TOGETHER WITH a nonexclusive easement for purposes of drainage through existing, but unlocated, ditches on the above described property and property adjacent to the South and East.

Parcel 3:

The Northeast Quarter of the Southwest Quarter of Section 10, Township 13 North, Range 2 West, W. M., in Lewis County, Washington. EXCEPTING THEREFROM the North 60 feet thereof. ALSO EXCEPTING THEREFROM those portions deeded to Lewis County for the John Maurin County Road by deeds recorded December 4, 1958, under Auditor's File No. 593767, and June 7, 1978, under Auditor's File No. 847291.