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May 21, 2020

Suzanne Anderson
US Army Corps of Engineers
Mitigation Banking Specialist
4735 East Marginal Way South
PO Box 3755
Seattle, Washington 98134-3755

Zach Meyer
Washington Department of Ecology
Wetlands/Shorelands Specialist
300 Desmond Drive
PO Box 47600
Olympia, Washington 98504-7600

Notice is hereby given that the Chehalis Basin Mitigation Bank has transferred **SEVENTY-ONE THOUSANDTHS (0.071)** wetland credits from the Chehalis Basin Mitigation Bank to Ralph Kevin Hubbard.

This partial credit is to be applied to the following permit/project:

Issuing Regulatory Agency: US Army Corp of Engineers

Permit/Project #: NWS-2016-1038 (Jackson Highway Condominium Development)

Issue Date: April 20, 2020

Regards,

BILL SCHEER

Cc: Patricia Johnson (Electronic)
Evan Carnes (Electronic)

PURCHASE AGREEMENT FOR WETLAND MITIGATION CREDITS

This Purchase Agreement for Wetland Mitigation Credits (the "**Agreement**") is entered into as of _____, _____ (the "**Effective Date**") by and between WCEI Chehalis MB, LLC ("**Seller**") and Mr. Ralph "Kevin" Hubbard ("**Buyer**"). The Seller and the Buyer are referred hereinafter as the "**Parties**."

RECITALS

- A. WHEREAS, pursuant to that certain Mitigation Banking Instrument, dated April 12, 2013 (the "**MBI**") by and among the Seller, the U.S. Army Corp of Engineers (the "**Corps**"), and the Washington State Department of Ecology ("**Ecology**"), Seller has established a wetland mitigation bank known as the Chehalis Basin Mitigation Bank, Hanaford Valley Site (the "**Bank**").
- B. WHEREAS, the Bank is approved to provide off-site mitigation for impacts to the waters of the United States and waters of the State of Washington within the State of Washington's Water Resource Inventory Area Number 23 (the "**Service Area**") in accordance with the terms of the MBI.
- C. WHEREAS, pursuant to the terms of the MBI, the Corps and Ecology serve as co-chairs of the Interagency Review Team ("**IRT**"), and the IRT has awarded certain mitigation credits to Seller in consideration of the establishment and maintenance of the Bank ("**Mitigation Credits**").
- D. WHEREAS, Buyer contemplates undertaking a development activity within the Service Area (the "**Impacting Project**"), which may require permits and/or approvals (the "**Permits**") for impacts to aquatic resources, each as described in Exhibit A attached hereto.
- E. WHEREAS, Buyer wishes to purchase from Seller, and Seller wishes to sell to Buyer, one or more Mitigation Credits on the terms and conditions contained in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and conditions and promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Buyer agree as follows:

1. Sale of Credits. Upon the terms and subject to the conditions of this Agreement, Seller hereby sells and transfers to Buyer the Mitigation Credits set forth on Exhibit B attached hereto (the "**Purchased Credits**"), and Buyer hereby purchases and accepts the Purchased Credits from Seller.
2. Purchase Price. In exchange for the Purchased Credits, the Buyer agrees to pay to Seller the amount set forth on Exhibit B (the "**Purchase Price**"), payable in U.S. dollars in cash or immediately available funds, subject to the terms herein.
3. Statement of Sale. Promptly upon receipt of the Purchase Price, Seller will deliver to the Seller a fully executed copy of the Statement of Sale of Mitigation Credits in the form attached hereto as Exhibit C (the "**Statement**") to evidence and recognize the transfer of the Purchased Credits.

4. Buyer Acknowledgement. Buyer acknowledges, represents, and agrees that: (a) it is the Buyer's sole responsibility to determine whether the Purchased Credits may be used for the Impacting Project and the Permits, and the sale of such Purchased Credits under this Agreement shall be final; (b) Seller makes no representations or warranties as to the utility or applicability of the Purchased Credits to the Impacting Project or the Permits; (c) Buyer is purchasing the Purchased Credits specifically for the Impacting Project and Permits as described in Exhibit A; (d) the Purchased Credits shall not be transferable to any other Impacting Project or to any person other than Buyer; (e) Buyer shall be responsible for the payment of any excise taxes that may be due and payable in connection with the credit transaction contemplated by this Agreement, if any; and (f) Seller may, as part of the process of transferring the Purchased Credits, disclose information contained in this Agreement to the Lewis and Thurston County Auditors and members of the IRT.
5. Seller Acknowledgement. The Seller acknowledges, represents, and agrees that: (a) Seller owns the Purchased Credits and has the right to sell the Purchased Credits to Buyer; (b) the Purchased Credits are currently available and have been approved for release by the applicable authorities, including, but not limited to, Ecology and the Corps; and (c) to the extent a Permit is identified in Exhibit B hereto, Seller, and its successors and assigns, assume legal responsibility for accomplishment and maintenance of the Buyer's compensatory mitigation requirements associated with the Impacting Project, upon completion of the credit transaction as required by the MBI.
6. Notice. Any notices or other communications required hereunder shall be in writing and shall be given or made when delivered personally, the date on which successful email transmission is confirmed, or three days after being placed in the United States mail, postage prepaid, and sent to the address of the party as set forth in the signature blocks.
7. Assignment. Buyer's rights under this Agreement shall not be assigned or apportioned, either voluntarily or by operation of law, without the prior written consent of Seller, which shall be in Seller's reasonable discretion. Subject to the foregoing limitation, this Agreement shall inure to the benefit of and be binding upon the Parties' respective successors and assigns.
8. No Third Party Beneficiaries. This Agreement does not confer any benefits to persons or entities whom are not either (a) Parties to this Agreement or (b) successors or permitted assigns of the Parties to this Agreement.
9. No Brokers. Buyer and Seller represent to each other that neither they nor anyone on their behalf has dealt with or consulted with any broker, agent, or other person who can claim a right to a consultant fee, commission, or finder's fee in connection with the sale contemplated herein. In the event a broker, agent, or other person claims to have dealt with one of the Parties contrary to the foregoing representation, the Party with whom the broker, agent, or other person claims to have dealt or consulted agrees to indemnify and hold the other Party harmless against any costs and expenses (including reasonable attorneys' fees) incurred by the other Party in defending against such claim.
10. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the sale and purchase of the Purchased Credits, and supersedes and

replaces any prior agreements and understandings, whether oral or written, between them with respect to said matters.

11. Governing Law; Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington.
12. Amendment. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the Parties. No waiver of any of the provisions of this Agreement shall be valid unless in writing and signed by the party against whom it is sought to be enforced.
13. Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail, or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(Signature page follows)

IN WITNESS WHEREOF, the parties have executed this Agreement intending to be legally bound as of the date set forth above.

SELLER:

WCEI CHEHALIS MB, LLC,

By: Lori Schmitt

Name: Lori Schmitt

Its: Secretary

Address: 913 Big Hanaford Road

Centralia, WA 98531

Phone: (360) 742-3052

BUYER:

Mr. Ralph "Kevin" Hubbard

By: R. A. Hubbard

Name:

Its:

Address: PO Box 1125

Chehalis, WA 98532

Phone: (360) 880-7851

Exhibit A: Description of Impacting Project and Permits

Associate Permit Number(s): NWS-2016-1038

Issuance Date(s): January 30, 2020

Name of Regulatory Agencies: Army Corps of Engineers

Location of Impacting Project: 3040 Jackson Highway, Chehalis, WA 98532

Impacting Project Description: Direct Impacts to .003 acres of Category IV wetlands, indirect impacts to .01 acres Category IV wetlands and indirect impacts 0.10 acres offsite Category II wetland.

Exhibit B: Purchased Credits and Purchase Price

Type of Credit	Number of Credits	Cost per Credit	Price
Wetland mitigation bank credits	.075	\$250,000	\$18,750

Exhibit C: Statement of Sale of Mitigation Credits

WCEI Chehalis MB, LLC hereby verifies that it is the owner of the wetland mitigation bank known as the Chehalis Basin Mitigation Bank, Hanaford Valley Site (the "Bank") and further verifies that Ralph "Kevin" Hubbard, has purchased 0.075 wetland mitigation bank credits from the Bank as follows.

Permit Number(s): NWS-2016-1038

Permit Issuance Date(s): March 30, 2020

Name of Regulatory Agencies: State of Washington Department of Ecology

United States Army Corp of Engineers

Location of Impacting Project: Lewis County, Washington

Amount of credits required by the permit: 0.075 wetland mitigation bank credits

Date of credit purchase:

VERIFICATION

I, Lori Schmitt, the Secretary of TransAlta Centralia Mining LLC, the sole member of WCEI Chehalis MB, LLC, says on oath or affirms that I have read the foregoing Statement of Sale of Mitigation Credits and believe all statements made in the document are true to the best of my knowledge, information, and belief.

Lori Schmitt

Signature