Filed for Record at Request of:

CHMELIK SITKIN & DAVIS P.S. 1500 Railroad Avenue Bellingham, WA 98225 (360) 671-1796



DOCUMENT TITLE(S):

INTERLOCAL AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES, ENVIRONMENTAL REMEDIATION AND EASEMENTS

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

N/A

Additional reference numbers found on page N/A of document.

GRANTOR(S) (Last name, First name and MI):

PORT OF ANACORTES
NORTHWEST EDUCATIONAL SERVICES DISTRICT 189

Additional grantors found on page _____ of document.

GRANTEE(S) (Last name, First name, and MI):

PORT OF ANACORTES
NORTHWEST EDUCATIONAL SERVICES DISTRICT 189

Additional grantees found on page ____ of document.

ABBREVIATED LEGAL DESCRIPTION (Lot, block, plat or section, township, range):

LOT 2A, SHORT PLAT NO. ANA-98-003

Additional legal is on page 2 of document.

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER(S):

P32948

F*PORT ANACORTES/Planning & Projects Department/Skills Center - Amendment Of CORS/Cover Sheet_Interlocal doc

INTERLOCAL AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES, ENVIRONMENTAL REMEDIATION AND EASEMENTS

This Agreement (the "Agreement") is entered into this day of June, 2009 by and between the Port of Anacortes (the "Port") and Northwest Educational Services District 189 ("NWESD").

WHEREAS, the NWESD is the owner of certain real property (the "NWESD Property") located within the area know as the Former Scott Paper Mill (the "Site"). The legal description of the NWESD Property is as follows:

Lot 2A of Short Plat No. ANA-98-003, recorded in the official records of Skagit County under Auditor's File No. 9902170072, along with associated tidelands. Situate in Skagit County, Washington.

WHEREAS, the Port intends on executing a consent decree (the "Consent Decree") with the Department of Ecology ("Ecology") to undertake certain remedial actions on the Site (the "Project").

WHEREAS, the Project includes soil remediation on the NWESD Property, installation of certain utilities on the NWESD Property and creation of a public access esplanade along the shoreline of the NWESD Property.

WHEREAS, the Port and NWESD have executed the Environmental Remediation Agreement dated June 4, 2003 (the "*Environmental Agreement*") which provided that the NWESD retained responsibility for all soil remediation on the NWESD Property. The Environmental Agreement is attached hereto as *Exhibit "A"*.

WHEREAS, the Port desires to utilize the services of **NWESD** employee, Tex Ladish ("**Mr.** Ladish"), to be a technical resource for the Port to assist the port in minimizing Project construction impacts on the **NWESD** Property.

NOW THEREFORE, In consideration of the promises and conditions contained herein, the NWESD and the Port do mutually agree as follows:

- 1. <u>Purpose and Formation</u>. This Agreement sets forth the understandings of the parties with regard to the following issues:
 - a. Utilization of Mr. Ladish to be a technical resource for the Port to assist the Port in minimizing Project construction impacts on the NWESD Property and such other construction management services as the Port may assign ("*Technical Assistance*").
 - b. Soil remediation by the Port on the NWESD Property.
 - c. The creation of an easement for the location and maintenance of the sewer lift station and associated utilities and service lines on the NWESD Property.
 - d. The creation of an easement for the public access esplanade along the shoreline of the NWESD Property.

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- 2. <u>Utilization of Mr. Ladish.</u> NVVESD shall make Mr. Ladish available to the Port for technical assistance. In this regard, Mr. Ladish will provide technical assistance to the Port for eight (8) hours per week. It is anticipated that the Port will utilize Mr. Ladish a minimum of eight (8) hours per week beginning June 15, 2009 and concluding on or about April 30, 2011.
- 2.1. Required Payment to NWESD. As part of the overall economics of this Agreement, the Port is obligated to pay the NWESD for eight (8) hours per week of Mr. Ladish's time even if the Port does not utilize Mr. Ladish so long as Mr. Ladish is available as scheduled or as otherwise agreed.
- 2.2. <u>Schedule of Mr. Ladish.</u> The Port and NWESD shall reasonably cooperate to schedule the services of Mr. Ladish at least one (1) month in advance. By way of example, the Port and NWESD will coordinate in June of 2009 for the services of Mr. Ladish in July 2009. Once the services have been scheduled, Mr. Ladish will be available for the scheduled work and the Port shall be obligated to pay NWESD for the scheduled work without regard to any decrease in need.
- 2.3. <u>Scheduling Extra Work</u>. Subject to availability, the Port and NWESD may agree on extra work for Mr. Ladish above and beyond the anticipated eight (8) hours per week. Any extra work will be billed at the then prevailing hourly rate in the next monthly invoice.
- 2.4. Hourly Rate. For the period June 15, 2009 through August 31, 2010 the hourly rate for the services performed by Mr. Ladish shall be sixty-seven dollars and twenty-three cents (\$67.23) per hour. If at any time after August 31, 2010, NWESD determines that it must increase the hourly rate in order to recover its costs, it shall provide the Port ninety (90) days written notice prior to the rate increase, which notice shall include an accounting of all of the costs sought to be recovered under the new rate. Upon receipt of such notice, the Port, in its sole discretion, may agree to pay the rate increase or terminate the services of Mr. Ladish. In addition, should the Port require/expect any travel (other than the regular to-from work commute) it would be reimbursed by the Port at the allowable internal Revenue Service rate.
- 2.5. Costs, Invoicing, and Payment. NWESD will invoice the Port on a monthly basis. Invoices for work in a given month shall be delivered to the Port by the tenth (10th) day of the subsequent month. Invoices received by or before the tenth (10th) of the month shall be paid within thirty (30) days of the tenth (10th) of the month. Invoices received after the tenth (10th) day of the month shall be paid in the subsequent billing cycle. Extra work which exceeds the anticipated eight (8) hours per week must be approved in advance prior to invoicing. Extra work shall be billed to the nearest quarter (1/4) hour. If upon receipt of an invoice, the Port objects or disputes the time billed or the amount of the invoice, it shall notify NWESD and the parties shall reasonably attempt to resolve the dispute. In the event the parties are unable to reach an agreement, the Port shall pay the portion of the invoice it does not dispute and shall initiate the dispute resolution process identified in Section 10 below with respect to the remaining amount.
- 2.6 <u>Employment of Mr. Ladish</u>. While performing services for the Port, Mr. Ladish will remain an employee of the NWESD. NWESD shall be responsible for the payment of all wages, taxes, benefits and other charges due Mr. Ladish. In no event shall Mr. Ladish be held to be an employee of the Port. In this regard and to the extent permitted by law, NWESD shall.

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save and defend the Port from any claim or demand from Mr. Ladish relating to his employment with NWESD.

- 3. Soil Remediation on NWESD Property. The Port shall undertake the soil remediation as required under the Consent Decree on the NWESD Property. In this regard, NWESD hereby grants access to the Port and its contractors to conduct the soil remediation. The Port will use its best efforts to coordinate with NWESD as to the work on the NWESD Property and will restore the surface of the NWESD Property to the condition that existed prior to the soil remediation or such other condition as the Port and NWESD may agree.
- 3.1. <u>No Cost to NWESD</u>. In part consideration for the agreements contained herein the Port shall undertake the soil remediation on the NWESD Property required under the Consent Decree at no cost to the NWESD and hereby waives any claim for payment under the terms of the Environmental Agreement.
- 3.2. <u>Coordination</u>. As part of his work for the Port, Mr. Ladish will coordinate the soil remediation on the NWESD Property per the schedule for the Project. Mr. Ladish is authorized to act on behalf of the NWESD in this regard.
- 3.3. No Change to Environmental Agreement. Except as specifically noted herein, the Environmental Agreement shall remain in full force and effect and is not amended or changed by this Agreement.
- 4. <u>Sewer Lift Station/Utility Corridor Easement.</u> As part of the Project, the Port is required to relocate the sewer lift station to the NWESD Property. This relocation will involve connecting utilities to the sewer lift station and connecting the sewer lift station to Parcels 2B, 2D, 3 and the sewer line at R Avenue (collectively the "Sewer Lift Station/Utility Corridor"). The utility corridor to R Avenue will also include water and natural gas. Attached hereto as Exhibit "B" is a map depicting the location of all the portions of the Sewer Lift Station/Utility Corridor, as well as the esplanade described below.
- 4.1. <u>No Cost to NWESD</u>. In part consideration for the agreements contained herein the Port shall install the Sewer Lift Station at no cost to the NWESD.
- 4.2. <u>Restoration of Surface</u>. Except for those portions of the Sewer Lift Station that are above ground and the required clearance areas adjacent to the Sewer Lift Station, the Port shall, after installation restore the surface of the NWESD Property to the same condition as existed prior to the installation.
- 4.3. <u>Coordination</u>. As part of his work for the Port, Mr. Ladish will coordinate the installation of the Sewer Lift Station on the NWESD Property per the schedule for the Project. Mr. Ladish is authorized to act on behalf of the NWESD in this regard.
- 5. <u>Esplanade</u>. As part of the Project, the Port is required to construct a public access walkway esplanade with associated utilities (the "*Esplanade*") along the shoreline of the NWESD Property. Exhibit "B" depicts the location of the esplanade and the easement area necessary to construct the Esplanade



- 5.1. No Cost to NWESD. In part consideration for the agreements contained herein the Port shall install the esplanade at no cost to the NWESD.
- 5.2 <u>Coordination</u>. As part of his work for the Port, Mr. Ladish will coordinate the installation of the Esplanade on the NWESD Property per the schedule for the Project. Mr. Ladish is authorized to act on behalf of the NWESD in this regard.
- 6. **Easement.** NWESD will grant to the Port a perpetual easement for the location, access and maintenance of the Sewer Lift Station/Utility Corridor, the Esplanade and related utilities on the NWESD Property (the "**Easement**"). The form of the Easement (which includes the easement for the esplanade described below) is set forth in **Exhibit "C"**. The original easement shall be executed by the NWESD and the Port at the same time as the execution of this Agreement. The Port shall provide a copy of the recorded Easement to the NWESD.
- 6.1. Transfer to the City. After installation, the Sewer Lift Station/Utility Corridor and the Esplanade Easement may be transferred by the Port to the City of Anacortes. Upon such a transfer the Port shall have no further rights or responsibilities under this Agreement with regard to the Sewer Lift Station/Utility Corridor or the Esplanade but shall retain all rights as an owner of Lot 3 of the subdivision. The Port shall provide written notice of the transfer to the NWESD
- 7. Indemnification. To the fullest extent permitted by law, the NWESD agrees to protect, defend, indemnify and hold the Port, its officers, agents and employees harmless from any and all claims and losses for bodily injury, including death, and/or property damage to the extent such claims or losses arise or result from the NWESD's negligent performance under this Agreement. Likewise, to the fullest extent permitted by law, the Port agrees to protect, defend, indemnify and hold the NWESD, its officers, agents and employees harmless from any and all claims and losses for bodily injury, including death, and/or property damage to the extent such claims or losses arise or result from the Port's negligent performance under this Agreement.
- 8. <u>Waiver</u>. No provision of this Agreement or the right to receive reasonable performance of any act called for by its terms shall be deemed waived by a waiver of a breach thereof as to a particular transaction or occurrence.
- 9. <u>Severability</u>. If any term or condition of this Agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other terms, conditions, or applications of the Agreement which can be given effect without the invalid term, condition, or application and, to this end, the terms and conditions of this Agreement are declared severable.
- Notices. All notices, demands, requests, consents and approvals which may, or are required to be given by any party to any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to the following addresses:

Port of Anacortes P. O. Box 297, Anacortes, WA 98221 (360) 293-3134 FAX (360) 293-9608 Northwest Educational Service District 189 1601 R Avenue, Anacortes, WA 98221 (360) 299-4000 FAX (360) 299-4070

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or to such other address as the foregoing parties hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

- 11. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Washington. Disputes shall be resolved by a three-member Committee. The Committee shall consist of one representative selected by NWESD and the Port; thereafter, the NWESD's representative and the Port's representative shall select an impartial third party, who shall serve as the third member of the Committee. All decisions of this dispute resolution Committee shall be limited to the issues delineated herein and shall be final and binding on the parties.
- 12. <u>Attorneys Fees and Costs</u>. Each party shall be responsible for its own legal fees in the event they arise out of this Agreement.
- 13. <u>Captions</u>. Paragraph headings have been included for the convenience of the parties and shall not be considered a part of this Agreement for any purpose relating to construction or interpretation of the terms of this Agreement.
- Opportunity Without Discrimination. The NWESD and the Port agree to comply with all applicable state and federal rules and regulations which prohibit discrimination on the basis of race, color, creed, religion, national origin, age, sex, marital status, or the presence of any sensory, mental or physical disability. Inquiries regarding compliance and/or grievance procedures for the NWESD may be directed to the NWESD at its address above.
- 15. <u>Authority</u>. The terms and conditions of this Agreement, to which the parties agree, are being entered into by appropriate resolutions of the respective governing boards of the NWESD and the Port.
- 16. <u>Termination</u>. This Agreement will terminate upon the completion of the Project, the full payment of the sums required to be paid to the NWESD and the transfer of the Easement to the City of Anacortes. However, the indemnification provisions in paragraph 7 and the attorney fee provisions in paragraph 12 shall survive termination.
- 17. Entire Agreement. The parties agree that this Agreement, together with all appendices, if any, constitute the entire agreement between the parties and supersedes all prior or existing written or oral agreements between the parties and may not be amended other than by written addendum signed by the parties and attached to the original executed Agreements. Provided, that except as specifically provided herein, this Agreement shall in no way be construed to supersede, limit, or expand the respective obligations assumed by the parties in the Environmental Remediation Agreement.

IN WITNESS WHEREOF, the NWESD and the Port have executed this Agreement on the date and year indicated below.



NORTHWEST EDUCATIONAL SERVICE DISTRICT NO. 189

By Dend Wanters	Date: 6/12/09
Dr. Gerald W. Jenkins, Superintendent	

PORT OF ANACORTES

By: ______ Date: ______/Date: _____/

EXHIBIT "A" ENVIRONMENTAL REMEDIATION AGREEMENT DATED JUNE 4, 2003

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37 9:22AM

Environmental Remediation Agreement

This Environmental Remediation Agreement is entered into by and between the Port of Anacortes, a Washington municipal corporation ("Port") and Northwest Education Service District No. 189, a political subdivision of the State of Washington ("NWESD") on this 40 day of June 2003.

The Port is the owner and former owner of certain parcels of land located in Anacortes, Skaglt County, Washington, legally described as Lots 1, 2 and 3 of Short Plat No. ANA-98-003, recorded in the official records of Skagit County under Auditor's File No. 9902170072, along with some associated tidelands (the "Covered Property").

In March, 1999, the Port sold Lot 2 of the Covered Property (the "Sold Property") to Sun Healthcare Systems, Inc. now Shared Healthcare Systems, Inc. ("SHS"). SHS subsequently subdivided the Sold Property into four (4) lots.

NWESD is purchasing that portion of the Sold Property legally described on Exhibit A attached hereto (the "NWESD Property").

NWESD and the Port wish to confirm certain agreements regarding the environmental conditions of the Covered Property and NWESD Property and responsibility for environmental remediation of the Covered Property and NWESD Property.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and the mutual covenants contained in this Agreement, the Port and NWESD hereby agree as follows:

Definitions. 1

- Environmental Soil Conditions. Environmental Soil Conditions shall mean any actual or potential hazardous substance contamination contained with the soils, wood waste, or other solid materials on the Sold Property.
- Environmental Groundwater Conditions. Environmental (b) Groundwater Conditions shall mean any actual or threatened hazardous substance contamination in the ground water on or off the Sold Property.
- Environmental Off Site Environmental Off Site Conditions Conditions shall mean any actual or threatened hazardous substance contamination existing on or under the Covered Property, but off the Sold Property, including Environmental Soil Conditions or Environmental Groundwater Conditions that have migrated, or may in the future migrate, from the Sold Property.

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(d) <u>Environmental Remediation</u>. Environmental Remediation shall mean the investigation, testing, removal, monitoring or treatment of hazardous substances as may be required to comply with Environmental Laws.

1

- (e) <u>Hazardous Substances</u>. As used herein, "hazardous substance" shall mean any substance, material, waste, pollutant, or contaminant that is defined as a "hazardous waste", "extremely hazardous waste", "restricted hazardous waste", "hazardous substance" or "dangerous waste" under Environmental Laws.
- (f) Environmental Laws. As used herein, Environmental Laws shall mean: RCW Chapter 70.105 (Hazardous Waste Management Act) or RCW Chapter 70.105D (Hazardous Waste Cleanup-Model Toxics Control Act "MTCA"), or their implementing regulations; the United States Department of Transportation Hazardous Materials Table (49 CFR 172 101); the National Contingency Plan published by the Environmental Protection Agency (40 CFR Parts 300 and 302); the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. §6901; or the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA") 42 USC 9601 et seq., all as amended, replaced or succeeded.
- 2. Responsibility for Environmental Soil Conditions. NWESD shall be solely responsible for Environmental Soil Conditions on or under the NWESD Property. The Port bears no responsibility or liability for Environmental Soil Conditions on the Sold Property.
- Port agrees to Indemnify, defend and hold NWESD and any party taking a security interest in the NWESD Property harmless from any and all claims, demands or causes of action for Environmental Remediation arising out of Environmental Groundwater Conditions or Environmental Off Site Conditions. This indemnity shall not apply to the release or any hazardous substance first brought onto the NWESD Property after the date of this Agreement, or to releases caused by NWESD or any user or occupant of the NWESD Property. This indemnity is expressly conditioned upon NWESD's compliance with Sections 5, 6, 7 and 8 of the Agreement; provided that nothing contained in Section 5 hereof shall prevent the parties from enforcing the terms of this Agreement.
- claim, demand or potential cause of action which may be subject to the Port's indemnity obligations under this paragraph 3, NWESD shall provide notice to the Port concerning the demand or claim as soon as reasonably possible, but in no event later than 30 days from receipt. Upon receipt of notice of the claim, the Port shall have the right, in its sole discretion, to defend and appoint defense counsel for the NWESD. In the event the Port elects to appoint defense counsel, NWESD agrees to the appointment of joint defense counsel and to waive the potential conflict of interest in appointment of joint defense counsel. If the Port elects not to appoint defense counsel or if an actual conflict of interest prevents appointment of joint defense counsel, the Port shall relimburse NWESD for its reasonable attorney fees occurred in the defense of any indemnified

demand or claim. Nothing contained in this Section shall provide the Port with the right to compromise or settle any claim affecting NWESD or the Sold Property without the prior written consent of NWESD, which consent shall not be unreasonably withheld, conditioned or delayed.

- 4. Release of Certain Claims. NWESD agrees to release and waive any and all claims against the Port for business interruption, lost profits, added costs of development or similar damages caused by the Environmental Soil Conditions Environmental Groundwater Conditions and Environmental Off Site Conditions. This release does not limit the Port's obligation to indemnify NWESD under Section 3 above.
- further covenants not to sue the Port or any other party for any Environmental Groundwater Conditions or Environmental Off Site Conditions, nor to petition, request or initiate any action through the Department of Ecology or other government agency for the clean up of Environmental Groundwater Conditions or Environmental Off Site Conditions. In the event that any third party initiates or contacts NWESD regarding such actions, NWESD shall immediately notify the Port and tender the defense of such actions to the Port as provided in Section 3.
- 6. Post-Closing Access to NWESD Property. NWESD agrees to allow the Port post-Closing access to the NWESD Property to investigate, monitor or remediate any Environmental Groundwater Condition. Access will be provided upon reasonable terms and the Port shall take all reasonable steps to minimize the impact of any such activities on NWESD's use of the NWESD Property.
- 7. <u>Limitation on Subsurface Development</u>. NWESD agrees that, other than utility corridors, footings, foundation slabs, pilings and other incidental subsurface structures, NWESD will not undertake subsurface development on the NWESD Property.
- 8. <u>Cooperation with Cleanup Activities</u>. The NWESD shall cooperate with the Port in the Port's effort to complete cleanup activities on the Covered Property, including supporting the Port's efforts under the Consent Decree (Skagit County Superior Court Cause No. 032004921) but excluding undertaking or paying for Environmental Remediation. NWESD shall further cooperate with the Port in obtaining a revised "No Further Action" letter from the Department of Ecology concerning the Sold Property as called for in the Consent Decree.
- 9. NFA Requirements. NWESD acknowledges that it has received the October 26, 2000, Ecology No Further Action letter addressed to Shared Healthcare Systems, Inc. NWESD agrees that it shall be responsible for complying with the requirements of the No Further Action and the Restrictive Covenant with respect to the NWESD Property (except as applied to Environmental Groundwater Conditions, which shall be the responsibility of the Port as provided in this Agreement).

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- NWESD agrees and Disclosure of Environmental Conditions. acknowledges that, in connection with its purchase of the NWESD Property, the NWESD has received the environmental information and reports described on Exhibit B to this Agreement.
- Assignment. The rights and obligations under this Agreement may be assigned by NWESD to a purchaser of the NWESD Property upon written notice to the Port and receipt of written consent from the Port. Such written notice shall be provided no less than sixty (60) days prior to any proposed transfer. The Port's consent to the assignment shall not be unreasonably withheld, conditioned, or delayed.
- Entire Agreement. This Agreement contains the entire understanding of 12. the parties and supercedes all prior agreements and understandings among the parties related to the subject matter of this Agreement.
- Notices. All notices and other communications regarding this Agreement shall be in writing and communicated by mail, electronic communication, personal delivery or facsimile to:

Port of Anacortes: c/o Lynda Brothers Sonnenschein Nath & Rosenthal 685 Market Street, 10th Floor San Francisco, California 94105 LBrothers@sonnenschein.com Phone: (415) 882-0344 Fax: (415) 543-5472

NWESD:

Dr. Jerry Jenkins Superintendent Northwest Educational Service District 189 205 Stewart Road Mount Vernon, WA 98273 email: ijenkins@esd189.org Phone: 360.424.9573 Fax: 360.424.9180

- Attorney Fees. In any action to enforce this Agreement, the prevailing 14. party shall be entitled to recover its reasonable attorney fees.
- Counterparts. This Agreement may be executed in two (2) counterparts. 15. each of which shall have the signature of both parties and each of which shall be deemed an original, all of which when taken together shall be deemed to be a single agreement among the participants.

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- 16. Applicable Law. The parties agree that this Agreement and the contents hereof shall be interpreted and enforced pursuant to the laws of the State of Washington.
- 17 <u>Mutual Representations</u>. The individuals signing on behalf of each of the Port and NWESD represent and warrant that they are the authorized signatory of their respective party and that all acts necessary to enter into this Agreement have been taken by such party.

PORT OF ANACORTES

By: DAN, STANG

Dated: 04 June 2003

NORTHWEST EDUCATIONAL SERVICE DISTRICT NO. 189

By Gentle tenken

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EXHIBIT A

NWESD PROPERTY LEGAL DESCRIPTION

LOT 2A, "SEAFARER'S VIEW", AS RECORDED UNDER AUDITOR'S FILE NO 200112030101, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING IN PORTIONS OF GOVERNMENT LOTS 1 AND 2, SECTION 19, TOWNSHIP 35 NORTH, RANGE 2 EAST, W.M., AND OF "PLATE NO. 10 TIDE AND SHORE LANDS OF SECTION 19, TOWNSHIP 35 NORTH, RANGE 2 EAST, W.M., ANACORTES HARBOR", ACCORDING TO THE OFFICIAL MAP THEREOF ON FILE WITH THE STATE LAND COMMISSIONER AT OLYMPIA, WASHINGTON, TOGETHER WITH ALL THOSE PORTIONS OF LOTS 2C AND 2D, SAID "SEAFARER'S VIEW", LYING SOUTH AND EAST OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 2C; THENCE NORTH

ALONG THE WEST LINE OF SAID LOT 2C, 6.22 FEET TO THE TRUE POINT OF BEGINNING OF SAID DESCRIBED LINE; THENCE SOUTH 89° 58' 10" EAST ALONG SAID LINE, 399:51 FEET; THENCE NORTH 00° 34' 57" WEST, 33:52 FEET TO THAT CERTAIN ANGLE POINT ON THE EASTERLY LINE OF SAID LOT 2D AND THE END OF SAID DESCRIBED LINE, SAID POINT LYING BETWEEN COURSES L4 AND L5 ON SAID EASTERLY LINE;

EXCEPTING FROM SAID LOT 2A THAT PORTION THEREOF LYING SOUTHERLY AND WESTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHWEST CORNER OF LOT 2B, SAID "SEAFARER'S VIEW"; THENCE

NORTH 00° 00' 25" EAST, ALONG THE WEST LINE OF SAID LOT 2A, 52.70 FEET TO THE TRUE POINT OF BEGINNING OF SAID DESCRIBED LINE; THENCE SOUTH 79° 00' 24" EAST ALONG SAID LINE, 201.32 FEET TO AN ANGLE POINT THEREON; THENCE SOUTH 00° 53' 55' WEST ALONG SAID LINE, 232.95 FEET TO THE SOUTH LINE OF SAID LOT 2A AND THE END OF SAID DESCRIBED LINE. SITUATE IN THE CITY OF ANACORTES, COUNTY OF SKAGIT, STATE OF WASHINGTON.

Exhibit A

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EXHIBIT B

Environmental Documents Received

1)	March 24, 2003	Consent Decree between Port and DOE
2)	October 26, 2000	NFA letter with declaration of restrictive covenants
3)	August 14, 2000	Notice of PLP from DOE with response letter
4)	May 18, 2000	Completion Report by Thermo Retec Progress Report by Thermo Retec
5)	August 20, 1999 March 22, 1999	Interim action Work Plan by Landau (For Port)
6) 7)	January 12, 1999	Clean Up Action Plan by Thermo Retec
8)	January 8, 1999	RIFS by Thermo Refec
9)	1998 & prior	One box of old miscellaneous reports and document
,		related to the site from the Port of Anacortes. Date is
	and the second s	approximate.

Exhibit B



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ENVIRONMENTAL CERTIFICATION AND INDEMNITY AGREEMENT

This Environmental Certification and Indemnity Agreement ("Agreement") is made and entered into this day of June, 2003, by and between Shared Healthcare Systems, Inc., a Delaware corporation ("SHS") and Northwest Educational Service District No. 189 ("NWESD").

I. RECITALS

- SHS and NWESD entered into that certain Purchase and Sale Agreement dated April 18, 2003, in which SHS is selling to NWESD the real property described on Exhibit A attached hereto (the "Property").
- In connection with closing of the Property purchase, SHS is certifying its compliance with the requirements of the Department of Ecology October 26, 2000 No Further Action Letter (the "NFA") and the Declaration of Restrictive Covenant recorded August 31, 2000 (the "Deed Restriction").
- SHS further agrees to indemnify and hold NWESD harmless for any failure by SHS to comply with the NFA and Deed Restrictions at any time prior to closing, and NWESD agrees that, from and after closing, it shall be responsible for complying with all the requirements of the NFA and Deed Restrictions and shall indemnify and hold SHS harmless for any failure by NWESD to so comply at any time after closing.

II. AGREEMENT

NOW, THEREFORE based upon the mutual considerations set forth, NWESD and SHS agree as follows:

- Certification. SHS hereby certifies that, at all times prior to June 25, 2003, ("Closing"), SHS has complied with the NFA and the Deed Restrictions. Specifically, with respect to the soil cap inspection and maintenance, SHS has routinely inspected the cap and has found no damage or erosion. With respect to the cathodic protection system, SHS has routinely inspected the wall and has not noted any material variance outside of the recommended specifications. SHS has had annual inspections of the cathodic protection system conducted by a cathodic protection engineer, copies of which have been provided to NWESD. With resepct to the methane control system, SHS has maintained the methane control system in active mode and has not noted methane concentrations in excess of 3 % of the methane lower explosive limit (LEL).
- SHS Indemnity. SHS hereby agrees to indemnify, defend and hold NWESD harmless from any claim loss or damage resulting from SHS's failure to comply with the NFA and Deed Restrictions prior to Closing.

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- Transfer of Responsibility: NWESD Indemnity. NWESD hereby acknowledges that, as of Closing, it shall become responsible for complying with the NFA and Deed Restrictions with respect to the Property. NWESD hereby agrees to indemnify, defend and hold SHS harmless from any claim, loss or damage resulting from NWESD's failure to comply with the NFA or Deed Restrictions from and after Closing.
- 4. Attorney Fees. In any action to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable attorney fees.
- 5. Counterparts. This Agreement may be executed in two (2) counterparts, each of which shall have the signature of both parties and each of which shall be deemed an original, all of which when taken together shall be deemed to be a single agreement among the participants.
- 6. Applicable Law. The parties agree that this Agreement and the contents hereof shall be interpreted and enforced pursuant to the laws of the State of Washington.
- 7. Mutual Representations. The individuals signing on behalf of each of NWESD and SHS represent and warrant that they are the authorized signatory of their respective party and that all acts necessary to enter into this Agreement have been taken by such party.

Executed this 25 day of June, 2003

NORTHWEST EDUCATIONAL SERVICE DISTRICT NO. 189

By Soul Wooding

SHARED HEALTHCARE SYSTEMS

By Gra Vhatthew Title Vice Evesident

> 200906190001 Skagit County Auditor

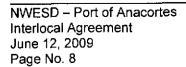
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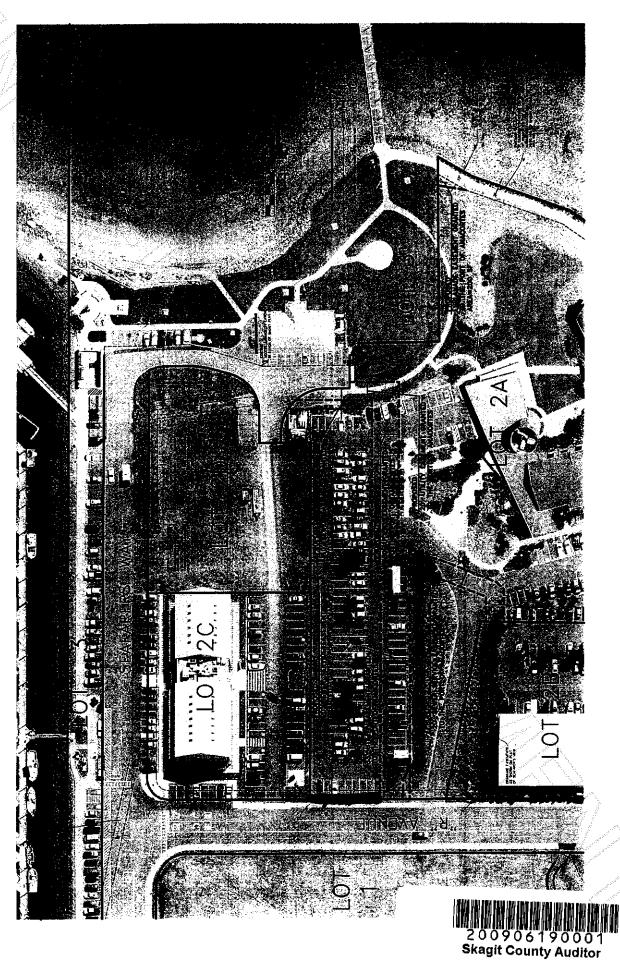
EXHIBIT "B" MAP OF SEWER LIFT STATION AND ESPLANADE EASEMENT AREA





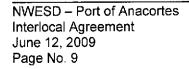
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EXHIBIT "C" FORM OF EASEMENT FOR SEWER LIFT STATION AND ESPLANADE





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AFTER RECORDING, RETURN TO:

Frank J. Chmelik Chmelik Sitkin & Davis, P.S. 1500 Railroad Avenue Bellingham, Washington 98225

AUDITOR INFORMATION:

Document Title:

Sewer Lift Station/Utility Corridor and Esplanade Easement

Ref. Nos. of Document(s)

Assigned or Released: N/A

Grantor: No.

Northwest Educational Service District No. 189

Grantee:

Port of Anacortes

Legal Description:

Lots 2A of Short Plat No. ANA-98-003

Auditor's File No. 9902170072

Tax Parcel Number(s):

SEWER LIFT STATION/UTILITY CORRIDOR AND ESPLANADE EASEMENT

THIS Sewer Lift Station/Utility Corridor and Esplanade Easement (the "Easement") is made and entered into this ____ day of June 2009, by and between Northwest Educational Service District No. 189, a Washington educational service district, hereinafter known as "Grantor;" and the Port of Anacortes, a Washington port district, hereinafter known as "Grantee."

WHEREAS, the Grantor is the owner of the following described real property located in Anacortes, Washington (the "Serviant Estate"):

Lot 2A of Short Plat No. ANA-98-003, recorded in the official records of Skagit County under Auditor's File No. 9902170072, along with associated tidelands. Situate in Skagit County, Washington.

WHEREAS, the Grantee is the owner of the following described real property located in Anacortes, Washington and legally described as follows:

Lot 3 of Short Plat No. ANA-98-003, recorded in the official records of Skagit County under Auditor's File No. 9902170072, along with associated tidelands. Situate in Skagit County, Washington.

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WHEREAS, this Easement concerns a sewer lift station/utility corridor, associated utilities and connecting lines to Parcels 2B, 2D, 3 and the sewer line at R Avenue (collectively the "Sewer Lift Station/Utility Corridor"). The legal description of the real property that is benefited by this Easement with regards to the Sewer Lift Station are located in Anacortes, Washington and legally described as follows:

Lots 2B, 2D and 3 of Short Plat No. ANA-98-003, recorded in the official records of Skagit County under Auditor's File No. 9902170072, along with associated tidelands.

Situate in Skagit County, Washington.

WHEREAS, this Easement also concerns a public access walkway esplanade along with associated utilities along the shoreline of the Serviant Estate (the "Esplanade").

WHEREAS, collectively, Lots 2B, 2D and 3 are the Dominant Estates with regard to the Sewer Lift Station and Lot 3 is the Dominant Estate with regard to the Esplanade (the "Dominant Estates")

NOW THERFORE, for and in consideration of an exchange of promises and other obligations agreed to between the Grantor and the Grantee, Grantor does by these present grant and convey unto Grantee herein a perpetual non-exclusive easement over and across the Serviant Estate for the Sewer Lift Station/Utility Corridor and for the Esplanade (the "Easement"). A map depicting the various easement areas is attached hereto as **Exhibit** "A". The legal description and exhibit map of each portion of the Easement is attached hereto as **Exhibit** "B"

This Easement is granted subject to the following terms, conditions, and limitations:

- 1. Purpose. Grantee shall have the right to construct, operate, maintain, repair, and replace the Sewer Lift Station (including all utilities and connecting lines) and the Esplanade (including associated utilities) within the Easement.
- 2. Access/Repair. Grantee shall have the right of access to the Easement areas over and across the Grantor's property adjacent to the Easement to enable Grantee to exercise its rights hereunder; provided, that Grantee shall notify Grantor reasonable written notice, and shall take all reasonable precautions and effort to avoid interference or obstruction of Grantor's use of the Dominant Estates while constructing, operating, maintaining, repairing, or replacing the Sewer Lift Station and the Esplanade within the Easement. However, in the event of an emergency repair is required, than subject to the forgoing limitations on interference and obstruction, the Grantee shall immediately upon notification of the requirement of an emergency repair, take the necessary measures to repair the facilities and any damaged property, and shall immediately notify the Grantor of the necessity of such repair and the plan for repair.
- 3. Restoration of Surface Area. Except for those portions of the Sewer Lift. Station that are above ground and the required clearance areas adjacent to the Sewer Lift. Station, the Grantee shall, after installation of the Sewer Lift Station and after any maintenance, repair or replacement of the Sewer Lift Station wherein the surface is

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disturbed restore the surface of the Serviant Estate over the Sewer Lift Station to the same condition as existed prior to the installation, maintenance repair or replacement.

- 4. <u>Covenants</u>. Grantee shall assume any and all responsibility and liability for acts of Grantee's employees, agents, contractors or other people working at the direction of Grantee within the Easement.
- 5. <u>Binding Effect</u>. This Easement and all rights associated therewith, and the Covenants shall be perpetual in existence and shall be considered and construed as covenants running with the land as a burden on Grantor's ownership interest in the Serviant Estate and as a benefit to the Dominant Estates as provided above. This Easement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the owners of the various lots comprising the Dominant Estates as provided above.
- 6. <u>Assignment to the City of Anacortes</u>. Without limiting the foregoing, the Grantee may assign this Easement and all its rights and obligations hereunder to the City of Anacortes. Upon such an assignment the Grantee shall have no further rights or responsibilities as the Grantee but shall retain all rights as an owner of Lot 3 described above. The Grantee shall provide written notice of the assignment to the Grantor.

IN WITNESS WHEREOF, the parties have set their hands and signed this Easement the day and year first above written.

GRANTOR:	GRANTEE:
NORTHWEST EDUCATIONAL SERVICE DISTRICT NO. 189	PORT OF ANACORTES
By:	By:\
Dr. Gerald W. Jenkins, Superintendent	R. W. Hyde, Executive Director

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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)
O 112
On this day of June, 2009, before me, the undersigned, a Notary Public in and
for the State of Washington, duly commissioned and sworn, personally appeared Dr. Gerald
W. Jenkins, known to me to be the Superintendent of the NORTHWEST EDUCATIONAL
SERVICE DISTRICT NO. 189 and acknowledged the 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 was authorized to execute the said instrument on behalf of the
corporation.
Given under my hand and official seal this day of June, 2009.
Given under my hand and official sear this day of June, 2003.
Print Name:
NOTARY PUBLIC in and for the
State of Washington, residing at
STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)
On this day of June, 2009, before me, the undersigned, a Notary Public in and
for the State of Washington, duly commissioned and sworn, personally appeared R. W.
Hyde, known to me to be the Executive Director of the PORT OF ANACORTES and
acknowledged the 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 was
authorized to execute the said instrument on behalf of the corporation.
Given under my hand and official seal this day of June 2009.
Given under my hand and official seal this day of June, 2009.
Print Name:
NOTARY PUBLIC in and for the
State of Washington, residing at



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EXHIBIT "A" MAP OF SEWER LIFT STATION AND ESPLANADE EASEMENT AREA

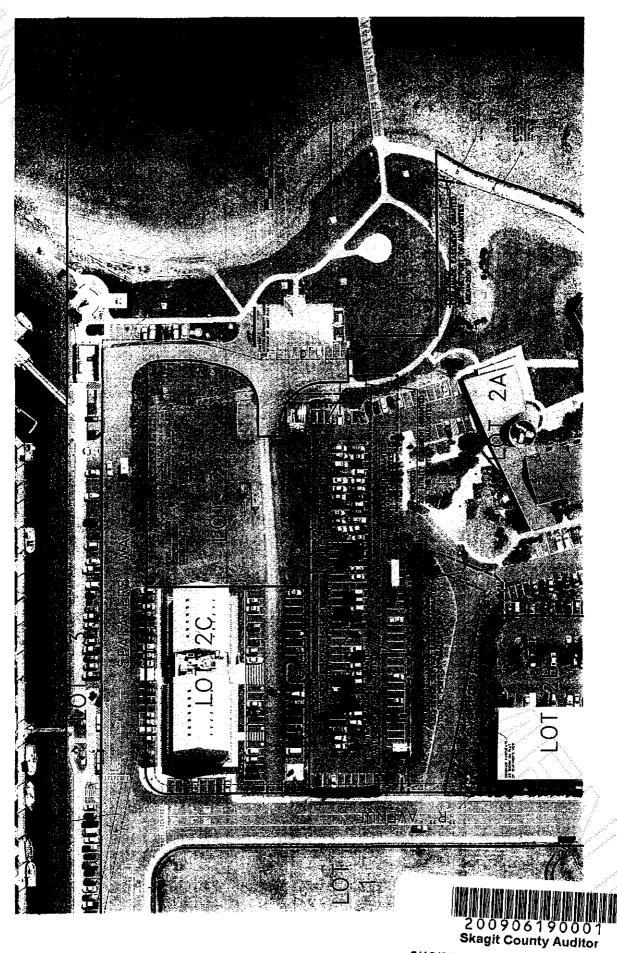


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EXHIBIT "B" LEGAL DESCRIPTION & EXHIBIT MAP OF ALL EASEMENT AREAS





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June 10, 2009

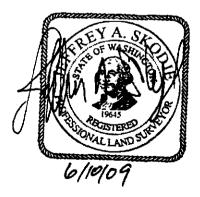
LEGAL DESCRIPTION:

UTILITY EASEMENT TO BE GRANTED TO THE PORT OF ANACORTES FROM NORTHWEST EDUCATIONAL SERVICE DISTRICT #189

That portion of Lot 2A as shown on Boundary Line Adjustment Survey recorded under Skagit County Auditor's File No. 200306060196, more particularly described as follows:

Commencing at the Northwest corner of said Lot 2A; thence South 01°53'23" West along the west line of said Lot 2A distance of 78.44 feet to the **True Point of Beginning** of a utility easement; thence continuing South 01°53'23" West along said line a distance of 33.00 feet; thence South 88°06'37" East a distance of 233.10 feet; thence South 01°56'30" West a distance of 14.41 feet; thence South 88° 03'30" East a distance of 45.00 feet; thence North 01°56'30" East a distance of 27.45 feet; thence South 88°06'37" East a distance of 188.71 feet; thence North 01° 53'23" East a distance of 55.10 feet to the intersection with the easterly line of said Lot 2A; thence North 88°10'43" West along said line a distance of 6.89 feet; thence North 01°18'01" East along said line a distance of 27.32 feet to the beginning of a curve to the left whose radius is 50 feet distant; thence northwesterly along the arc of said curve through a central angle of 41°23'20" an arc distance of 36.12 feet; thence South 01°53'23" West a distance of 85.34 feet; thence North 88°06'37" West a distance of 197.77 feet; thence South 00°15'10" West a distance of 10.00 feet; thence North 88°06'37" West a distance of 249.34 feet to the **True Point of Beginning** of said utility easement

Situate in the County of Skagit, State of Washington



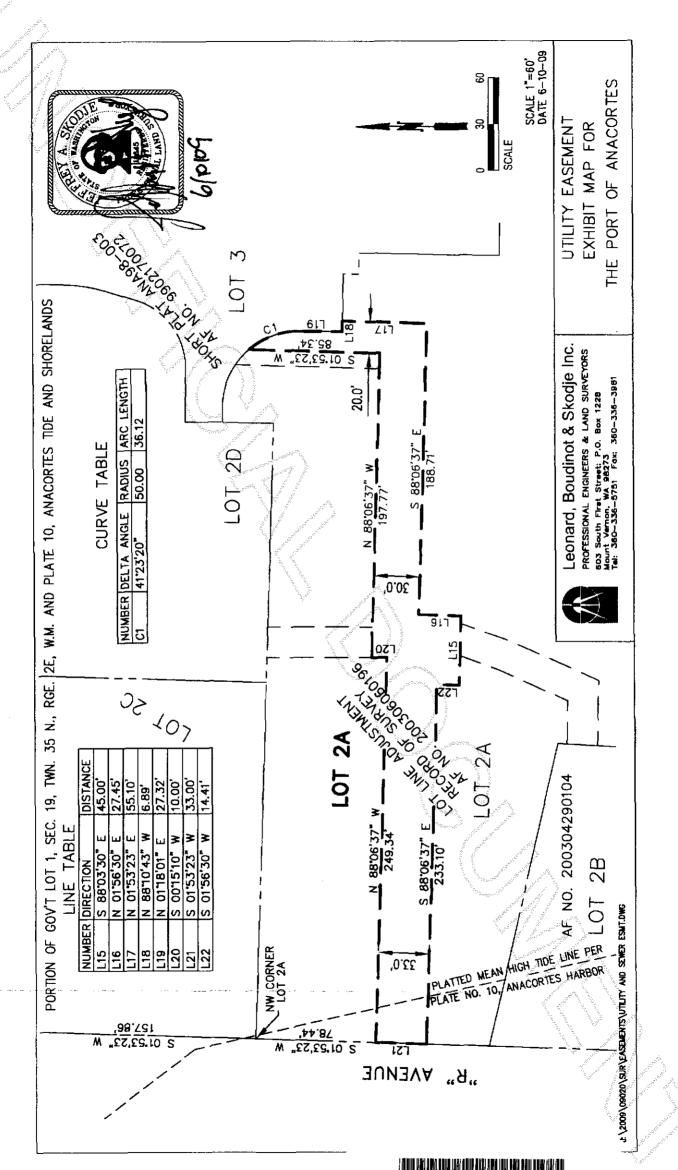
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June 10, 2009

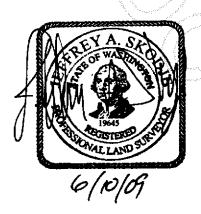
LEGAL DESCRIPTION

20' SANITARY SEWER EASEMENT TO BE GRANTED BY NORTHWEST EDUCATIONAL SERVICE DISTRICT #189 TO THE PORT OF ANACORTES

That portion of Lot 2A as shown on Boundary Line Adjustment Survey recorded under Skagit County Auditor's File No. 200306060196, more particularly described as follows:

Commencing at the Northwest corner of said Lot 2A; thence South 01°53'23" West along the west line of said lot 2A distance of 78.44 feet; thence South 88°06'37" East a distance of 249.34 feet; thence North 00°15'10" East a distance of 10.00 feet to the **True Point of Beginning** of a 20' sanitary sewer easement; thence continuing North 00°15'10" East a distance of 68.37 feet to the north line of said Lot 2A; thence South 88°05'15" East along said north line a distance of 20.01 feet; thence South 00°15'10" West a distance of 68.36 feet; thence North 88°06'37" West a distance of 20.01 feet to the **True Point of Beginning** of said 20' easement

Situate in the County of Skagit, State of Washington



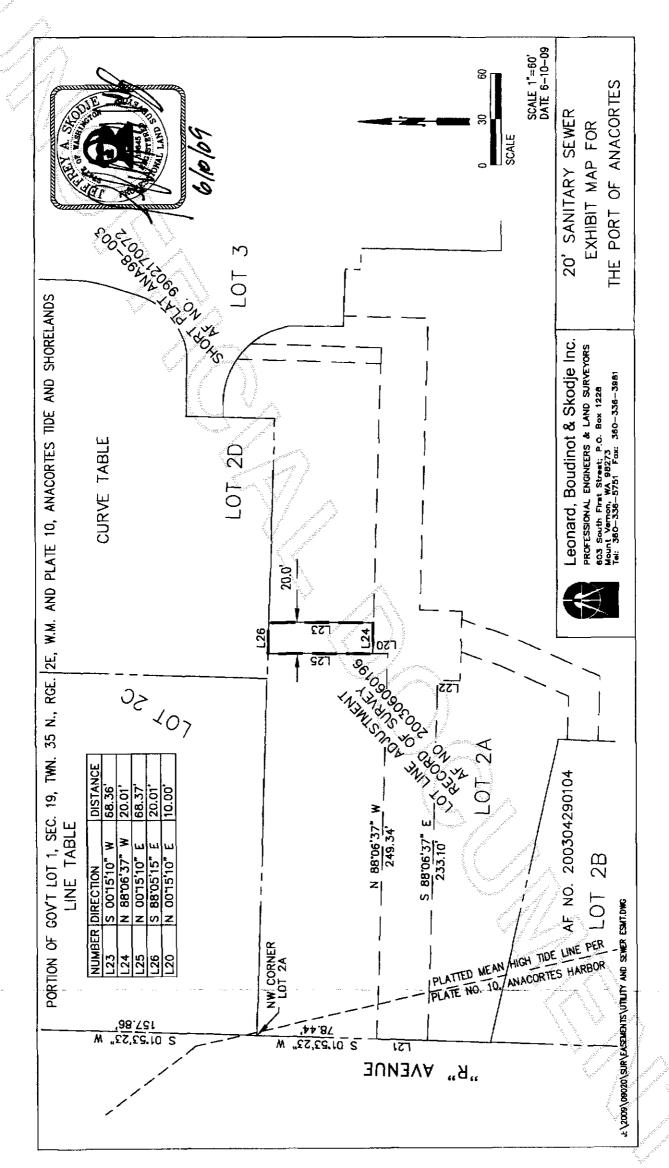
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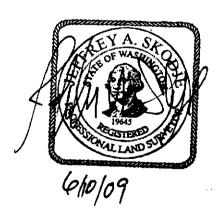
LEGAL DESCRIPTION

20' SANITARY SEWER EASEMENT TO BE GRANTED BY NORTHWEST EDUCATIONAL SERVICE DISTRICT #189 TO THE PORT OF ANACORTES

That portion of Lot 2A as shown on Boundary Line Adjustment Survey recorded under Skagit County Auditor's File No. 200306060196, more particularly described as follows:

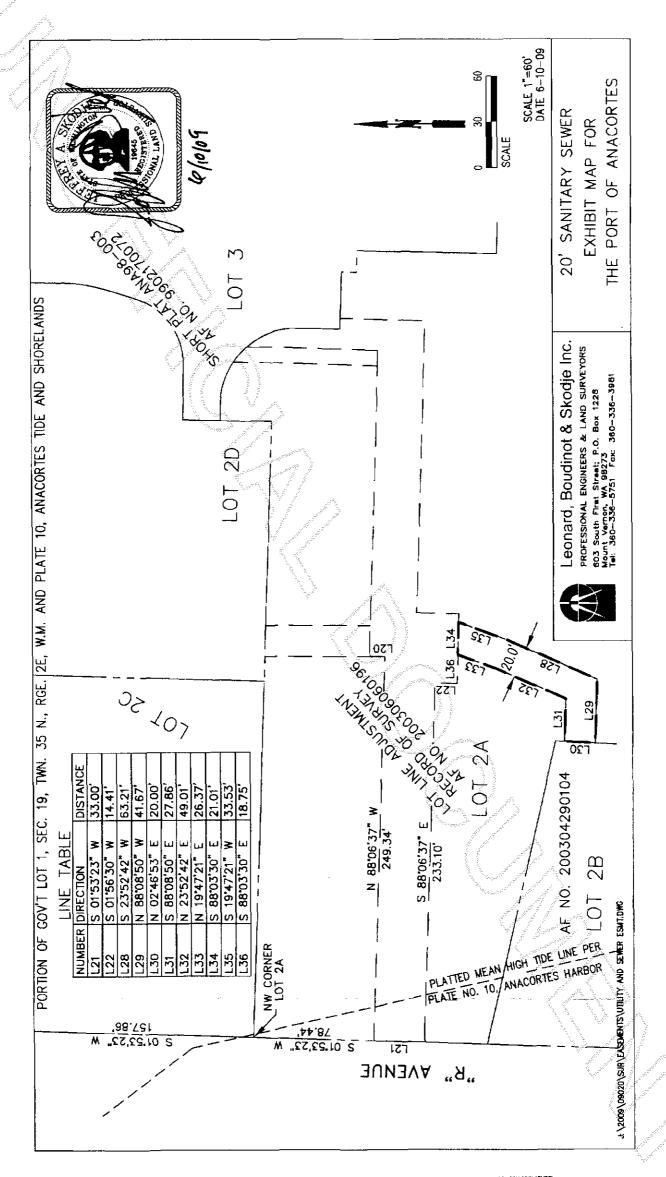
Commencing at the Northwest corner of said Lot 2A; thence South 01°53'23" West along the west line of said Lot 2A a distance of 78.44 feet; thence continuing South 01°53'23" West along said west line distance of 33.00 feet; thence South 88°06'37" East a distance of 233.10 feet; thence South 01°56'30" West a distance of 14.41 feet; thence South 88°03'30" East a distance of 18.75 feet to the True Point of Beginning of a 20' sanitary sewer easement; thence continuing South 88°03'30" East a distance of 21.01 feet; thence South 19°47'21" West a distance of 33.53 feet; thence South 23°52'42" West a distance of 63.21 feet; thence North 88°08'50" West a distance of 41.67 feet to the east line of Lot 2B as shown on said Boundary Line Adjustment Survey; thence North 02°46'53" East along said east line a distance of 20.00 feet; thence South 88°08'50" East a distance of 27.86 feet; thence North 23°52'42" East a distance of 49.01 feet; thence North 19°47'21" East a distance of 26.37 feet to the True Point of Beginning of said 20' sanitary sewer easement

Situate in the County of Skagit, State of Washington



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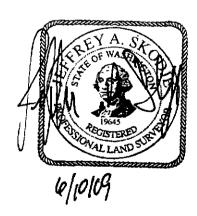
LEGAL DESCRIPTION:

10' SANITARY SEWER EASEMENT TO BE GRANTED BY NORTHWEST EDUCATIONAL SERVICE DISTRICT #189 TO THE PORT OF ANACORTES

That portion of Lot 2A, as shown on Boundary Line Adjustment Survey recorded under Skagit County Auditor's File No. 200306060196, more particularly described as follows:

Commencing at the Northwest corner of said Lot 2A; thence South 01°53'23" West a distance of 78.44 feet; thence South 88°06'37" East a distance of 249.34 feet; thence North 00°15'10" East a distance of 10.00; thence South 88°06'37" East a distance of 187.77 feet to the **True Point of Beginning** of a ten (10) foot sanitary sewer easement; thence continuing South 88°06'37" East a distance of 10.00 feet; thence North 01°53'23" East a distance of 85.34 feet to a point on a non tangent curve to the left whose radius point bears South 49°54'41" West and is 50 feet distant; said curve also being a northeasterly line of said Lot 2A; thence northwesterly along said curve through a central angle of 15°06'25" and arc distance of 13.18 feet; thence South 01°53'23" West a distance of 93.87 feet to the **True Point of Beginning** of said ten foot sanitary sewer easement.

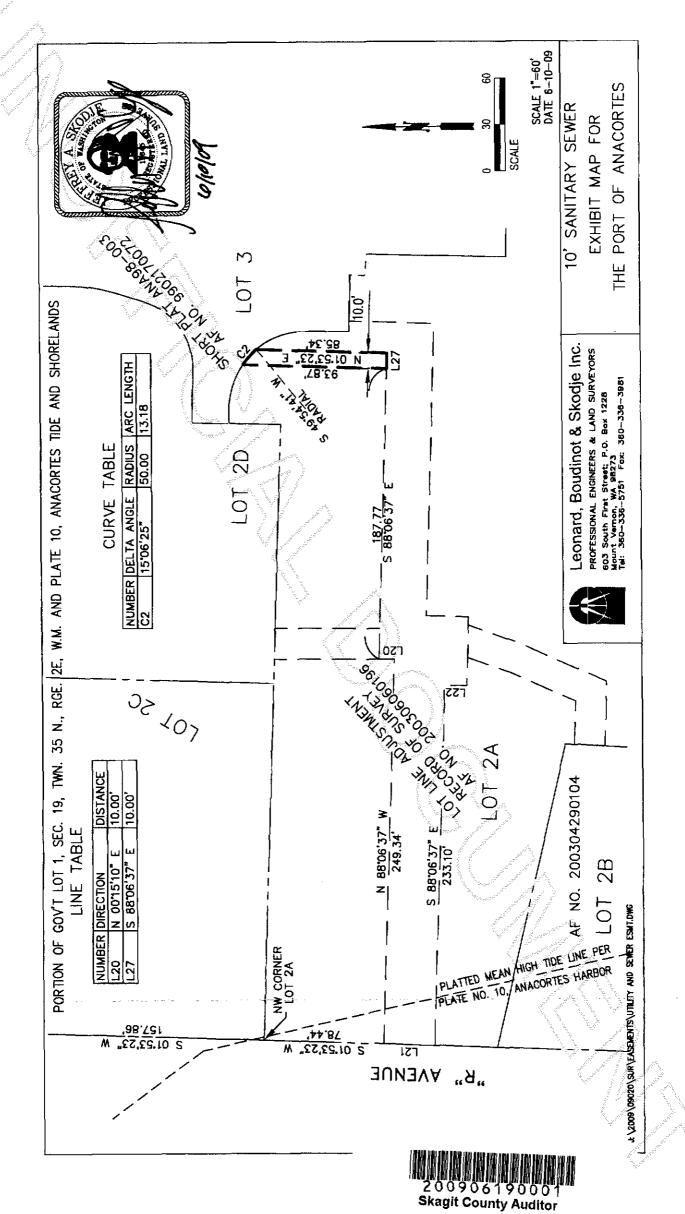
Situate in the County of Skagit, State of Washington



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June 10, 2009

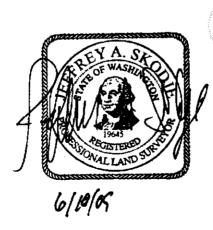
LEGAL DESCRIPTION:

ADDITIONAL ESPLANADE EASEMENT FROM NORTHWEST EDUCATIONAL SERVICE DISTRICT #189 TO THE PORT OF ANACORTES

That portion of Lot 2A as shown on Boundary Line Adjustment Survey recorded under Skagit County Auditor's File No. 200306060196, more particularly described as follows:

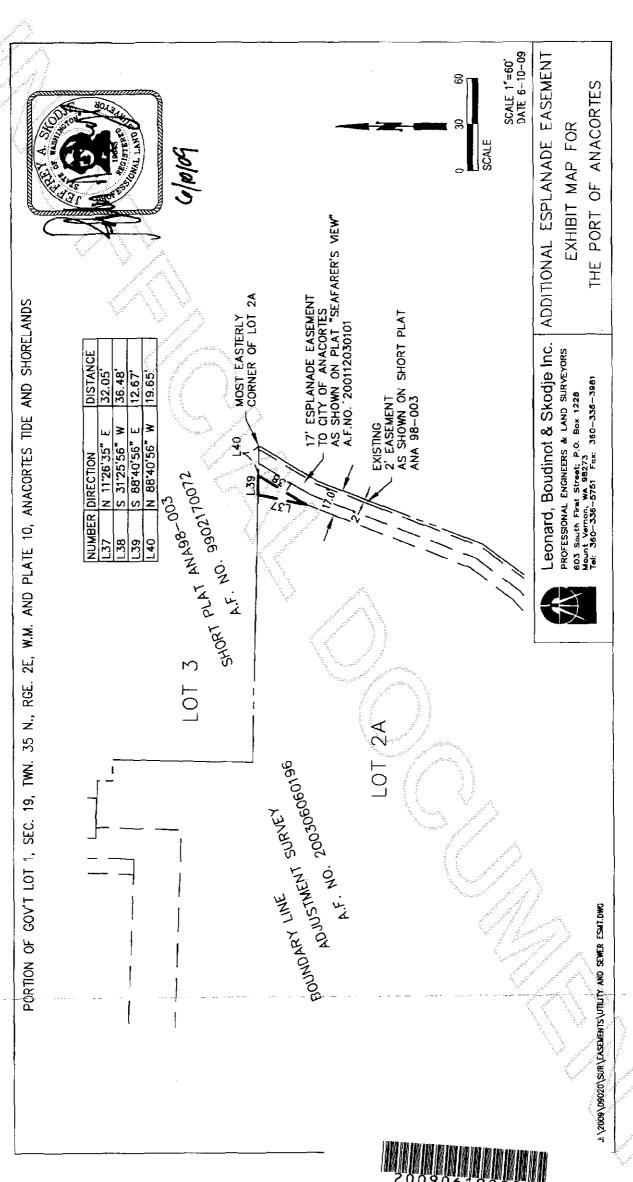
Commencing at the most easterly corner of said Lot 2A; thence North 88°40'56" West along the north line of said Lot 2A a distance of 19.65 feet to the west margin of a 17.00 foot wide esplanade easement as shown on sheet 3 of "Seafarer's View" recorded under Skagit County Auditor's File No. 200112030101 and The True Point of Beginning of esplanade easement; thence South 31°25'56" West along said westerly margin of said esplanade easement a distance of 36.48 feet; thence North 11°26'35" East a distance of 32.05 feet to a northerly line of said Lot 2A; thence South 88°40'56" East along said northerly line a distance of 12.67 feet to the True Point of Beginning of said esplanade easement.

Situate in the County of Skagit, State of Washington



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