

**Interlocal Agreement
Between Port of Centralia and the City of Centralia
for Acquisition of Property**

This agreement, by and between the City of Centralia a Washington Municipal Corporation (herein referred to as the "City") and the Port of Centralia a Washington Municipal Corporation (herein referred to as the "Port") and collectively referred to as the "Parties" is entered into pursuant to the Authority granted in Chapter 39.34.80 RCW

WHEREAS, the City of Centralia is organized under the laws of Chapter 35A RCW pursuant to which it has the authority to acquire, dedicate and construct public roads within the City, as well as the authority to purchase and sell properties; and

WHEREAS, the Port of Centralia is organized under the laws of Title 53 RCW and specifically Chapters 53.08, 53.20 and 53.25 dealing with improvements and pursuant to such authority has the authority to acquire and develop lands and related transportation and utility infrastructure for commercial and industrial purposes within the Port District; and

WHEREAS, pursuant to the exercise of those authorities the Port has acquired property along Long Road within the City of Centralia for purposes of expanding commercial opportunities within the Port District; and

WHEREAS, the City of Centralia owns approximately 4.01 acres of land within the boundaries of the Port of Centralia's proposed project, which land provides necessary access between the Port-owned lands and the planned I-5 freeway off ramp expansion on Mellen Street designed to serve the properties in question; and

WHEREAS, both the City and the Port have the authority to dedicate lands to right-of-ways and related purposes and to construct such necessary access road; and

WHEREAS, the planned improvements (shown on Exhibit A attached as may be changed through the regulatory and contracting process) are consistent with the City Comprehensive Plan and the Port's Master Plan Development; and

WHEREAS, the Parties have agreed that it is most cost effective for the Port of Centralia to have control of all lands necessary to serve the planned development and to bear the costs of construction thereof to the extent not covered by grants and other funding sources;

NOW THEREFORE, the Parties do agree as follows:

1. The City agrees to sell and the Port agrees to purchase Lewis County Washington tax parcels 3581008001, 3581008002, 21564001000, 21564002000, 3581023000 for the price of \$97,535.00. Title Guaranty Company of Lewis County is authorized to insert the correct legal descriptions for the five parcels in question.

2. Upon closing, Port agrees to dedicate to WSDOT that portion of the property as needed by WSDOT to complete Mellen-Blakesley Project improvements as illustrated in Exhibit B.

3. The City warrants that the property to be acquired by the Port under this agreement is zoned C-1 for commercial uses with City utilities reasonably available in the area. All utility improvements shall be the financial responsibility of the Port.

4. The Port agrees to abide by all City development regulations which include but, are not limited to; City of Centralia Development and Design Guidelines, zoning codes, critical areas ordinance, etc.

5. The Port agrees to initiate Annexation for all properties owned by the Port and west of Long road.

6. Development of the property to be acquired is to be done in conjunction with additional Port related development which will bring significant tax base to the City while the costs of development will be with the Port.

7. For purposes of coordination, the Port of Centralia shall be the agreed Lead Agent for all development on the Port owned property, including the parcels acquired under this agreement, with the City viewed as the agency with jurisdiction for development permits, but not as a co-lead agent for all purposes under SEPA (Chapter 43.21C RCW and Chapter 197-11 WAC). The lead agent shall have the authority to review and approve all reports in connection with the SEPA review. The lead agent shall be responsible for the traffic study, archeological study, hydrological studies and any other studies and requirements mandated by the State of Washington.

8. Due to the need to coordinate with other agencies and planned development on the sites, the City agrees to use its best efforts to issue building and other construction related permits in a timely fashion once SEPA is complete and the property is identified in the Port Master Plan.

9. The condition of the property to be conveyed is "AS IS" with no warranties of fitness for any particular purpose except as to zoning representations noted above.

10. Closing:

a. The sale of the referenced properties shall be managed in the office of Title Guaranty Company of Lewis County.

b. Transfer title shall be by deed acceptable to both Parties, and shall provide that the City does not warrant against minor intrusions by fences or other structures.

c. Title shall be free of encumbrances conditions or easements except those specifically accepted in writing by the Port.

d. Upon preliminary approval of this agreement as noted below the City shall provide the Port with a preliminary title report. The Port shall have 14 days to note objections. Items not objected to in writing within 14 days shall be considered accepted. The Port may indicate its acceptance prior to that time.

e. The agreement and closing documents shall be presented to the City Council and Port Commission for review and final action within two weeks after acceptance of the title report.

f. The costs of closing including the costs of title insurance shall be shared equally by the Parties.

g. The Port shall be entitled to possession at closing. (The City may grant an easement prior to closing for purposes of studies conducted by the Port in connection with the planned development)

11. As provided in Chapter 39.34.080 RCW, this agreement shall be preliminarily approved by the Executive Director of the Port and the City Manager of the City of Centralia for purposes of facilitating closing but shall not be effective until approval by the Centralia City Council and the Port of Centralia Commission in open session as provided above.

12. The purposes, powers, rights, objectives and responsibilities of the contracting parties are as outlined above.

13. Sections 4, 5 and 6 stated above shall survive closing and as to those provisions the duration of this agreement shall remain perpetual so long as the Port has ownership of the lands acquired hereunder and related lands whether presently owned by the Port or subsequently acquired by the Port and served by facilities constructed or to be constructed on the lands acquired by the City. The sections do not apply to lands which the Port may acquire and then sell, once title passes out of the Port's name.

14. The Port agrees to construct and maintain all new roadways developed within the Port project.

IN WITNESS WHEREOF, this agreement was executed by the parties on the date first herein above recited.

CITY OF CENTRALIA,
WASHINGTON
a municipal corporation

POR OF CENTRALIA,
WASHINGTON
a municipal corporation

Rob Hill
Rob Hill, City Manager

ATTEST:

Heena Blodeau
Heena Blodeau
City Clerk

APPROVED AS TO FORM:

Thomas M. Hall
Thomas M. Hall
City Attorney

Kyle W. Heaton
Kyle W. Heaton, Executive Director

ATTEST:

James Due
James Due
Port Auditor

APPROVED AS TO FORM:

Stephen J. Dargan
Stephen J. Dargan
Port Counsel

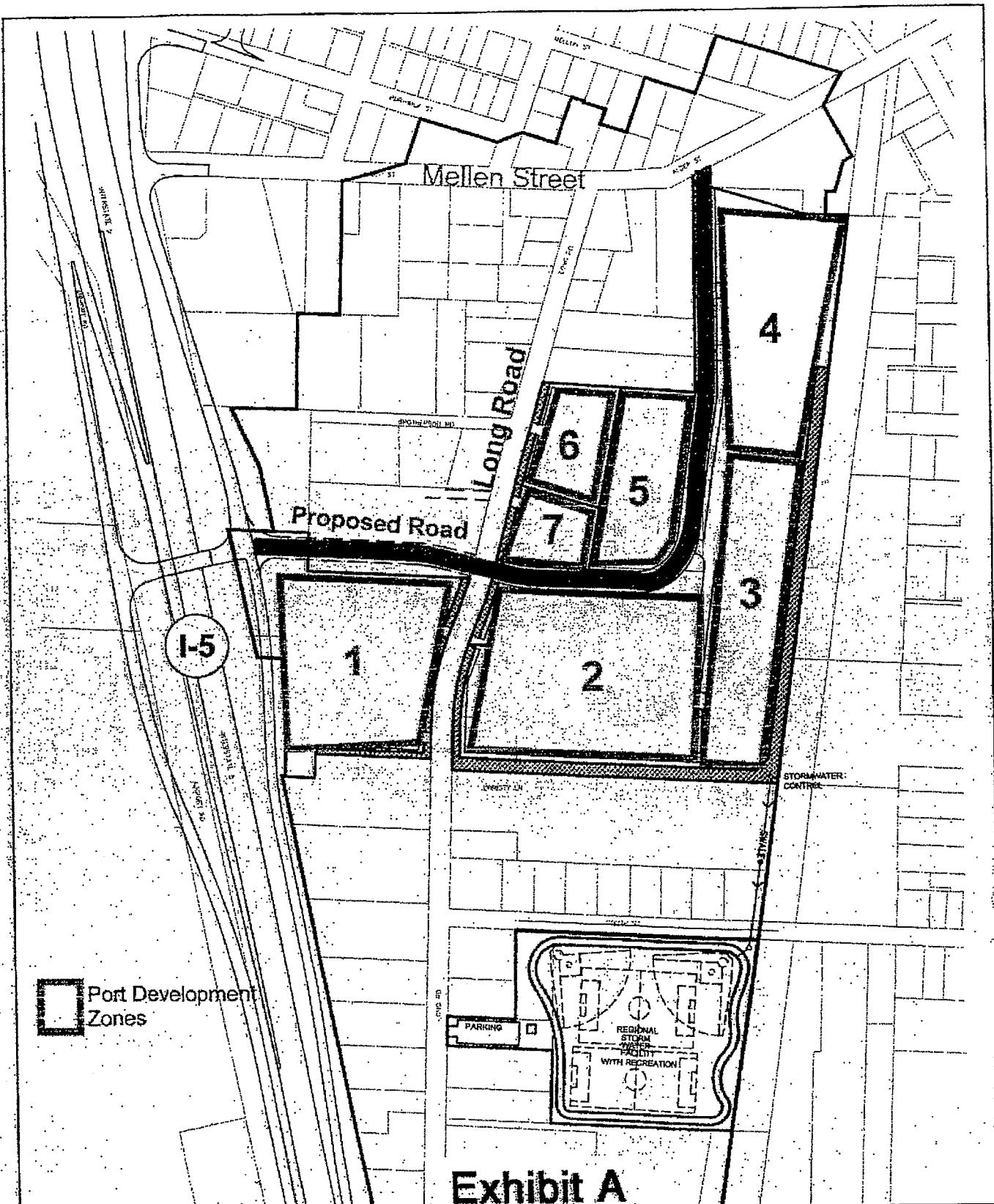


Exhibit A

Fig 1:

Port of
Centralia
IDD-3

PORT OF CENTRALIA

Established in 1986

February 11, 2013

Mr. Rob Hill
Centralia City Manager
PO Box 609
118 W Maple St
Centralia, WA 98531

RE: Property acquisition and WSDOT

Dear Rob:

We recently spoke with representatives from WSDOT about the land the Port is acquiring from the City between Long Road and I-5 and the State's need for a portion of that property for additional right-of-way; please see the right-of-way drawing attached with the property in question shaded. The Port has no objection to their request.

To keep the transaction simple, I suggest the Port close with the City as planned and then dedicate the property to the state for development purposes. This would require a reduction in the Port's purchase price from the City which I suggest should be on a pro rata square foot basis for that footage dedicated to the State.

If this proposal is acceptable to you please indicate by your initials below and we will proceed with the transactions as planned and show the credit on the closing papers.

Very truly yours,

PORT OF CENTRALIA



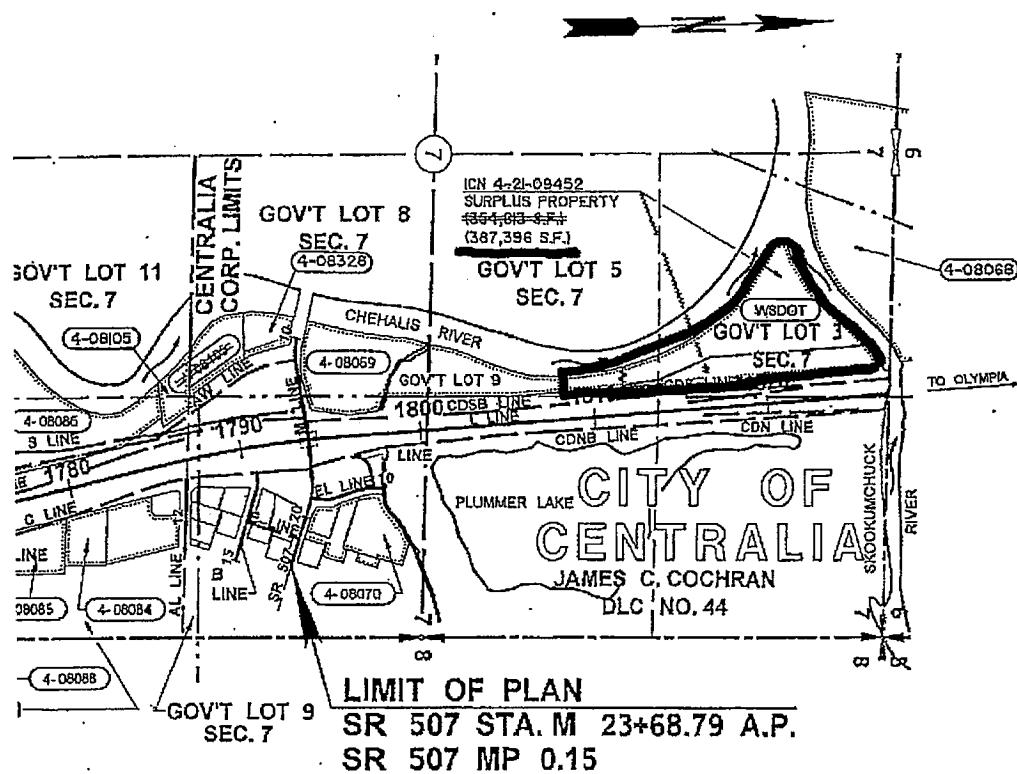
Kyle W. Heaton
Executive Director

Approved: _____
Rob Hill, Centralia City Manager

Enclosures

CC: Hal Wolfe, WSDOT

W.M.



TOTAL PARCEL DETAILS

1 OF PLAN = 3.05 MILES

ALL PLANS ARE SUBJECT TO CHANGE.
OWNERSHIP SHOULD BE VERIFIED.
PROPOSED PROPERTY RIGHTS SHOWN
MAY NOT HAVE BEEN ACQUIRED. PARTIES
SEEKING CURRENT INFORMATION SHOULD
CONSULT THE DEPARTMENT OF
TRANSPORTATION HEADQUARTERS RIGHT
OF WAY PLANS OFFICE FOR THE OFFICIAL
PLAN ON FILE.



EXHIBIT C

EXHIBIT A

SR 5

MELLEN ST. TO
BLAKESLEE JUNCTION

LEWIS COUNTY

VICINITY MAP AND TOTAL PARCEL DETAILS
MP 30.55 TO MP 82.37
STATION L 1739+00 TO STATION L 1829+00