

**INTERLOCAL AGREEMENT
BETWEEN
PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY
AND
THE PORT OF PASCO**

This Interlocal Agreement (“**Agreement**”) is made August 28, 2025 (the “**Effective Date**”), between Public Utility District No. 1 of Franklin County, a Washington public utility district (the “**PUD**”), and the Port of Pasco, a Washington port district, (the “**Port**”). In this Agreement, the PUD and the Port are referred to individually as a “**Party**” and collectively as the “**Parties.**” This Agreement is made pursuant to chapter 39.34 of the Revised Code of Washington (“**RCW**”).

Recitals of Agreement Purposes

- A. The PUD is committed to fostering economic development in Franklin County through sustained electric service reliability.
- B. The PUD seeks to implement an energy storage project to enhance grid stability, improve reliability, and effectively manage periods of peak energy demand.
- C. The Port supports initiatives that expand electric service capacity and strengthen electric reliability for the Port’s existing and future tenants.
- D. The Port owns properties, as depicted in **Exhibit A** and described in **Exhibit B**, (the “**Port Properties**”) that the PUD desires to acquire for the construction and operation of an energy storage project. The Port is willing to transfer said land to the PUD through a Purchase and Sale Agreement.
- E. The PUD owns property, as depicted in **Exhibit A** and described in **Exhibit B**, (the “**PUD Property**”) that the Port desires to acquire for a roadway development project.
- F. The PUD and the Port wish to collaborate toward a mutually beneficial process for the appraisal, evaluation, and potential purchase or exchange of the Port Properties and PUD Property (collectively the “**Properties**”).

Now therefore, for and in consideration of the mutual terms, covenants, agreements, and conditions set forth in this Agreement, and other good and valuable consideration, the Parties agree as follows:

Terms of Agreement

1. **Term.** This Agreement shall be effective as of the Effective Date, and shall continue until the earlier of (a) the date on which both Parties’ obligations under this Agreement are satisfied in full, or (b) the date designated as the effective date of termination by either Party in a written notice termination notice delivered to the other Party at least five (5) days before the effective date of termination.

2. **Appraisal.** The Parties will identify a mutually acceptable professional appraiser to appraise the fair market value of the Properties. If the Parties are unable to agree on an appraiser, either Party may terminate this Agreement in accordance with Section 1. The Parties may jointly engage the appraiser, or may agree for one Party to engage the appraiser on behalf of both Parties. Each Party shall pay 50% of the cost of the appraisal. Each Party is entitled to receive a copy of all appraisal reports and related documentation.
3. **PUD's Option to Purchase.** The PUD shall have the exclusive option to purchase the Port Properties at the fair market value identified in the appraisal report provided under Section 2. The PUD shall pay the Port ten U.S. dollars (\$10 US) as consideration for this option to purchase. The PUD may exercise this option by giving written notice to the Port. If the PUD exercises this option to purchase, the Parties shall negotiate a mutually agreeable purchase and sale agreement. This option to purchase will expire two (2) years following the date of the appraisal report provided under Section 2, unless the PUD earlier provides written notice to exercise its option.
4. **Exchange of Properties.** After receiving the appraisal report provided under Section 2, the Parties will endeavor to negotiate a mutually acceptable agreement to exchange or otherwise purchase and sell their respective Properties. If the fair market value of the PUD Property is not equivalent to the fair market value of the Port Properties, the agreement may require the provision of additional monetary or in-kind consideration.
5. **Notices.** All written notices required by this Agreement shall be considered effective: (i) the same day when sent by email without bounce-back or delivery error if transmitted before 5:00 p.m.; or (ii) three (3) days following the date sent by certified U.S. mail, postage prepaid, or by certified overnight delivery service. All written notices shall be directed as follows (which either Party may update by providing written notice to the other):

To the PUD: Franklin PUD Attn: Victor Fuentes P.O. Box 2407 Pasco, WA 99302 (509) 547-5591 vfuentes@franklinpud.com	To the Port: Port of Pasco Attn: Adam Lincoln 1110 Osprey Point Boulevard Pasco, WA 99301 (509) 547-3378 alincoln@portofpasco.org
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6. General Provisions.

- 6.1. **Agreement Administration/Joint Board.** For purposes of RCW 39.34.030, the Parties agree that (a) no separate legal or administrative entity is created by this Agreement; (b) each Party shall appoint one or more representatives to communicate with the representative(s) of the other Party and coordinate performance of services under this Agreement; and (c) the Parties shall not jointly acquire, hold, or dispose of real or personal property under this Agreement, except as expressly provided in this

Agreement.

- 6.2. **Method of Financing.** The method of financing of any payments under this Agreement shall be through budgeted funds or other available funds of the Party responsible for such payment. Except as expressly provided in this Agreement, neither Party accepts any responsibility for the payment of the acquisition process of any property, goods, or services intended for use by the other Party.
- 6.3. **Public Notice.** Either Party may cause this Agreement to be recorded with the Franklin County Recorder's Office. Unless and until this Agreement is recorded, both Parties shall cause this Agreement to be posted on their respective websites in compliance with RCW 39.34.040.
- 6.4. **No Waiver.** No waiver under this Agreement is effective unless it is in writing, identified as a waiver to this Agreement, and signed by the Party waiving its right. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion. The failure or delay in exercising any right, remedy, power, or privilege or in enforcing any condition under this Agreement shall not constitute a waiver or estoppel of such right, remedy, power, or privilege.
- 6.5. **Severability.** In the event any provision of this Agreement is held to be invalid and unenforceable by a court of competent jurisdiction, the remaining provisions shall be valid and binding upon the Parties.
- 6.6. **Final Agreement.** This Agreement constitute the final agreement of the Parties with respect to the subject matter herein and supersedes and replaces any prior communications or representations by or between the Parties concerning the terms of this Agreement, to the extent such communications or representations are inconsistent with the express terms of this Agreement.
- 6.7. **No Third-Party Beneficiaries.** Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. There shall be no express or implied third-party beneficiary of this Agreement. No entity or person, other than the Parties, shall have the right to enforce any right under this Agreement.
- 6.8. **Assignment.** Neither Party may assign their respective obligations under this Agreement without the other Party's prior written consent, which shall not be unreasonably withheld.
- 6.9. **Governing Law; Venue.** This Agreement, and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of the State of Washington, including its statutes of limitations, and without giving effect to its conflict-of-laws provisions. Any litigation arising from this Agreement shall occur solely in the Superior Court of the State of Washington located in Franklin County and

the prevailing party to any litigation will be entitled to their attorneys fees and costs.

- 6.10. **Binding Effect.** The terms of this Agreement shall be binding upon and inure to the benefit of each of the Parties and their respective successors, assigns (when permitted), agents, and heirs.
- 6.11. **Execution and Further Assurances.** This Agreement may be executed by duplicate originals or facsimile copies. The Parties also agree to execute any further documents, and take any further actions, as may be reasonable and necessary in order to carry out the purpose and intent of this Agreement.

The Parties hereto have executed this instrument the day and year first above written.

**Public Utility District No. 1 of Franklin Port of Pasco
County**


Signature 

Printed Name: Adam Lincoln

Title: Executive Director


Signature 

Printed Name: Victor Fuentes

Title: General Manager/CEO

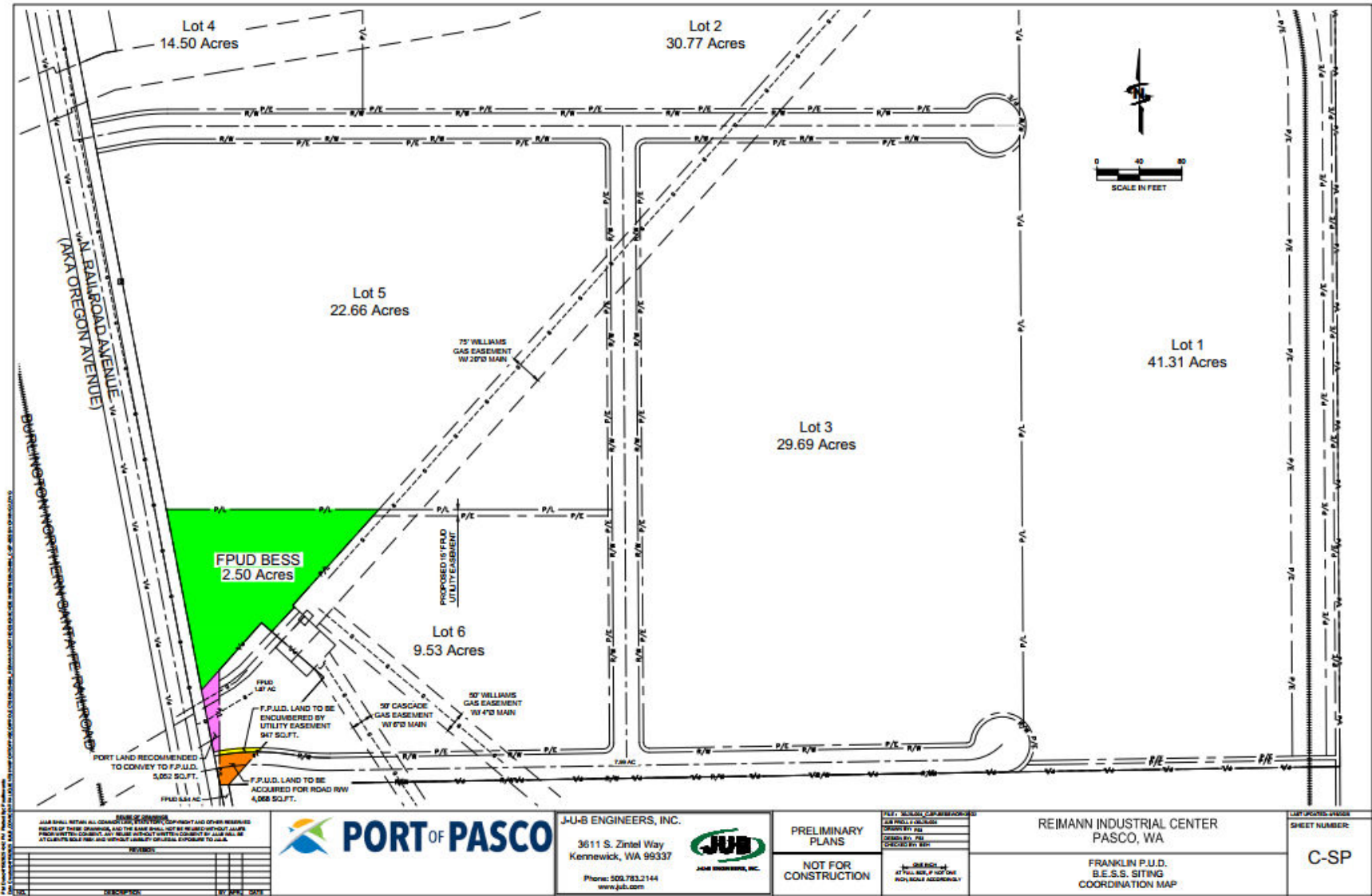


Exhibit B
Property Legal Descriptions

PUD PROPERTY:

AREA TO BE CONVEYED FROM FRANKLIN PUBLIC UTILTIY DISTRICT NO. 1 TO THE PORT OF PASCO, A PORTION OF TAX LOT 124-680-038

A portion of Lot 1, Short Plat 2002-07 according to the Short Plat thereof, recorded in Volume 1 of Short Plats, page 561 and recorded under Auditor's File No. 1603399, Records of Franklin County, Washington, lying in a portion of the southwest quarter of the northwest quarter of Section 31, Township 10 North, Range 30 East, Willamette Meridian, described as follows;

BEGINNING at a Brass cap marking the northwest corner of said Section 31 from which a Brass cap marking the northeast corner of the northwest quarter of said Section 31 bears North 89°57'25" East, 2983.46 feet;

Thence along the west line of the northwest quarter of said Section 31, South 0°14'49" East, 2211.83 feet to an angle point in the westerly boundary of said Lot 1, said point bears South 41°38'35" West, 149.75 feet from the most northerly northwest corner of said Lot 1;

Thence continuing along the west line of the northwest quarter of said Section 31 and the westerly boundary of said Lot 1, South 0°14'49" East, 189.18 feet to the **TRUE POINT OF BEGINNING** of the parcel to be described;

Thence continuing along the west line of the northwest quarter of said Section 31 and the westerly boundary of said Lot 1, South 0°14'49" East, 78.39 feet;

Thence leaving the west line of the northwest quarter of said Section 31 and continuing along the westerly boundary of said Lot 1, South 10°59'26" East, 2.80 feet;

Thence leaving the westerly boundary of said Lot 1, North 89°03'29" East, 20.29 feet to an angle point in the easterly boundary of said Lot 1, said point also being the most southerly southwest corner of Lot 2, of that certain Record of Survey for a Boundary Line Adjustment, recorded in Book 4 of Surveys, page 435 and recorded under Auditor's File No. 1973566, Records of Franklin County, Washington;

Thence along the common boundary of said Lot 1 and said Lot 2, North 41°34'39" East, 116.77 feet, said point bears South 41°34'39" West, 221.70 feet from the most northerly and easterly northeast corner of said Lot 1;

Thence leaving the common boundary of said Lot 1 and said Lot 2, southwesterly, along the arc of a 540.00-foot radius, non-tangent curve to the left (the radius of which bears South 01°03'21" West) through a central angle of 09°51'52" for an arc length of 92.97 feet (the long chord of which bears South 86°07'25" West, 92.85 feet);

Thence northwesterly, along the arc of a 29.00-foot radius, reverse curve to the right (the radius of which bears North 08°29'30" West) through a central angle of 11°54'00"

for an arc length of 6.02 feet (the long chord of which bears South 87°27'30" West, 6.01 feet) to the **TRUE POINT OF BEGINNING** and the end of this legal description.

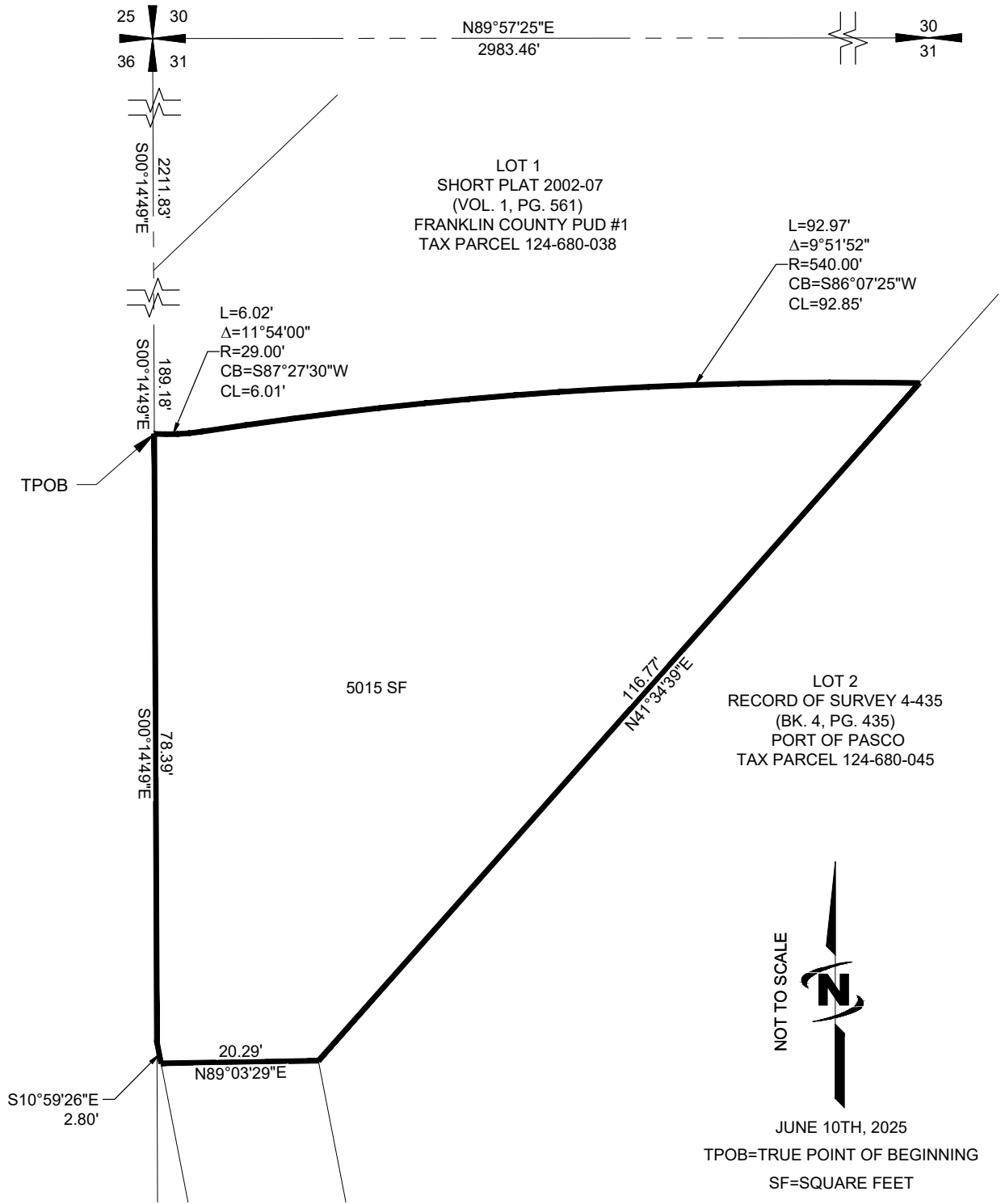
Containing 5015 square feet, more or less.

TOGETHER WITH AND SUBJECT TO easements, reservations, covenants and restrictions apparent or of record.



6/10/2025

EXHIBIT A-1
AREA TO BE CONVEYED FROM FRANKLIN PUBLIC
UTILITY DISTRICT NO. 1 TO THE PORT OF PASCO
LOCATED IN SECTION 31, TOWNSHIP 10 NORTH, RANGE 30 EAST, WILLAMETTE MERIDIAN
FRANKLIN COUNTY, WASHINGTON
A PORTION OF LOT 1 SHORT PLAT 2002-07, TAX PARCEL 124-680-038



PORT PROPERITES:

LOT 2

AREA TO BE CONVEYED FROM THE PORT OF PASCO TO FRANKLIN PUBLIC UTILITY DISTRICT NO. 1, A PORTION OF TAX LOT 124-680-045

A portion of Lot 2 of that certain Record of Survey for a Boundary Line Adjustment, recorded in Book 4 of Surveys, page 435 and recorded under Auditor's File No. 1973566, Records of Franklin County, Washington, lying in a portion of the southeast quarter of the northeast quarter of Section 36, Township 10 North, Range 29 East, Willamette Meridian, described as follows;

BEGINNING at a Brass cap marking the northeast corner of said Section 36 from which a Brass cap marking the northwest corner of the northeast quarter of said Section 36 bears South 88°08'40" West, 2676.06 feet;

Thence along the east line of the northeast quarter of said Section 36, South 0°14'49" East, 2211.83 feet to the **TRUE POINT OF BEGINNING** of the parcel to be described, said point being an angle point in the westerly boundary of Lot 1, Short Plat 2002-07 according to the Short Plat thereof, recorded in Volume 1 of Short Plats, page 561 and recorded under Auditor's File No. 1603399, Records of Franklin County, Washington said point bears South 41°38'35" West, 149.75 feet from the most northerly northwest corner of said Lot 1;

Thence continuing along the east line of the northeast quarter of said Section 36 and the westerly boundary of said Lot 1, South 0°14'49" East, 189.18 feet;

Thence leaving the east line of the northeast quarter of said Section 36 the westerly boundary of said Lot 1 northwesterly, along the arc of a 29.00-foot radius, non-tangent curve to the right (the radius of which bears North 03°24'30" East) through a central angle of 34°24'50" for an arc length of 17.42 feet (the long chord of which bears South 69°23'06" East, 17.16 feet) to the easterly line of North Railroad Avenue (aka Oregon Avenue) as described in Department of Natural Resources Application No. 50-SR0602, said point being 50.00 feet easterly of the centerline thereof when measured at right angles;

Thence along the easterly line of said North Railroad Avenue, North 10°59'26" West, 138.78 feet;

Thence leaving the easterly line of said North Railroad Avenue, North 41°38'35" East, 62.76 feet to the **TRUE POINT OF BEGINNING** and the end of this legal description.

Containing 4993 square feet, more or less.

TOGETHER WITH AND SUBJECT TO easements, reservations, covenants and restrictions apparent or of record.



6/10/2025

L=17.42'
 $\Delta=34^{\circ}24'50''$
 —R=29.00'
 CB=S69°23'06"E
 CL=17.16'

LOT 8

**PROPOSED FUTURE LOTS, REIMANN INDUSTRIAL CENTER
(A PORTION OF PORT OF PASCO TAX PARCEL 124-680-045)**

A portion of Lot 2 of that certain Record of Survey for a Boundary Line Adjustment, recorded in Book 4 of Surveys, page 435 and recorded under Auditor's File No. 1973566, Records of Franklin County, Washington, lying in a portion of the northwest quarter of Section 31, Township 10 North, Range 30 East, W.M. and in a portion of the northeast quarter of Section 36, Township 10 North, Range 29 East, W.M., lying easterly of the Burlington Northern Santa Fe Railroad right-of-way, described as follows;

BEGINNING at a Brass cap marking the northwest corner of said Section 31 from which a Brass cap marking the northeast corner of the northwest quarter of said Section 31 bears North 89°57'25" East, 2983.46 feet;

Thence along the west line of the northwest quarter of said Section 31, South 0°14'49" East, 1833.15 feet to the **TRUE POINT OF BEGINNING** of the parcel to be described;

Thence leaving the west line of the northwest quarter of said Section 31, North 90°00'00" East, 377.60 feet, more or less, to the westerly line of a 75.00-foot-wide Natural Gas Pipeline Easement, as described in that certain easement document recorded in Volume 93 of Deeds, page 194, Records of said Franklin County, Washington, said point being 20.00 feet northwesterly of the centerline thereof, when measured at right angles;

Thence along the westerly line of said gas pipeline easement, South 41°56'07" West, 303.57 feet to the southwest corner of said gas pipeline easement;

Thence leaving the westerly line of said gas pipeline easement along the southerly line of said gas pipeline easement, South 47°01'00" East, 5.83 feet to the northwest corner of a Natural Gas Meter Station and Access Road Easement as described in Auditor's File No. 210261, Records of said Franklin County, Washington;

Thence leaving the southerly line of said gas pipeline easement along the westerly line of said gas meter station and access road easement, South 42°59'00" West, 79.13 feet to the northerly boundary of Lot 1, Short Plat 2002-07, according to the Short Plat thereof, recorded in Volume 1 of Short Plats, page 561, Records of said Franklin County, Washington;

Thence leaving the westerly line of said gas meter station and access road easement along the boundary of said Lot 1 the following two courses:

Thence North 48°48'57" West, 31.76 feet to the most northerly northwest corner of said Lot 1;

Thence South 41°38'35" West, 149.75 feet to the west line of the northwest quarter of said Section 31, said point also being on the east line of the northeast quarter of said Section 36;

Thence leaving the boundary of said Lot 1, the west line of the northwest quarter of said Section 31 and the east line of the northeast quarter of said Section 36 and continuing South 41°38'35" West, 62.76 feet to the easterly line of North Railroad Avenue (aka Oregon Avenue) as described in Department of Natural Resources Application No. 50-SR0602, said point being 50.00 feet easterly of the centerline thereof when measured at right angles;

Thence along the easterly line of said North Railroad Avenue (aka Oregon Avenue), North 10°59'26" West, 433.53 feet;

Thence leaving the easterly line of said North Railroad Avenue (aka Oregon Avenue), South 90°00'00" East, 122.72 feet to the **TRUE POINT OF BEGINNING** and the end of this legal description.

Containing 2.50 acres, more or less

TOGETHER WITH AND SUBJECT TO easements, reservations, covenants and restrictions apparent or of record.



Document History

SignNow E-Signature Audit Log

All dates expressed in MM/DD/YYYY (US)

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Document pages: 12
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Document Sent: 08/29/2025 00:34:37 UTC
Document Status: Signed
 08/29/2025 17:22:14UTC

Sender: janderson@franklinpud.com
Signers: alincoln@portofpasco.org, vfuentes@franklinpud.com
CC:

Client	Event	By	Server Time	Client Time	IP Address
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