

INTERGOVERNMENTAL AGREEMENT

BETWEEN

PORT OF VANCOUVER AND CLARK PUBLIC UTILITIES

THIS INTERGOVERNMENTAL AGREEMENT (the "Agreement") is made as of the 25<sup>th</sup> day of OCTOBER, 2011, by and between the PORT OF VANCOUVER, USA, a Washington port district (the "Port"), and CLARK PUBLIC UTILITIES, a Washington municipal corporation ("CPU"). The Port and CPU are sometimes individually referred to herein as a "Party" and collectively as the "Parties."

**RECITALS:**

WHEREAS, the Port recently completed construction of certain West Vancouver Freight Access rail project improvements on Terminal 5 and is now in the process of preparing Terminal 5 for eventual occupancy by present and future tenants of the Port;

WHEREAS, CPU is in the business of supplying electrical power within Clark County, Washington, including to the Port and its tenants;

WHEREAS, the Port and CPU agree that a 30/30 MVA electrical substation (the "Substation") is needed to supply electrical power to Terminal 5 to support future occupancy and operations on Terminal 5;

WHEREAS, in support of the Substation, the Port agrees to (a) convey to CPU the real property depicted and/or described on attached Exhibit A-1 (the "Substation Property") for locating the Substation, (b) grant to CPU a non-exclusive easement over the real property depicted and/or described on attached Exhibit A-2 (the "Incoming and Outgoing Utility and Access Easement") for bringing electrical power into the Substation and distributing power from the Substation, subject to the terms of this Agreement, and (c) grant to CPU a non-exclusive easement over the real property depicted and/or described on attached Exhibit A-3 (the "Access Easement") for access to the Substation Property;

WHEREAS, in support of the Substation, CPU agrees to (a) construct the Substation on the Substation Property, and (b) allocate approximately 20 MVA of new electrical capacity at or near the Substation Property for the Port and the Port's present and future tenants on Terminal 5, subject to the terms of this Agreement; and

WHEREAS, the Port shall be responsible for the two-thirds (2/3rds), and CPU shall be responsible for one-third (1/3<sup>rd</sup>), of the total costs of this project.

**AGREEMENT:**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **AUTHORITY.** The Port is entering into this Agreement pursuant to the powers granted to the Port under RCW 53.08 240, and CPU is entering into this Agreement pursuant to the powers granted to CPU under RCW 54.16.090.

2. **TERM AND COMPLETION DATE.**

2.1 This Agreement shall become effective upon approval by both the Port's and CPU's governing bodies. This Agreement shall terminate, and all contributions, allocations and commitments agreed to herein shall cease, upon CPU completing construction of the Substation and the Port reimbursing CPU for its share of the cost of constructing the Substation pursuant to Section 4.6 below.

2.2 The Parties agree that the Substation shall be fully completed and operational no later than December 31, 2013.

3. **PERMITS AND COMPLIANCE WITH APPLICABLE LAWS.**

3.1 The Port agrees to apply for and obtain all permits related to construction of the Port Work (as defined in Section 4.1) and CPU agrees to apply for and obtain all permits related to construction and operation of the Substation (excluding the Port Work); provided, however, that the Parties agree to jointly submit documents to support the State Environmental Policy Act ("SEPA") evaluation process related to the Port Work and construction and operation of the Substation (collectively, the "Project") and all other permits and approvals applicable to the Project as a whole that the Parties agree (in their reasonable discretion) are more efficiently and/or economically obtained jointly. Each Party shall cooperate with the other Party in obtaining all permits and approvals required to construct and operate the Project, including (but not limited to) completing and signing applicable portions of the SEPA permit application and other joint permit and approval applications and other submittals in a timely fashion.

3.2 Each Party shall comply with all applicable federal, state and local statutes, ordinances, rules, laws, regulations, orders, requirements, and standards (the "Applicable Laws") in effect or which arise through promulgation, enactment, amendment, or otherwise (including, without limitation, those laws governing labor, safety and health) in connection with such Party's performance under this Agreement.

4. **DUTIES AND RESPONSIBILITIES OF THE PORT.**

4.1 The Port agrees to (a) fill, compact and construct a finished building pad for the Substation on the Substation Property and (b) fill and compact a utility corridor within the Incoming and Outgoing Utility and Access Easement (collectively, the "Port Work") in accordance with the plans and specifications prepared by the Port (the "Port Work Plans and Specifications"), but approved by CPU pursuant to Section 6 of this Agreement. The Port shall obtain all permits and approvals required to construct the Port Work (including, but not limited to, any required wetlands permits) (the "Port Work Permits"), and the Port shall construct the Port Work by December 31, 2012. The Port Work is estimated to cost approximately \$475,520.00, as shown on attached **Exhibit B**; but the Port shall prepare a budget for the Port Work (the "Port Work Budget") concurrently with the Port Work Plans and Specifications for

approval by CPU pursuant to Section 6 below. The Port Work shall be performed prior to conveyance of the Substation Property to CPU under Section 4.5 below.

4.2 The Port shall complete the statutory process to surplus the Substation Property pursuant to RCW 53.08.090 and amend the Port's Comprehensive Scheme of Harbor Improvements and Industrial Development to remove the Substation Property by May 31, 2012. If the Port Commission is unwilling or unable to surplus the Substation Property and change the Port's comprehensive scheme as provided above by May 31, 2012, then this Agreement shall terminate upon written notice from the Port to CPU stating the same.

4.3 The Port shall use commercially reasonable efforts to cause the U.S. Army Corps of Engineers to remove the Substation Property and the Incoming and Outgoing Utility and Access Easement from the covenants and restrictions set forth in that certain Declaration and Covenant dated March 30, 1999, recorded on April 6, 1999 as Document Number 3089638, and re-recorded on June 11, 1999 as Document Number 3117631, Clark County Records (the "Restrictive Covenant"), by May 31, 2012. If the Port is unable to get the Substation Property removed from the Restrictive Covenant as provided above by May 31, 2012, then this Agreement shall terminate upon written notice from the Port to CPU stating the same.

4.4 The Port is currently negotiating a site improvement agreement (the "Site Improvement Agreement") with BHP Billiton Canada Inc. ("BHPB"), which includes BHPB reimbursing the Port for a portion of the Port's Share of the Substation Costs (as defined in Section 4.6 below). If the Port and BHPB do not enter into the Site Improvement Agreement by May 31, 2012, then this Agreement shall terminate upon written notice from the Port to CPU stating the same.

4.5 Once the Port completes the Port Work in accordance with the Port Work Plans and Specifications, the Port shall (a) convey the Substation Property to CPU by warranty deed, subject to all covenants, easements and restrictions of record, and (b) grant the Incoming and Outgoing Utility and Access Easement and the Access Easement to CPU using a mutually acceptable form of easement agreement. The sale amount of the Substation Property to CPU shall be calculated as one-third (1/3rd) of the Substation Property FMV (as defined below), and the combined sale amount of the Incoming and Outgoing Utility and Access Easement shall be calculated as one-third (1/3rd) of the Easements FMV (as defined below). The remaining two thirds (2/3rds) reduction in sale prices of the Substation Property and the Incoming and Outgoing Utility and Access Easement reflects the Port's obligation to pay two-thirds (2/3rds) of the total cost of the substation project. The Port shall not charge CPU for the Access Easement.

The Parties agree that the fair market value of the undeveloped Substation Property (the "Substation Property FMV") and the fair market value of the Incoming and Outgoing Utility and Access Easement (the "Easements FMV") will be determined by an MAI appraisal (the "Appraisal") from a mutually acceptable appraiser with at least five (5) years' full-time commercial appraisal experience in Clark County, Washington. The Parties agree to obtain the Appraisal by December 31, 2011. If either Party is not satisfied with the Substation Property FMV (in its undeveloped state) or Easements FMV as determined by the Appraisal, then that Party shall deliver written notice thereof to the other Party within thirty (30) days after receipt of the Appraisal. The Parties will then mutually agree upon a second appraiser with at least five (5)

years' full-time commercial appraisal experience in Clark County, Washington to undertake a review of the Appraisal (the "Review Appraisal"). If the Substation Property FMV and Easements FMV as determined by the Review Appraisal are within ten percent (10%) of the Substation Property FMV and Easements FMV as determined by the Appraisal, then the Substation Property FMV or Easements FMV as determined by the Appraisal shall be binding on the Parties. If the Substation Property FMV or Easements FMV as determined by the Review Appraisal differs by more than ten percent (10%) from the Substation Property FMV or Easements FMV as determined by the Appraisal, then the Parties, if they are unable to mutually agree upon the Substation Property FMV or Easements FMV within fifteen (15) days after receipt of the Review Appraisal, shall mutually select a third appraiser with at least five (5) years' full-time commercial appraisal experience in Clark County, Washington to review the Appraisal and Review Appraisal and to select the appraisal which, in the opinion of the third appraiser, more accurately reflects the Substation Property FMV or Easements FMV (as applicable). The decision of the third appraiser shall be binding on the Parties. The Parties shall share equally the cost of all appraisals.

4.6 The Port agrees to reimburse CPU upon completion of the Substation and receipt of an invoice and reasonably detailed supporting documentation for two-thirds (2/3rds) of the costs and expenses incurred by CPU in completing the Substation (the "Port's Share of the Substation Costs"), including (but not limited to) the costs and expenses incurred by CPU in preparing the Substation Plans and Specifications and obtaining the Substation Permits (as these terms are defined in Section 6.1 below). The Port shall receive a credit against the Port's Share of the Substation Costs equal to (a) the combined sales prices of the Substation Property and the Incoming and Outgoing Utility and Access Easement, as determined under Section 4.5 above; (b) one-third (1/3<sup>rd</sup>) of the cost of the Port Work and Pork Work Permits; and (c) one-third (1/3<sup>rd</sup>) of the cost of any wetlands mitigation and tree mitigation required in order to obtain the Port Work Permits.

4.7 The Port shall also perform its other obligations under this Agreement.

4.8 Upon request, the Port agrees to provide CPU with additional utility easements for future electrical line connections to the Substation. The terms and price of such additional easements shall be determined by mutual agreement at the time of such request. This commitment shall survive the expiration of this Agreement.

## 5. DUTIES AND RESPONSIBILITIES OF CPU.

5.1 CPU agrees to construct the Substation on the Substation Property in accordance with the plans and specifications prepared by CPU (the "Substation Plans and Specifications"), but approved by the Port pursuant to Section 6 of this Agreement. CPU shall obtain all permits and approvals required to construct and operate the Substation (the "Substation Permits"), and CPU shall construct the Substation and make the Substation fully operational by December 31, 2013. CPU owns, and will be responsible for the maintenance and repair of, the Substation.

5.2 The Substation is estimated to cost approximately \$4,500,341, as shown on attached Exhibit C. CPU shall prepare a budget for the cost of constructing the Substation (the "Substation Budget") and deliver the same to the Port for approval pursuant to Section 6 below

by May 31, 2012. CPU shall update the Substation Budget concurrently with the Substation Plans and Specifications and deliver the same to the Port for approval by the Port pursuant to Section 6 below.

5.3 CPU agrees to allocate approximately 20 MVA of new electrical capacity at or near the Substation Property for the Port and the Port's present and future tenants on Terminal 5 for a period of twenty-five (25) years from the date of this Agreement; provided, however, that CPU agrees to perpetually allocate at least 13 MVA of electrical capacity to that portion of Terminal 5 depicted on attached **Exhibit D** for the Port and the Port's present and future tenants on Terminal 5, if demand for this level of electrical service exists at this location after this twenty-five (25) year period. This obligation shall survive the expiration of this Agreement and may be evidenced by a separate written agreement between the Parties, at the request of either Party.

5.4 CPU shall use all commercially reasonable efforts to secure an agreement from Bonneville Power ("**BPA**") to connect to the Alcoa Substation (which will serve as the source for CPU's new substation) and utilize BPA's access road, at that location, by May 31, 2012. If CPU is unable to reach an agreement with BPA for supplying electricity from the BPA's Alcoa Substation and/or use of its access road, CPU shall either:

(a) Supply a minimum of 10 MVA of additional electrical capacity to Terminal 5 from CPU's Carborundum Substation, at the Port's expense, in lieu of constructing the Substation on the Substation Property, in which event the Parties agree to amend this Agreement to reflect the changed nature of the transaction and to eliminate irrelevant provisions; or

(b) Supply a minimum of 30 MVA of electrical capacity to the Substation from the River Road Switching Station, in which event the Port agrees to pay for the cost of the improvements needed to supply power to the Substation from said generating plant in addition to the Port's Share of the Substation Costs.

5.5 CPU shall also perform its other obligations under this Agreement.

## 6. **APPROVAL OF PLANS AND SPECIFICATIONS AND BUDGET.**

6.1 The Port shall be responsible for preparing the Port Work Plans and Specifications and the Port Work Budget and submitting the same to CPU for approval. CPU shall be responsible for preparing the Substation Plans and Specifications and the Substation Budget, and submitting the same to the Port for approval.

6.2 Each Party shall have thirty (30) days after receipt of a set of plans and specifications or a budget from the other Party to review the same and to either: (a) approve the plans and specifications or budget in writing; or (b) provide written comments on the plans and specifications or budget. In the event that a Party provides written comments on a set of plans and specifications or budget, then the Parties agree to work together in good faith to address the comments and finalize the plans and specifications or budget within thirty (30) days after the reviewing Party provides its written comments on such plans and specifications or budget. If the

Parties cannot mutually agree on the final plans and specifications or budget, then the matters in dispute shall be resolved by the dispute resolution process described in Section 9 below.

6.3 CPU shall have the right to enter the Substation Property, upon reasonable advance notice to the Port, to inspect the Port Work. The Port shall have the right to enter the Substation Property, upon reasonable advance notice to CPU, to inspect the Substation during construction. If a Party identifies any deficiencies in the work performed by the other Party, such Party shall promptly notify the other Party in writing of such deficiencies, and the other Party shall promptly remedy such deficiencies or work with the complaining Party to modify the plans and specifications for such work so that no deficiencies exists or find a mutually acceptable means of addressing the deficiencies.

7. **BILLING METHOD AND PROCESS.**

7.1 CPU will receive reimbursement from the Port upon completion of the Substation for the Port's Share of the Substation Costs, less the credits described in Section 4.6 above, by submitting to the Port an invoice and reasonably detailed supporting documentation. CPU may seek advance payment of that portion of the Port's Share of the Substation Costs allocated to acquiring equipment for the Substation prior to ordering such equipment.

7.2 Except as set forth in Section 7.3 below, all amounts shown on the invoice must be paid by the Port within thirty (30) days after receipt of the invoice. Any amount not paid by the Port within said thirty (30) day period shall bear interest at the lesser of twelve percent (12%) per annum or the highest rate permitted under applicable law from its due date until the date on which such amount is paid in full.

7.3 In the event that the Port disputes in good faith any amount shown on the invoice submitted by CPU, the Port shall promptly inform CPU in writing of the basis for the dispute and pay the balance of the invoice within the time period required by Section 7.2 above. The Parties shall then negotiate with each other in good faith in an attempt to resolve the dispute within fifteen (15) days after notice of the dispute is delivered to CPU. If the dispute cannot be resolved within said fifteen (15) day period, then the matter shall be submitted to dispute resolution under Section 9 below.

7.4 Any inquiries regarding an invoice or payment on an invoice should be directed to the contract manager designated for the Party under Section 8 of this Agreement. Each Party and its contract manager agree to promptly respond to questions and requests from the other Party or its contract manager for additional supporting documentation.

7.5 Each Party shall have the right to review and audit the books and records of the other Party pertaining to the work that the other Party is performing under this Agreement.

8. **CONTRACT MANAGERS.**

8.1 The Parties have designated the individuals identified below their signatures on the last page of this Agreement as contract managers to administer this Agreement. Either Party may change its designated contract manager by written notice to the other party.

8.2 The contract managers shall meet periodically to discuss the progress of the work to be performed under this Agreement, the cost of such work in relation to the budget for the work, and any issues or obstacles that may interfere with or delay completion of the work by the applicable deadlines established in this Agreement.

8.3 During the term of this Agreement, the respective contract managers shall also communicate with each other via telephone or e-mail to relay information, answer questions, or raise concerns.

9. **DISPUTE RESOLUTION.** In the event of a dispute between the Parties arising under this Agreement which cannot be resolved by the contract managers appointed under Section 8 above, the dispute shall be submitted to Port's Executive Director and CPU's General Manager for resolution. The mutual decision of the Port's Executive Director and CPU's General Manager regarding the dispute shall be final as between the Parties; provided, however, that if the Port's Executive Director and CPU's General Manager cannot agree on a resolution of the dispute, then the dispute shall be resolved by arbitration through a mutually acceptable arbitration service, and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The Parties shall share equally in the cost of any arbitration, although each Party will pay its own legal fees pursuant to Section 12.2 below.

10. **INDEPENDENT CONTRACTORS.** The Port and CPU are and shall at all times be deemed to be independent contractors in the provision of the services set forth in this Agreement. Nothing herein shall be construed as creating the relationship of employer and employee, or principal and agent, between the Port and CPU or between any of the Port's or CPU's employees. Each Party shall retain all authority for provision of services, standards of performance, discipline and control of personnel, and other matters incident to the performance of services agreed to by each Party pursuant to this Agreement. Nothing in this Agreement shall make any employee of the Port an employee of CPU or any employee of CPU an employee of the Port for any purpose, including (but not limited to) for withholding of taxes, payment of benefits, workers' compensation pursuant to Title 51 RCW, or any other rights or privileges accorded their respective employees by virtue of their employment.

11. **INDEMNITIES.**

11.1 **CPU RESPONSIBILITY.** CPU agrees to indemnify, defend and hold harmless the Port, its commissioners, officers, employees and agents from any and all liabilities, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, of whatsoever kind or nature, arising out of, or in connection with, or incident to, and to the extent of, the negligent performance of the terms and conditions of this Agreement by CPU.

(a) In the event that any suit based on such a liability, demand, claim, cause of action, suit or judgment is brought against the Port, the Port retains the right to participate in said suit, at its expense, if any principal of public law is involved.

(b) This indemnity and hold harmless shall include any claim made against the Port by an employee of CPU or subcontractor or agent of CPU, even if CPU is thus otherwise

immune from liability pursuant to the workers' compensation statute, Title 51 RCW, except to the extent that such liability arises from the negligence of the Port.

(c) The indemnities herein shall survive the expiration or termination of this Agreement.

**11.2 PORT RESPONSIBILITY.** The Port agrees to indemnify, defend and hold harmless CPU, its commissioners, officers, employees and agents from any and all liabilities, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, of whatsoever kind or nature, arising out of, or in connection with, or incident to, and to the extent of, the negligent performance of the terms and conditions of this Agreement by the Port.

(a) In the event that any suit based on such a liability, demand, claim, cause of action, suit or judgment is brought against CPU, CPU retains the right to participate in said suit, at its expense, if any principal of public law is involved.

(b) This indemnity and hold harmless shall include any claim made against CPU by an employee of the Port or subcontractor or agent of the Port, even if the Port is thus otherwise immune from liability pursuant to the workers' compensation statute, Title 51 RCW, except to the extent that such liability arises from the negligence of CPU.

(c) The indemnities herein shall survive the expiration or termination of this Agreement.

## 12. MISCELLANEOUS.

12.1 The Parties specifically acknowledge that the provisions contained in this Agreement have been mutually negotiated by them.

12.2 Except as provided herein, the Parties shall bear their own costs of enforcing the rights and responsibilities under this Agreement.

12.3 This Agreement shall not be modified or amended in any manner except by instrument in writing executed by the Parties.

12.4 Any Party's failure to exercise any right or remedy under this Agreement, delay in exercising any such right or remedy, or partial exercise of any such right or remedy, shall not constitute a waiver of that or any other right or remedy hereunder. A waiver of any breach of any provision of this Agreement shall not constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. No waiver of any provision of this Agreement shall be binding on a Party unless it is set forth in writing and signed by such Party.

12.5 This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements with respect thereto. The Parties acknowledge and agree that there are no agreements or representations relating to the subject matter of this Agreement, either written or



oral, express or implied, that are not set forth in this Agreement or in the exhibits to this Agreement.

12.6 Neither Party shall be held responsible for delay or default caused by fire, riot, acts of God and war which is beyond its reasonable control. The affected party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the contract.

12.7 Time is of the essence with respect to all terms, provisions, covenants and conditions contained in this Agreement.

12.8 Neither party shall transfer or assign, in whole or in part, any or all of its respective rights or obligations under this Agreement without the prior written consent of the other. This Agreement shall inure to the benefit of and be binding on the Parties and their successors or permitted assigns.

12.9 The Port does not intend by this Agreement to assume any contractual obligations to anyone other than CPU. CPU does not intend by this Agreement to assume any contractual obligations to anyone other than the Port. The Port and CPU do not intend there be any third-party beneficiary to this Agreement.

12.10 All communications, notices and demands of any kind which are required by this Agreement shall be in writing and shall be deemed given when deposited in the U.S. Mail, first class postage prepaid to the following addresses or to such other addresses as the Parties from time to time give notice to the other Parties:

If to the Port: Port of Vancouver, USA  
Attention: Economic Development &  
Facilities Director  
3103 Lower River Road  
Vancouver, WA 98660

With a Copy to: Schwabe, Williamson & Wyatt  
Attention: Alicia Lowe, Port Counsel  
700 Washington Street, Suite 701  
Vancouver, WA 98660

If to CPU: Clark Public Utilities  
Attention: General Manager  
PO Box 8900  
Vancouver, WA 98668

With a Copy to: Clark Public Utilities  
Attention: Legal Counsel  
PO Box 8900  
Vancouver, WA 98668

12.11 Within five (5) days from the date of execution of this Agreement, a copy thereof shall be filed with the Clark County Auditor.

12.12 This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

12.13 The headings are solely for convenience of reference and shall not constitute part of this Agreement nor shall they affect its meaning, construction, or effect.

12.14 This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Washington applicable to contracts made and performed within such State.

12.15 The venue for any dispute arising under this Agreement shall be the Superior Court of the State of Washington for Clark County, Washington.

12.16 Notwithstanding anything contained to the contrary in any provision of this Agreement, it is specifically agreed and understood that there shall be absolutely no personal liability on the part of any individual officer, director, commissioner, councilmember, or trustee with respect to any of the obligations, terms, covenants, and conditions of this Agreement.

12.17 Nothing expressed or to be implied from this Agreement is intended to give, or shall be construed to give, any person other than the Parties hereto, and their permitted successors and assigns, any benefit or legal or equitable right, remedy, or claim under or by virtue of this Agreement.

12.18 If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

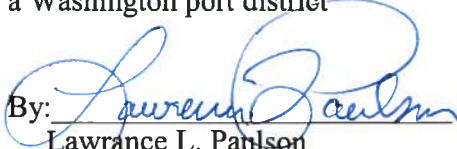
12.19 The recitals above are hereby incorporated into the Agreement and shall be binding as terms of this Agreement.

[Signatures appear on the following page]


IN WITNESS WHEREOF, the Parties have executed this Agreement as of the 25<sup>th</sup> day of October, 2011.

**PORT:**

PORT OF VANCOUVER, USA,  
a Washington port district

By:   
Lawrence L. Paulson  
Executive Director

Approved as to form:

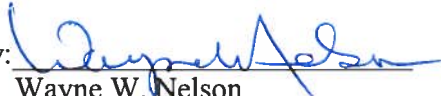
By:   
Alicia L. Lowe  
Port Counsel

Port's Contract Manager (see Section 8):

Kim Shaffer

**CPU:**

CLARK PUBLIC UTILITIES,  
a Washington municipal corporation

By:   
Wayne W. Nelson  
General Manager

Approved as to form:

By:   
John Eldridge  
Legal Counsel for CPU

CPU's Contract Manager (see Section 8):

David Tetz

**ATTACHMENTS**

**Exhibit A-1** – Substation Property

**Exhibit A-2** – Incoming and Outgoing Utility and Access Easement

**Exhibit A-3** – Access Easement

**Exhibit B** – Estimated Cost of the Port Work

**Exhibit C** – Estimated Cost of the Substation

**Exhibit D** – Property Benefitting from Perpetual 13 MVA Allocation

**EXHIBIT A-1**

**SUBSTATION PROPERTY**

EXHIBIT A1  
LEGAL DESCRIPTION FOR PORT OF VANCOUVER  
SUBSTATION PROPERTY

August 15, 2011

A parcel of property in the William Hendrickson Donation Land Claim, and the John Matthews Donation Land Claim and the Patrick Markey Donation Land Claim in Section 18, Township 2 North, Range 1 East, Willamette Meridian in Clark County, Washington, described as follows:

COMMENCING at a 1-1/4" iron pipe at the Southeast corner of said Hendrickson Donation Land Claim, said pipe being the most Westerly corner of that tract conveyed, to the United States of America by deed recorded under Auditor's File #E 36885, Clark County records;

THENCE South 44° 50' 04" East along the Southerly line of said United States of America tract 412.67 feet to the TRUE POINT OF BEGINNING;

THENCE South 45° 09' 56" West 50.19 feet;

THENCE North 65° 59' 28" West 181.99 feet;

THENCE South 24° 00' 32" West 223.25 feet to the South line of that tract conveyed to the Port of Vancouver by deed recorded under AF# 9206090248, records of Clark County Washington;

THENCE South 65° 59' 58" East along said South line 261.99 feet;

THENCE North 24° 00' 32" East 246.07 feet to the Southerly line of said United States of America tract;

THENCE North 44° 50' 04" West along the Southerly line of said United States of America tract 66.36 feet to the TRUE POINT OF BEGINNING.

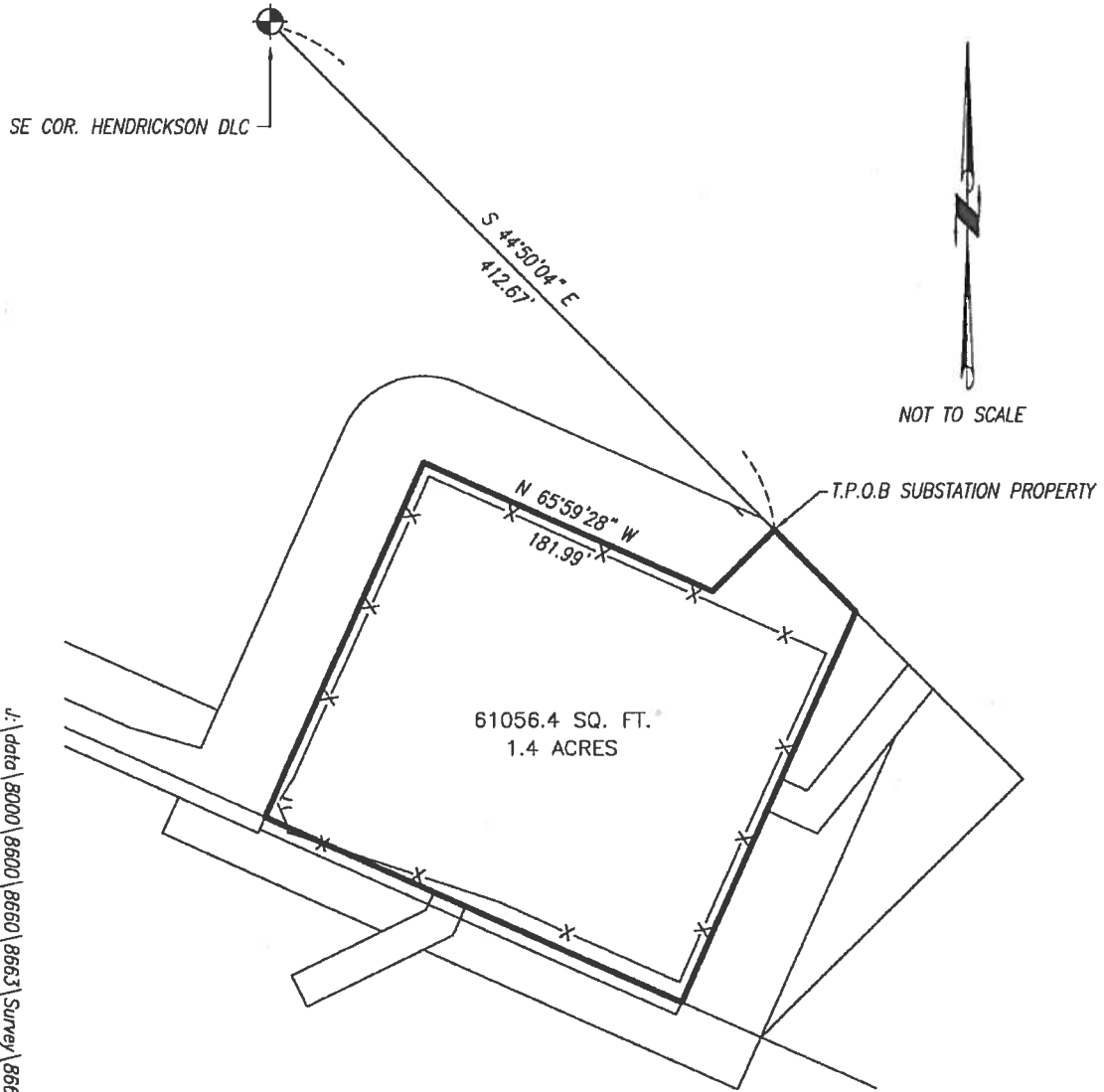
Containing 61,056 square feet.



9/21/2011

SKETCH TO ACCOMPANY LEGAL DESCRIPTION  
FOR SUBSTATION PROPERTY

A PORTION OF SECTION 18,  
T. 2 N., R. 1 E., W.M.,  
CITY OF VANCOUVER, CLARK COUNTY, WASHINGTON



J:\data\8000\8600\8660\8660\8663\Survey\8663.s.parcel.4.exhibit.dwg

**OLSON** LAND SURVEYORS  
**ENGINEERS**  
ENGINEERING INC. 1111 BROADWAY, VANCOUVER, WA 98660  
1-360-695-1385  
1-503-289-9936

**EXHIBIT A-2**

**INCOMING AND OUTGOING UTILITY AND ACCESS EASEMENT**



EXHIBIT A2  
LEGAL DESCRIPTION FOR PORT OF VANCOUVER  
INCOMING AND OUTGOING UTILITY AND ACCESS EASEMENT

August 15, 2011

A parcel of property in the William Hendrickson Donation Land Claim, and the John Matthews Donation Land Claim and the Patrick Markey Donation Land Claim in Section 18, Township 2 North, Range 1 East, Willamette Meridian in Clark County, Washington, described as follows:

COMMENCING at a 1-1/4" iron pipe at the Southeast corner of said Hendrickson Donation Land Claim, said pipe being the most Westerly corner of that tract conveyed, to the United States of America by deed recorded under Auditor's File #E 36885, Clark County records;

THENCE South 44° 50' 04" East along the Southerly line of said United States of America tract 412.67 feet to the TRUE POINT OF BEGINNING;

THENCE South 45° 09' 56" West 50.19 feet;

THENCE North 65° 59' 28" West 181.99 feet;

THENCE South 24° 00' 32" West 223.25 feet to the South line of that tract conveyed to the Port of Vancouver by deed recorded under AF# 9206090248, records of Clark County Washington;

THENCE South 65° 59' 58" East along said South line 261.99 feet;

THENCE North 24° 00' 32" East 246.07 feet to the Southerly line of said United States of America tract;

THENCE South 44° 50' 04" East along the Southerly line of said United States of America tract 62.81 feet:

THENCE South 38° 37' 45" West 34.00 feet;

THENCE South 24° 00' 32" West 223.28 feet;

THENCE North 65° 59' 28" West 197.62 feet;  
THENCE South 63° 46' 58" West 74.24 feet;  
THENCE North 26° 13' 02" West 20.00 feet;  
THENCE North 63° 46' 58" West 57.60 feet;  
THENCE North 65° 59' 28" West 138.34 feet;  
THENCE North 24° 00' 32" East 22.76 feet;  
THENCE North 65° 59' 28" West 246.85 feet;  
THENCE South 23° 29' 26" West 101.31 feet;  
THENCE North 66° 30' 34" West 20.00 feet;  
THENCE North 23° 29' 26" East 101.50 feet;  
THENCE North 65° 35' 19" West 486.44 feet;  
THENCE North 72° 32' 13" West 100.17 feet;  
THENCE North 80° 35' 55" West 58.30 feet;  
THENCE North 53° 21' 17" West 198.69 feet;  
THENCE North 36° 48' 46" East 20.00 feet;  
THENCE South 53° 21' 17" East 172.95 feet;  
THENCE South 66° 58' 36" East 40.51 feet;  
THENCE South 80° 35' 55" East 43.81 feet;  
THENCE North 75° 53' 32" East 23.93 feet;

THENCE South 65° 35' 19" East 561.97 feet;

THENCE South 65° 59' 58" East 224.42 feet;

THENCE South 74° 10' 33" East 42.41 feet;

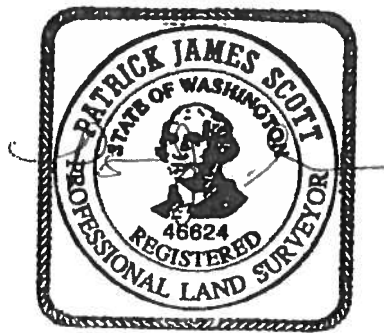
THENCE North 24° 00' 02" East 202.16 feet to a 50.00 foot radius curve to the right;

THENCE around said 50.00 foot radius curve to the right 78.54 feet;

THENCE South 65° 59' 28" East 191.79 feet to the Southerly line of said United States of America tract;

THENCE South 44° 50' 04" East along said Southerly line 8.79 feet to the TRUE POINT OF BEGINNING.

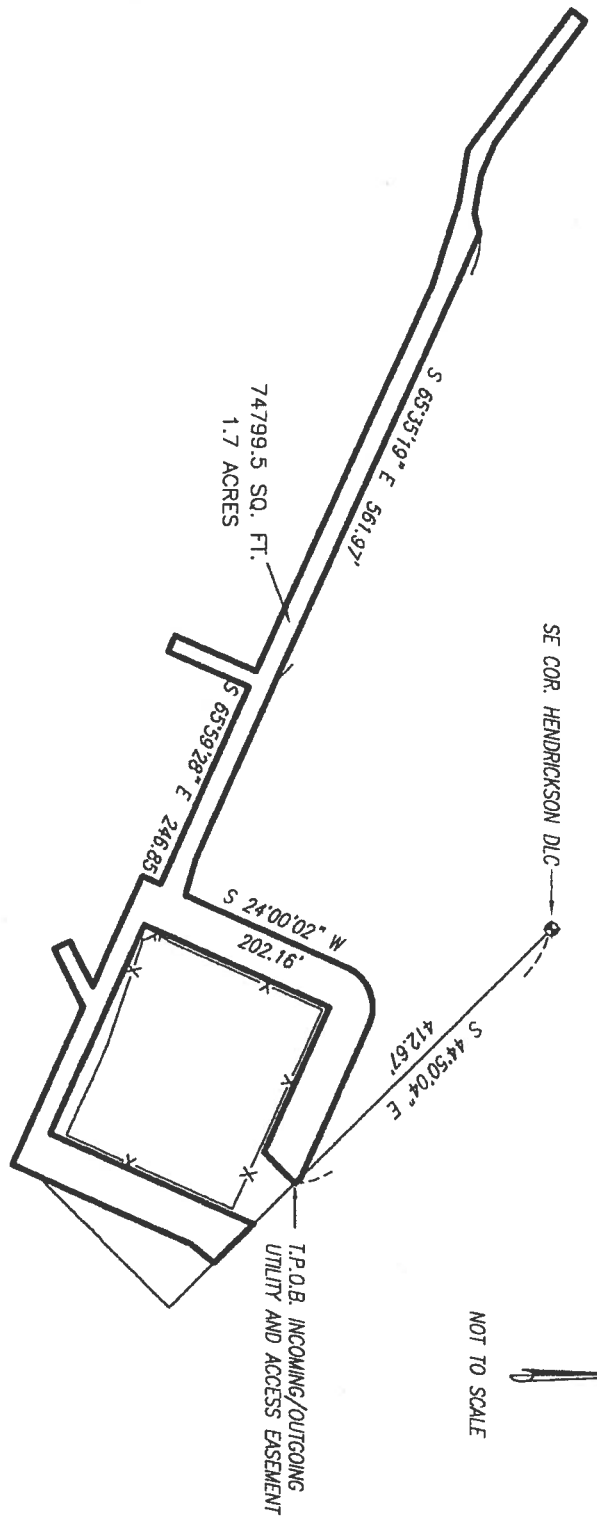
Containing 74,799 square feet.



9/21/2011

**SKETCH TO ACCOMPANY LEGAL  
DESCRIPTION FOR INCOMING/OUTGOING  
ACCESS EASEMENT**

A PORTION OF SECTION 18, T. 2 N., R. 1 E., W.M.,  
CITY OF VANCOUVER, CLARK COUNTY, WASHINGTON



**OLSON** LAND SURVEYORS  
ENGINEERS  
1111 BROADWAY, VANCOUVER, WA 98660

1-800-895-1385  
1-503-289-9935

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**EXHIBIT A-3**

**ACCESS EASEMENT**

EXHIBIT A3  
LEGAL DESCRIPTION FOR PORT OF VANCOUVER  
ACCESS EASEMENT

August 15, 2011

A parcel of property in the William Hendrickson Donation Land Claim, and the John Matthews Donation Land Claim and the Patrick Markey Donation Land Claim in Section 18, Township 2 North, Range 1 East, Willamette Meridian in Clark County, Washington, described as follows:

COMMENCING at a 1-1/4" iron pipe at the Southeast corner of said Hendrickson Donation Land Claim, said pipe being the most Westerly corner of that tract conveyed, to the United States of America by deed recorded under Auditor's File #E 36885, Clark County records;

THENCE South 44° 50' 04" East along the Southerly line of said United States of America tract 403.93;

THENCE North 65° 59' 28" West 191.79 feet to a 50.00 foot radius curve to the left;

THENCE around said 50.00 foot radius curve to the left 78.54 feet;

THENCE South 24° 00' 02" West 178.23 feet;

THENCE North 65° 59' 58" West 266.15 feet;

THENCE North 65° 35' 19" West 617.97 feet to the TRUE POINT OF BEGINNING;

THENCE North 36° 30' 52" East 53.44 feet;

THENCE North 57° 56' 02" East 38.51 feet;

THENCE North 80° 12' 08" East 43.43 feet;

THENCE South 87° 26' 17" East 708.94 feet;

THENCE South 72° 13' 16" East 20.28 feet to said Southeast corner of said Hendrickson Donation Land Claim;

THENCE South 78° 35' 46" East along the North line of said United States of America tract 244.50 feet;

THENCE North 61° 57' 16" West 58.96 feet;

THENCE North 73° 45' 47" West 92.46 feet;

THENCE North 79° 16' 40" West 97.37 feet;

THENCE North 87° 24' 16" West 734.52 feet;

THENCE South 81° 34' 56" West 49.14 feet;

THENCE South 57° 59' 54" West 48.74 feet;

THENCE South 47° 47' 27" West 71.73 feet;

THENCE North 78° 08' 50" West 33.29 feet;

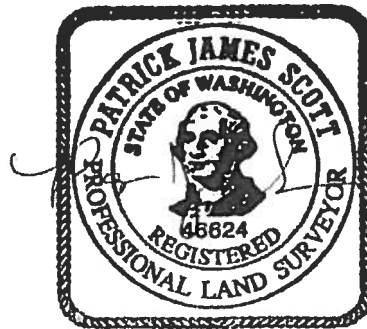
THENCE North 47° 35' 44" West 122.60 feet to the West line of that parcel conveyed to the Port of Vancouver (POV) by deed recorded under AF# 9206090248, Clark County records;

THENCE South  $36^{\circ} 57' 49''$  West along said West line 42.78 feet to the South line of said POV parcel;

THENCE South  $52^{\circ} 38' 39''$  East along said South line 188.74 feet;

THENCE North  $36^{\circ} 30' 52''$  East 63.32 feet to the TRUE POINT OF BEGINNING.

Containing 29,498 square feet.

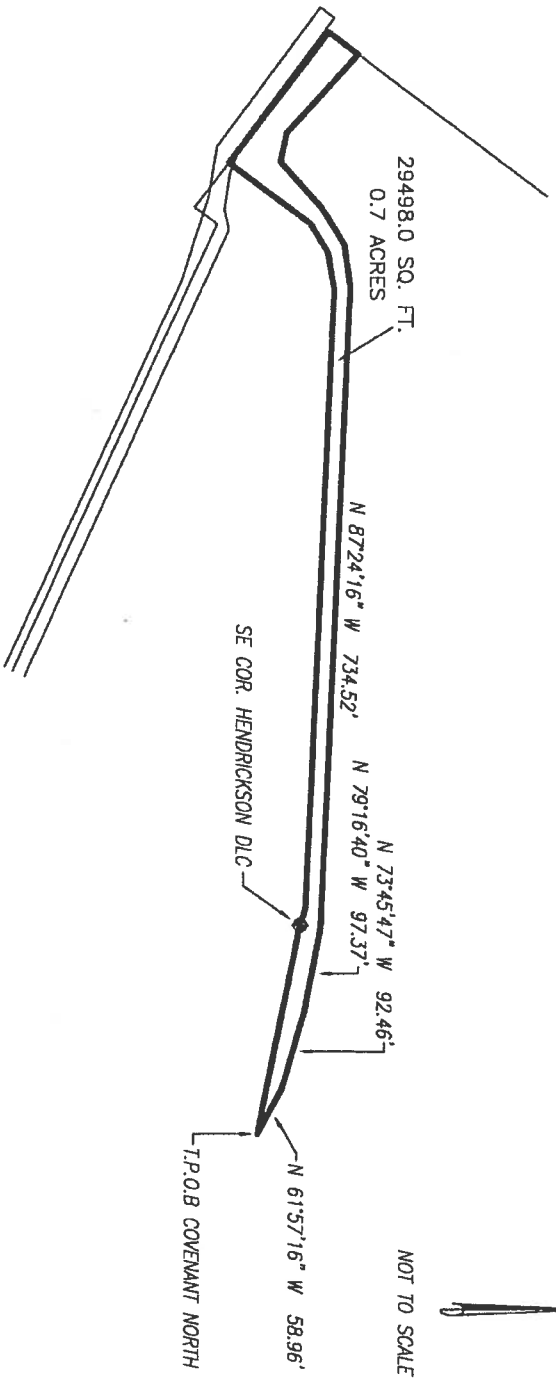


9/21/2011



**SKETCH TO ACCOMPANY LEGAL DESCRIPTION  
FOR ACCESS EASEMENT**

A PORTION OF SECTION 18, T. 2 N., R. 1 E., W.M.,  
CITY OF VANCOUVER, CLARK COUNTY, WASHINGTON



**OLSON** LAND SURVEYORS  
ENGINEERS  
ENGINEERING INC. 1111 BROADWAY, VANCOUVER, WA 98660

1-360-695-1385  
1-503-299-9936

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**EXHIBIT B**

**ESTIMATED COST OF THE PORT WORK**

CPU Substation - Site Improvements.

Description	Unit Of Measure	Quantity	Unit Price	Total Price
<b>Earthwork:</b>				
Mobilization	LS	1	\$ 10,000.00	\$ 10,000.00
Clearing & Grubbing	LS	1	\$ 5,000.00	\$ 5,000.00
Total Excavation	CY	1,200	\$ 6.00	\$ 7,200.00
Imported Fill	CY	25,000	\$ 10.00	\$ 250,000.00
Stripping (8" depth) - Removed	CY	2,500	\$ 9.00	\$ 22,500.00
Stripping (8" depth) - Stockpiled & Spread	CY	700	\$ 4.00	\$ 2,800.00
Fine Grading	SY	9,500	\$ 0.80	\$ 7,600.00
<b>Erosion Control:</b>				
Silt Fence	LF	2,000	\$ 1.20	\$ 2,400.00
Hydro Seeding the slopes.	LS	1	\$ 3,000.00	\$ 3,000.00
Construction Entrance	EA	1	\$ 2,500.00	\$ 2,500.00
Slope Stabilization - (coir mat or equal)	SF	23,800	\$ 0.15	\$ 3,570.00
Erosion Control Maintenance.	LS	1	\$ 1,000.00	\$ 1,000.00
<b>Rock &amp; Asphalt</b>				
Crushed Rock (12") - CPU Pad	SY	7,000	\$ 12.00	\$ 84,000.00
Crushed Rock (10") - Paving	SY	2,500	\$ 10.00	\$ 25,000.00
Asphalt Paving - 3" Depth	SY	1,500	\$ 14.00	\$ 21,000.00
<b>Storm Drainage:</b>				
12" CPP	LF	90	\$ 30.00	\$ 2,700.00
<b>Miscellaneous</b>				
Chain Link Fence with Barbed Wire and Gate	LF	930	\$ 25.00	\$ 23,250.00
Gate at Entrance off Old Lower River Road	EA	1	\$ 1,000.00	\$ 1,000.00
<b>Striping &amp; Signage:</b>				
Markings, Signage, Etc.	LS	1	\$ 1,000.00	\$ 1,000.00

**Total Construction Costs** \$ 475,520.00

- 1) No Sales Tax has been included.
- 2) Cost estimate based on Preliminary Storm, Grading and Erosion Control Plan dated 5/4/11 except for following:
  - Asphalt Access to be provided along distribution corridor adjacent to Old Lower River Road.
  - No asphalt paving at NE corner of substation.
- 3) No compaction testing or other onsite inspection included.
- 4) Mitigation costs not included.



6/27/11

**EXHIBIT C**

**ESTIMATED COST OF THE SUBSTATION**

# EXHIBIT C

## Port of Vancouver - Terminal 5 Substation Construction Estimate

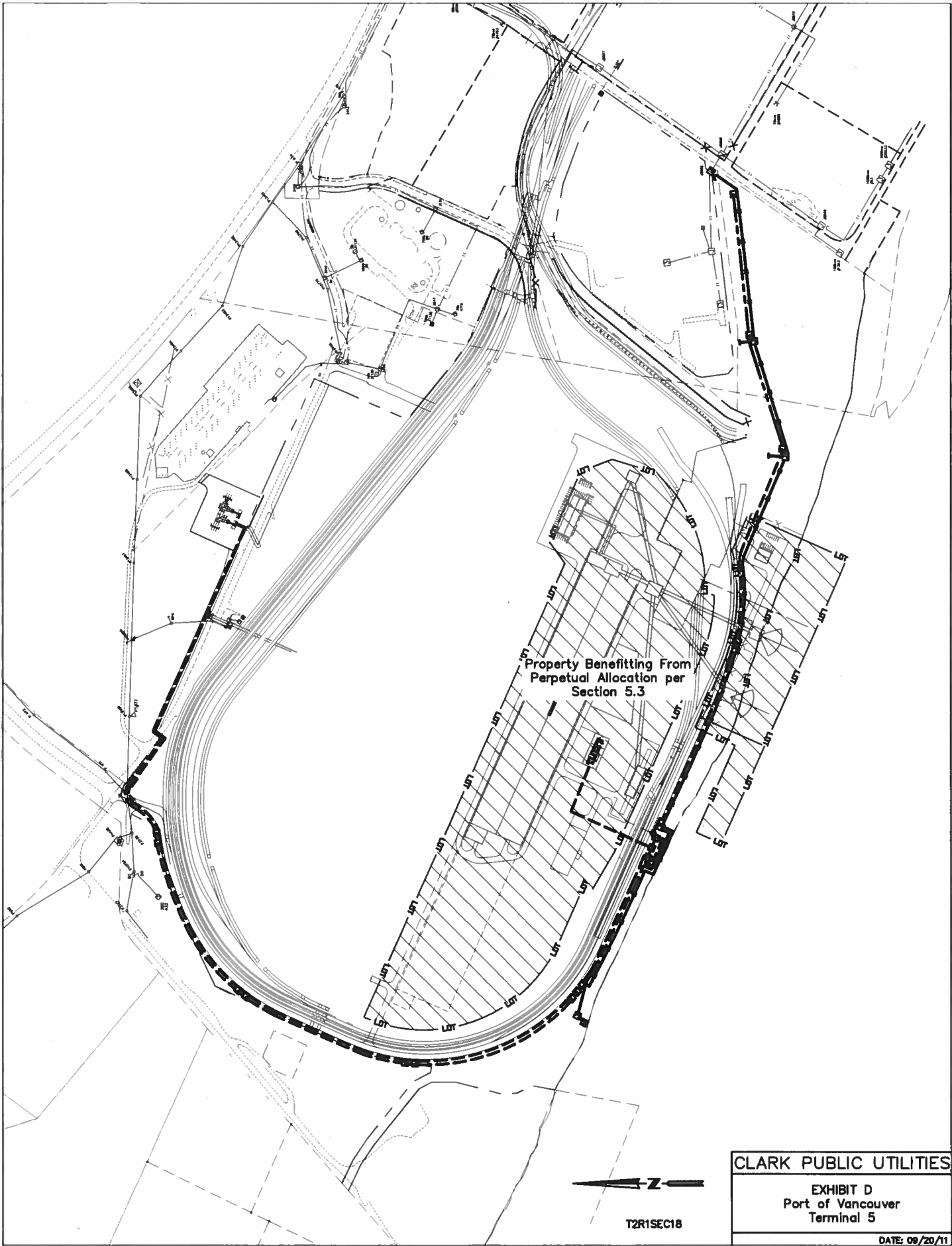
6/1/2011

	<u>Material</u>	<u>CPU Labor</u>	<u>Contracted Services</u>	<u>Totals</u>
<b>Substation</b>	\$1,984,377	\$118,000	\$1,497,964	\$3,600,341
<b>UG Getaways</b>	\$425,000	\$275,000	\$0	\$700,000
<b>Transmission</b>	\$0	\$50,000	\$150,000	\$200,000
<b>Subtotals</b>	\$2,409,377	\$443,000	\$1,647,964	<b>\$4,500,341</b>

Note: This estimate does not include land.

**EXHIBIT D**

**PROPERTY BENEFITTING FROM PERPETUAL 13 MVA ALLOCATION**



Property Benefitting From  
Perpetual Allocation per  
Section 5.3



T2R1SEC18

<b>CLARK PUBLIC UTILITIES</b>
EXHIBIT D Port of Vancouver Terminal 5
DATE: 09/20/11