

INTERLOCAL AGREEMENT
FOR
MARINA DREDGING SERVICES

This Agreement is made this 3rd day of January, 2017, effective January 12TH, 2017 ("effective date"), pursuant to RCW 39.34.030 et seq., and RCW 53.080.240 between the Port of Ilwaco (Ilwaco), a Port District of the State of Washington, and the Port of Chinook (Chinook), a Port District of the State of Washington. In this Agreement, the two Ports are referred to collectively as "the Ports" or "the Parties".

WHEREAS, by the authority granted in RCW 39.34.030 et seq. units of local government may enter into agreements with other units of local government, and by RCW 53.08.240 Ports may enter into agreements with other Ports, for the performance of any or all functions and activities that a party to the agreement, its officers, or agents have the authority to perform; and

WHEREAS, the Port of Ilwaco and Port of Chinook currently operate under an interlocal agreement for Ilwaco to provide inclusive management services to Chinook; and

WHEREAS, the Port of Ilwaco has the personnel, expertise and resources to provide marina dredging related services and equipment for the Port of Chinook marina; and

WHEREAS, the Parties anticipate that the provision of dredging services by Ilwaco promotes a cost-effective and efficient use of public resources; and

WHEREAS, the Commissions of both Ports will remain accountable to the constituents in their respective Districts and believe cooperative efforts between the Ports best serves their common purposes, communities and users; and

WHEREAS, both Ports share the common interest of supporting commercial and recreational fishing given their importance to our local and regional economy and heritage of our coastal community.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the Parties desire to enter into an agreement setting forth the provision of marina dredging services as follows:

D. ILWACO RESPONSIBILITIES

1. Ilwaco will undertake in providing services to perform dredging activities in the Chinook marina in accordance with the Port of Chinook's dredging permit (NWP-2008-472-1).
2. Ilwaco will provide and maintain the dredge plant, related dredge equipment and staff to perform dredging activities.
3. Project oversight will be provided by Ilwaco management under the current interlocal agreement for inclusive management services.

E. CHINOOK RESPONSIBILITIES

1. Chinook shall compensate Ilwaco for services as specified in this Agreement, as it may be amended, or as agreed in advance by Chinook. In the event of an emergency Chinook shall

be responsible for payment of all additional services and materials necessary to respond to the emergency within the Port of Chinook marina.

2. Chinook shall provide the dredging permit and obtain all necessary permits in order to perform dredging work at the Port of Chinook marina.
3. Chinook shall provide a functional upland dredge material disposal site and be responsible for fully maintaining the site outside the terms of this agreement.
4. Chinook will pay Ilwaco a fee for dredging related services provided. Payment of the fees will be made within 30 days of when invoiced. If Chinook has inadequate funds to pay for services for the preceding month, then the account will be carried as delinquent.
5. Chinook will provide Ilwaco with any of its equipment, facilities or property without charge to assist with this project, as may be needed.
6. Chinook will provide fuel for the dredge and charge Ilwaco.
7. Chinook will provide trash service for the dredge and charge Ilwaco as needed. (For debris from the marina floor.)
8. Chinook will coordinate with moorage holders and other users to accommodate dredging efforts, including but not limited to movement of moored boats, blocking off access in areas, posting dredging notifications at all ramps and other needs as may be determined by the parties.
9. Chinook shall continue to have the responsibility for all of its obligations not assumed by Ilwaco under this Agreement.

G. INDEMNITIES

1. At all times during this Agreement, to the fullest extent permitted by law, Chinook shall defend, indemnify, reimburse and hold harmless Ilwaco from and against any and all claims, demands, fines, damages for bodily injury and damage to property, to the extent caused by Chinook or otherwise the responsibility of Chinook but for this Agreement. The duty to defend shall arise immediately and shall include, but not be limited to, all fees and costs of any arbitration, mediation or other settlement efforts, the costs of any experts retained to assist with the defense, the cost of trial preparation.
2. Chinook will also hold Ilwaco harmless for any financial decision made by Chinook and implemented by Ilwaco pursuant to the directive of Chinook's governing Board.
3. At all times during this Agreement, to the fullest extent permitted by law, Ilwaco shall defend, indemnify, reimburse and hold harmless Chinook from and against any and all claims, demands, fines, damages for bodily injury and damage to property, to the extent caused by Ilwaco or otherwise the responsibility of Ilwaco but for this Agreement. The duty to defend shall arise immediately and shall include, but not be limited to, all fees and costs of any arbitration, mediation or other settlement efforts, the costs of any experts retained to assist with the defense, the cost of trial preparation.

H. INSURANCE

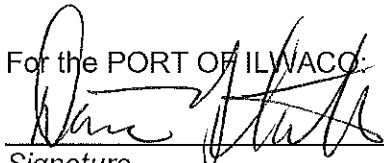
1. At all times during the term of this Agreement, Ilwaco shall maintain insurance sufficient to comply with at least minimum limits for federal and state regulations including Workers Compensation, and Property Damage insurance, and general liability coverage including vehicular coverage, with a combined single limit of not less than \$1,000,000, and property insurance with reasonable deductibles and co-insurance provisions, and shall name Chinook as an additional insured in its general liability policy. In addition, Ilwaco will maintain fidelity bonds for all staff handling Chinook funds.
2. At all times during the terms of this Agreement, Chinook shall maintain general liability insurance coverage including vehicular coverage, with a combined single limit of not less than \$1,000,000, as well as all other statutorily required insurance coverage, and property insurance with reasonable deductibles and co-insurance provisions, and shall name Ilwaco as an additional insured in its general liability policy. Chinook will also provide such additional insurance as Ilwaco's insurer may deem necessary to protect Ilwaco from the operation of the Chinook fueling station.

I. MISCELLANEOUS PROVISIONS

1. This Agreement shall be effective upon dual execution by both Ports, and remain in effect until March 31, 2017, or upon earlier termination as authorized in this Agreement. If terminated early by Chinook, Chinook will pay Ilwaco a termination transfer fee to reimburse Ilwaco for the time and expense involved in mobilizing and demobilizing the dredge as determined by mutual agreement of the Parties.
2. Dredging at the Chinook marina is desperately needed. Ilwaco will make all efforts to perform dredging in an effective and productive manner. There are not any specific performance metrics included in this agreement. Chinook will prioritize areas to be dredged, in advance, and Ilwaco will attempt to improve the priority areas first prior to moving to other areas of lesser priority. Ilwaco provides no guarantee to Chinook for the priority areas but will make the best effort to effectively manage the project within budget parameters and operational constraints. A pre-dredge survey and post dredge survey of the areas will be performed by Chinook, as specified under the Port's dredging permit.
3. Either Party may terminate its participation by providing ten (10) days written notice to the other Party. Any amounts due and owing by a terminating Party shall continue as a debt and shall be paid within twenty-one (21) days of termination.
4. Each Party is an independent contractor and there is no employment relationship between the Parties.
5. Each Port shall continue to comply with all applicable local, state and federal regulations and laws.
6. Notwithstanding any provision of this Agreement, neither Ilwaco nor Chinook shall be authorized to perform or receive or pay for any service which is not authorized by the laws of the State of Washington.

7. This Agreement shall be governed by the laws of the State of Washington. Any action commenced in connection with this Agreement shall be in the Superior Court of Pacific County.
8. Any notice under this Agreement shall be in writing and shall be effective when actually delivered in person or when deposited in the U.S. mail, registered or certified, postage prepaid and addressed to the Manager of each respective Port.
9. Time is of the essence in the performance of the terms of this Agreement.
10. This Agreement contains the entire understanding of the Parties and supersedes all prior agreements, oral or written, and all other communications between the Parties relating to the subject matter of this Agreement.
11. This Agreement may be modified or amended by mutual agreement of the Port Commissions at any time. However, the Parties shall not waive, alter, modify, supplement or amend this Agreement without a written instrument signed by both Parties. The Parties contemplate that the Agreement may require modification or amendment as the services necessary to be provided and cost for those services are clarified over the term of the Agreement. The Parties understand that the services provided by this Agreement may evolve as the Agreement matures, and may change in quantity depending on the amount of work required, particularly seasonal and emergency work. These kinds of changes are not the type of changes that require prior Board approval.
12. In the event that a dispute arises under or related to the terms of this Agreement including, but not limited to, its enforcement or interpretation, the Parties agree to meet and confer to attempt to resolve the dispute through the Executive Director of Ilwaco and Chair of each Port Commission prior to the initiation of litigation.
13. The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.
14. Ilwaco and Chinook are the only Parties to this Agreement and are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons.

For the PORT OF ILWACO:

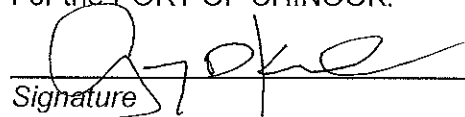


Signature

Chairman

Title

For the PORT OF CHINOOK:

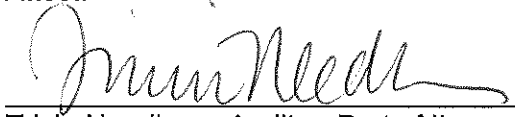


Signature

CHAIRMAN

Title

Attest:



Tricia Needham, Auditor, Port of Ilwaco