

CITY OF PUYALLUP, WA – PECK RIPARIAN PLANTING PROJECT
Agreement to Transfer Potential Credits

This Agreement to Transfer Potential Credits (“Agreement”) is entered in to this 22 day of July, 2020 (the “Effective Date”) by City of Puyallup (the “Landowner”) and Pierce Conservation District (“PCD”) whose mission is to work throughout Pierce County with local landowners, citizen volunteers, and public agencies to conserve natural resources that are essential to both our economy and our region’s quality of life and who has undertaken a tree-planting project (“Tree Project”) on the Property of Landowner (the “Property”).

1. Purpose and Intent

PCD and Landowner desire to help PCD fund this Tree Project by allowing PCD to develop potential carbon and environmental credits that it can attempt to sell to defray project costs, future maintenance costs or to plant additional trees. The Landowner will receive the benefits of the trees planted in this project at little to no cost to the Landowner.

These potential carbon or environmental credits or offsets include amounts of carbon dioxide stored, storm water run-off reductions, energy savings, fish habitat, and air quality benefits arising from the planting and growth of trees in the Tree Project (“Carbon+ Credits”). The Carbon+ Credits will be developed using the protocols and registry of City Forest Credits, a non-profit organization (“CFC”).

2. Rights Granted

Landowner grants PCD the title and rights to any and all Carbon+ Credits developed from the Tree Project during the term of this agreement, including rights to register with CFC, and develop and sell the Carbon+ Credits at the sole discretion of PCD.

3. Subject Lands

The Property specified in Exhibit A.

4. Obligations of Landowner

Landowner shall not cut, harvest, or damage trees in the Tree Project except in cases of emergency involving fire or flooding or to mitigate hazard if trees are identified as a hazard by a certified arborist. City inputs will not exceed current agreed upon restoration and maintenance as stated in the Green Puyallup Partnership 20-year Restoration Plan.

5. Obligations of PCD

PCD will pay all costs and assume all responsibilities for development and sale of Carbon+ Credits from the Tree Project. The trees associated with this agreement shall be maintained by PCD for the duration of this agreement.

6. Landowner Representations

Landowner represents that it has authority to enter this agreement, and that the Property is free from any liens, claims, encumbrances, tenancies, restrictions, or easements that would prevent or interfere with the rights to Carbon+ Credits granted under this Agreement.

7. PCD Representations

PCD represents that it has the capacities necessary to execute its obligations under this agreement.

8. Default

If either party is in default of this agreement, the other party may notify the defaulting party of the specific nature of the default. The defaulting Party has 30 days from the date of notice to correct the default. If the default is not corrected in 30 days, the non-defaulting party may cancel this agreement. Notice of cancellation shall be delivered in writing to the current contact address of the defaulting party.

PCD shall keep insurance coverage in full force while performing work on this agreement.

Indemnification and hold harmless: to the fullest extent permitted by law, the PCD and the Landowner shall indemnify, defend, and hold harmless each other, their Boards of Directors, elected officials, agents and employees, as well as the State of Washington, its officials, agents and employees from and against all claims for injuries or death, losses or suits including attorney fees arising out of or resulting from the indemnifying party's performance of this agreement.

9. Term of Agreement and Option to Renew

This Agreement shall remain in force for 25 years after the Effective Date of the Agreement. PCD may renew this Agreement for a second 25 years if it delivers written notice of renewal to Landowner at least 90 days prior to expiration of this Agreement.

10. Governing Law

This agreement shall be construed and enforced in accordance with the laws of the State of Washington.

11. Parties

| Pierce Conservation District | | Landowner | |
|------------------------------|-----------------------------------|------------|---|
| Name: | Ryan Mello | Name: | Steve Kitchin |
| Title: | Executive Director | Title: | City Manager |
| Address: | PO Box 1057 Puyallup, WA 98371 | Address: | 777 S. Meridian |
| Phone: | 253.845.9770 | Phone: | 253-435-3622 |
| Email: | RyanM@pierccd.org | Email: | skitchin@puyallupwa.gov |
| Signature: | Ryan N. Mello | Signature: |  |
| Date: | Jul 23 2020 | Date: | 9/4/20 |

Exhibit A

Legal Description of Property

THOSE PORTIONS OF PARCELS 'A' AND 'B' OF CITY OF PUYALLUP BOUNDARY LINE REVISION NO. 98-84-010, RECORDED, UNDER RECORDING NUMBER 9808125004, RECORDS OF PIERCE COUNTY, WASHINGTON, LYING NORTHERLY AND EASTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING at the NORTHWEST corner of SAID PARCEL 'A'; THENCE ALONG THE NORTH LINE THEREOF SOUTH 89°18'58" EAST, 338.00 FEET TO THE POINT OF BEGINNING OF THIS LINE DESCRIPTION; THENCE CONTINUING SOUTH 89°18'58" EAST, 68.86 FEET; THENCE SOUTH 01°42'58" WEST, 120.82 FEET TO THE SOUTH LINE OF SAID PARCEL 'A'; THENCE CONTINUING SOUTH 01°42'58" WEST, 110.02 FEET TO THE SOUTH LINE OF SAID PARCEL 'B' AND THE TERMINUS OF THIS LINE DESCRIPTION.

CONTAINING 122,306 SQUARE FEET, OR 2.81 ACRES, MORE OR LESS.