

**Return to:**

Public Utility District No. 1 of Skagit County  
1415 Freeway Drive  
Mount Vernon, WA 98273

**INTERLOCAL AGREEMENT**

The **PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY**, hereinafter referred to as “PUD” and **MOUNT VERNON SCHOOL DISTRICT #320**, hereinafter referred to as “DISTRICT”, pursuant to RCW 39.34.010, et seq, and other applicable state law, hereby enter into this Interlocal Agreement under the following terms and conditions.

**WITNESSETH:**

That the PUD does hereby agree to allow the District to use certain property situated in Mount Vernon, Skagit County, Washington, and more particularly described as follows to wit:

**PROPERTY DESCRIPTION:**

The south 40.0 feet of parcels P26801, P26804, and P26767, all in a portion of the NE ¼, NW ¼, Section 20, Township 34N, Range 4E, W.M., Skagit County, Washington, as shown in Exhibit “A”.

Situated in the County of Skagit, State of Washington, consisting of approximately 0.15 acres to be used by District for temporary portable classrooms.

1. **TERM:** The term shall be twenty (20) years commencing January 1, 2026, and terminating December 31, 2045.
2. **TERMINATION BEFORE END OF TERM:** It is understood and agreed that this agreement may be terminated by either party upon giving a notice in writing to the other party ninety (90) days in advance of the termination date, and upon expiration of such notice, this agreement shall terminate and the District shall immediately yield up possession of such property and any improvements thereon at the termination date.
3. **RIGHT OF FIRST REFUSAL:** If the PUD wishes to sell the property to another party prior to the expiration of the term, the District shall have the right of first refusal to purchase the property, upon the condition that the District shall have performed, in every way and in good faith, each and all of the terms, covenants and conditions of this agreement.


The District shall have thirty (30) days after notice of sale in which to accept or reject the offer to purchase the property upon the terms and conditions proposed by PUD, if the offer is not accepted within said thirty (30) days, PUD may sell the property to others upon the same terms and conditions as those offered to the District.

4. **ALTERATIONS AND IMPROVEMENTS:** The District shall have the right to make such alterations, additions, and improvements on said property as it shall deem necessary, provided that the District shall not construct or locate any permanent structures without the prior written consent of the PUD, and provided further that such additions and improvements shall be regarded as removable fixtures, all or any part of which the District, as it elects, may leave on said premises or remove prior to the termination of this agreement. The District shall be solely responsible for the cost of any such alterations, additions, and improvements and shall hold PUD harmless from any damage, loss, or expense arising out of such alterations, additions, or improvements.

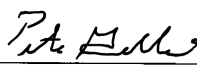
- 5. **MAINTENANCE**: The District agrees that it will keep and maintain the property in a clean, slightly and healthy condition and good repair; that, in its use of the property, it will conform with all laws, ordinances and municipal regulations; that it shall pay all utility charges incurred by its use; and that it shall yield the property back to the PUD upon the termination or revocation of this agreement in the same in which the District received same, ordinary wear and tear excepted.
- 6. **ASSIGNMENT AND SUBLETTING**: The District agrees that it will not assign or sublet the property to any part thereof without first obtaining the written consent of the PUD.
- 7. **INDEMNIFICATION**: The District agrees to indemnify, defend and save harmless the PUD from every penalty, claim, loss, cost, damage, attorney's fees and expense by reason of injury to or death of any personal or persons or damage to any property arising out of an accident on the property. The District specifically recognizes that it intends to change the nature of the use of the leased property from one that excludes the public to one that invites public use. Therefore, the District also agrees to indemnify PUD for all claims arising out of invited public use of the property.
- 8. **DEFAULT**: In the event of default by the District in the performance of its obligation hereunder, or in the event, the District shall vacate and abandon the property, if the District has not taken appropriate action to cure such default within thirty (30) days after written notice from the PUD, the PUD shall have the right to terminate this agreement and re-enter the property of any part thereof with or without process of law or, at its option, the PUD shall have the right to re-enter the property without terminating the agreement and sublet the whole or any parts thereof, or the account of the District, upon as favorable terms and conditions as the market will allow.
- 9. **WAIVER**: It is hereby agreed that a waiver by either of the parties hereto of any of the covenants and agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach.
- 10. **NOTICES**: Any notice or demand required or permitted to be given under this agreement shall be deemed to have been properly given when, and only when, the same is in writing and has been deposited in the United States mail, with postage pre-paid, to be forwarded by registered mail and addressed to the PUD c/o Manager, Public Utility District No. 1 of Skagit County, 1415 Freeway Drive, Mount Vernon, WA 98273, or Mount Vernon School District, 124 E Lawrence St, Mount Vernon, WA 98273.
- 11. **RECORDING**: Any fees associated with recording the agreement at the Skagit County Auditor's office shall be paid by the District.

DATED this 5<sup>th</sup> day of January, 2026

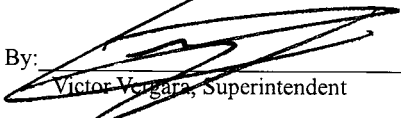
PUBLIC UTILITY DISTRICT NO.1  
OF SKAGIT COUNTY

By:   
George Sidhu, P.E., General Manager

Approved as to Form:

By:   
Peter Gilbert, Attorney  
PUD No.1 of Skagit County

MOUNT VERNON SCHOOL DISTRICT #320

By:   
Victor Vergara, Superintendent

Approved as to Form:

By: \_\_\_\_\_  
Title: \_\_\_\_\_

