

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is made and entered into as of the date of the signature of the parties below, by and between the **City of Chehalis**, a Washington municipality, **Lewis County Fire District 5**, a Washington fire protection district organized under Title 52 RCW, and **Lewis County Fire District 6**, a Washington fire protection district organized under Title 52 RCW. The parties may be referred to individually as “Party” or collectively as the “Parties” as context requires.

RECITALS

WHEREAS the City of Chehalis and Lewis County entered into an interlocal agreement (the “ILA”) authorizing the City of Chehalis to annex (the “Annexation”) its unincorporated urban growth area (“UGA”) on December 2, 2025; and

WHEREAS a dispute has arisen regarding the Annexation and Lewis County Fire Districts 5 and 6 (the “Fire Districts”) filed lawsuits in December 2025 with the Lewis County Superior Court under cause numbers 25-2-01505-21 and 25-2-01520-21 (the “Lawsuits”); and

WHEREAS City of Chehalis and the Fire Districts wish to settle this matter, without any admission of wrongdoing and without further litigation; and

NOW THEREFORE, in consideration of the actions, forbearances, settlement amount, and mutual promises of the Parties, contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Parties adopt each of these Recitals as an integral part of this Agreement.
2. **Terms of Agreement.** A copy of an interlocal agreement (the “Annexation Mitigation Agreement”) is attached, marked **Exhibit A**, and incorporated herein by this reference, setting out the key terms of the settlement between the Parties. Additional terms are included herein. To the extent that there is a conflict between the terms of this Agreement and the Annexation Mitigation Agreement, this Agreement controls.
3. **Labor.** The Fire Districts warrant the Annexation will not impact the employment of any of its existing employees. Accordingly, the Parties agree to cooperate in the drafting of correspondence to the respective employees of the Fire Districts addressing the

requirements of RCW 35A.14.485 and related sections regarding the impact of Annexation on the respective employees of the Fire Districts. The Fire Districts shall not layoff any employee as a result of the Annexation. This Agreement does not prohibit laying off employees and/or other employment decisions that are unrelated to the Annexation.

4. **Non-Disparagement.** The Parties shall refrain from making any statements to any entity or individual that are disparaging of the other or their agency including but not limited to social media posts or reviews.
5. **No Admission.** The execution of this Agreement pertains to the settlement of claims which are disputed, contested and denied. Each Party hereto understands and agrees that nothing herein is intended, nor shall be deemed, nor construed, to be an admission of liability by any Party in any respect. Regardless of the adequacy of the above consideration, the acceptance of this release shall not operate as an admission of liability on the part of the Parties.
6. **Release of Claims.** The City of Chehalis and the Fire Districts expressly waive any and all claims, known or unknown, asserted or unasserted, they may have against the other as of the date of this Agreement. This waiver and release is intended to be construed as a general release of the broadest form. Nothing in this section shall be construed to prevent a Party from asserting a claim to enforce this Agreement.
7. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective legal representatives, predecessors, heirs, successors, transferees, assigns and sureties, subject to approval as outlined in Section 12.
8. **Integrated Agreement, Additional Terms.** This Agreement and its attachments/exhibits expresses the full and complete terms of the settlement of all liability, whether pleaded or not pleaded and whether arising in contract or tort including all claims for indemnity and/or contribution. This Agreement and its attachments/exhibits fully supersede any and all prior to contemporaneous oral or written understandings, statements, representations, or promises between the Parties pertaining to their settlement.
9. **Joint Effort.** Preparation of this Agreement has been a joint effort of the Parties, and the resulting documents shall not be construed more severely against any one of the Parties than against any other.
10. **Free and Voluntary Agreement.** The Parties hereto acknowledge that each has been fully advised by legal counsel concerning the language and legal effect of this Agreement and knowingly enters into this Agreement freely and without coercion of any kind.

11. Counterparts. This Agreement may be executed via facsimile or email transmission or original signature and in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same Agreement. Photocopies of the entire signed Agreement are effective and valid for any and all purposes as if they were the original signed copy.

12. Signing Authority. Each of the Parties signing this Agreement acknowledges that they have the authority to sign the Agreement on behalf of themselves, or on behalf of any entities noted below, subject to the entity's legislative review, which is to occur no later than April 30, 2026. Notwithstanding the execution of this Agreement, if the Annexation Mitigation Agreement is not approved by either entity's legislative body, this Agreement shall not bind the Parties.

13. Dismissal of Lawsuits and Boundary Review Board. The Districts will dismiss their lawsuits against the City and Lewis County within ten (10) days of mutual acceptance of this Agreement. The Districts will support the Annexation before the Boundary Review Board and any appeal. The Districts will not appeal the decision of the Boundary Review Board.

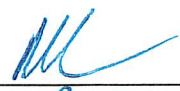
14. Attorney's Fees. In the event of a dispute concerning this Agreement or any obligation hereunder, the substantially prevailing Party shall be entitled to recover their costs, including reasonable attorneys' and experts' fees.

IN WITNESS WHEREOF, the Parties assent to the terms above with their signatures below.

City of Chehalis

By: 
Name: STACY DEWITT
Dated: 4/17/2026

Lewis County Fire District 5

By: 
Name: Rick LeBoeuf
Dated: 04/17/2026

Lewis County Fire District 6

By:  _____
Name: James Martin _____
Dated: 4-17-2026 _____

EXHIBIT A