



RESOLUTION NO. U-11552

1 A RESOLUTION related to the Department of Public Utilities, Water Division,
2 authorizing a purchase and sale agreement between Tacoma Water and
3 BTG Pactual OEF Property 1, L.P. for the purchase of approximately 579
4 acres of forestland in the Green River Watershed.

5 WHEREAS the Green River Watershed is the source of high-quality
6 drinking water for nearly one million downstream residents and it retains some
7 of the last and best salmonid habitat in King County, and

8 WHEREAS Department of Public Utilities, Water Division ("Tacoma
9 Water") has been working to strategically acquire land in the watershed as part
10 of its Watershed Management Plan under the 2018 Water System Plan (GP 5,
11 Measurement 2. Adherence to Watershed Management Plan), and

12 WHEREAS acquiring these lands improves source water protection and
13 control, and

14 WHEREAS to reduce the financial impact of land acquisition, Tacoma
15 Water will use, for part of the acquisition purchase price, King County
16 Conservation Futures ("CFT") Levy Grant funds, and

17 WHEREAS Tacoma Water has previously received Board and Council
18 approval of an Interlocal Agreement with King County to authorize receipt of
19 CFT Levy Grant Funds, and

20 WHEREAS Tacoma Water is requesting approval of the Purchase and
21 Sale Agreement dated July 14, 2025, between Tacoma Water and BTG Pactual
22 OEF Property 1, L.P. for the negotiated purchase of approximately 579 acres of
23 forestland identified as King County Assessor Tax Parcel Nos. 1320109013,
24 1920109001, 2020109014, 2820109001, and 2920109001, located in the
25
26



1 Green Water Watershed in unincorporated King County, for \$2,460,000, to
2 further protect our high-quality drinking water source and reduce the financial
3 impact to our downstream customers; Now, therefore,

4
5 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA

6 That Tacoma Water's request for authorization to execute a Purchase
7 and Sale Agreement with BTG Pactual OEF Property 1, L.P., for the negotiated
8 purchase of approximately 579 acres of forestland located in the Green River
9 Watershed, in the amount of \$2,460,000, with partial use of the King County
10 Conservation Futures (CFT) Levy Grant funds, is hereby approved, and the
11 proper officers of the City are authorized to execute said agreement and any
12 other necessary or convenient documents to complete the transaction, all as
13 substantially in the form as on file with the Clerk and/or as approved by the City
14 Attorney's Office.
15

16
17 Approved as to form:

18 /s/
19 Chief Deputy City Attorney

20
21 Clerk

Chair

Secretary

Adopted



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Keri Burchard-Juarez, Utilities Deputy Director and Water Superintendent
Greg Muller, Real Property Supervisor, Real Property Services
MEETING DATE: August 27, 2025
DATE: August 13, 2025

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

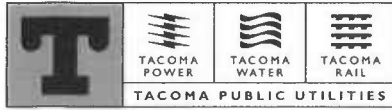
Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|--|
| <input type="checkbox"/> GP1 – Diversity, Equity, Inclusion, Belonging | <input checked="" type="checkbox"/> GP7 – Reliability & Resiliency |
| <input type="checkbox"/> GP2 – Financial Sustainability | <input type="checkbox"/> GP9 – Economic Development |
| <input type="checkbox"/> GP3 – Rates | <input checked="" type="checkbox"/> GP10 – Government Relations |
| <input type="checkbox"/> GP4 – Stakeholder Engagement | <input type="checkbox"/> GP12 – Employee Relations |
| <input checked="" type="checkbox"/> GP5 – Environmental Leadership | <input type="checkbox"/> GP13 – Customer Service |
| <input checked="" type="checkbox"/> GP6 – Innovation | <input checked="" type="checkbox"/> GP14 – Resource Planning |

SUMMARY: Approve Purchase and Sale Agreement, dated July 14, 2025, between Tacoma Water and BTG Pactual OEF Property 1, L.P. and authorize the negotiated purchase of approximately 579 acres of forestland identified as King County Assessor Tax Parcel Nos. 1320109013, 1920109001, 2020109014, 2820109001, and 2920109001, located in the Tacoma Water Green River Watershed in unincorporated King County, for \$2,460,000, to further protect our high-quality drinking water source and reduce the financial impact to our downstream customers.

BACKGROUND: The Green River Watershed is the source of high-quality drinking water for nearly 1 million downstream residents, and it retains some of the last and best salmonid habitat in King County. Tacoma Water has been working to strategically acquire land in the watershed as part its Watershed Management Plan under the 2018 Water System Plan (GP 5, Measurement 2. Adherence to Watershed Management Plan). Acquiring these lands improves source water protection and control. To reduce the financial impact of land acquisition, Tacoma Water will use, in part, King County Conservation Futures (CFT) Levy Grant funds for the acquisition, and Tacoma Water has previously received Board and Council approval of an Interlocal Agreement with King County to authorize receipt of those CFT Levy Grant Funds. The transactional documents were reviewed by the City Attorney's Office and approved by Tacoma Water management.

Closing of the purchase is expected by year-end 2025.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No

ATTACHMENTS: Purchase and Sale Agreement, Location Map

CONTACT: Primary Contact: Greg Muller, Real Property Supervisor, 253.337.3164
Supervisor: Dylan Harrison, Real Property Manager, Ext 8836

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
WATER DIVISION
REAL ESTATE PURCHASE AND SALE AGREEMENT
AGREEMENT NO. A3344

Reference No.: P2020-017

Seller: BTG Pactual OEF Property 1, L.P., a Delaware limited partnership
Buyer: City of Tacoma, Department of Public Utilities, Water Division, (d.b.a. Tacoma Water), a Washington first class municipal corporation
Legal Description: Portions of the SE1/4 S13, T20N, R10E, & NE1/4 S19, T20N, R10E, & SE1/4 S20, T20N, R10E, & NE1/4 S28, T20N, R10E, & NE1/4 S29, T20N, R10E, all of the W.M., in King Co., WA.
Tax Parcel Nos.: 1320109013, 1920109001, 2020109014, 2820109001, and 2920109001

This REAL ESTATE PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into as of July 14, 2025 (the "Agreement Date") between BTG Pactual OEF Property 1, L.P., a Delaware limited partnership ("Seller") and City of Tacoma, Department of Public Utilities, Water Division, (d.b.a. Tacoma Water), a Washington state first class municipal corporation ("Buyer").

RECITALS

WHEREAS, Seller is the owner of certain real property identified herein as the Property and more particularly described in Section 1, below

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer AGREE AS FOLLOWS:

AGREEMENT

1. **Real Property.** Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller, subject to the terms and conditions set forth in this Agreement, the real property located in the County of King and State of Washington, more particularly described as follows (the "Property"):

Parcel A:

Those portions of the North half of the Southeast quarter and the Southwest quarter of the Southeast quarter of Section 13, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington, lying Northerly of the Northerly boundary of the parcel of land described as Tract No. VC-419 in a transmission line easement to the United States of America dated September 28, 1964 (recorded under recording no. 5868264)

Parcel B:

The Northeast quarter of Section 19, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington;

EXCEPT that portion thereof lying within the Northern Pacific Railway Company Railroad right of way.

Parcel C:

That portion of the South half of the Southeast quarter of Section 20, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington, lying Southerly of the centerline of the Puget Sound Power & Light Company transmission line as described in easement from Ella Walton and J. F. Walton, her husband, dated September 29, 1922 and recorded under recording no. 1669188.

Parcel D:

The Northeast quarter of Section 28, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington.

Parcel E:

The Northeast quarter of Section 29, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington.

Together with all right, title and interest in and to any rights, licenses, privileges, reversions and easements appurtenant to the real property, including without limitation, (i) all timber and rights of harvest, (ii) all minerals, oil, gas and other hydrocarbon substances on and under the real property, to the extent owned by Seller and without warranty, (iii) all development rights, air rights, water rights, water and water stock relating to the real property, to the extent owned by Seller and without warranty, and (iv) any other easements, rights-of-way or appurtenances used in connection with the beneficial use and enjoyment of the real property, to the extent transferrable.

Also known as King County Tax Parcel Numbers 1320109013, 1920109001, 2020109014, 2820109001, and 2920109001.

2. **Deposit.** Within ten (10) business days following the Agreement Date, Buyer shall deliver to Title Company, as escrow agent for the Closing of this transaction, an earnest money deposit in the amount of **ONE HUNDRED THOUSAND AND No/100 U.S. Dollars (\$100,000.00)**, (the "Deposit"), as part payment of the Purchase Price of the Property. The Deposit will be held in an interest-bearing account by the Title Company for the benefit of the parties pursuant to the terms of this Agreement. Any interest that accrues on the Deposit will be for the benefit of Buyer; provided, however, that if Buyer forfeits the Deposit to Seller pursuant to the terms of this Agreement, then all interest accrued on the Deposit will be paid to Seller. Unless otherwise provided in this Agreement, the Deposit and any accrued interest shall be applied to the Purchase Price.
3. **Purchase Price.** The total purchase price for the Property (the "Purchase Price") is **TWO MILLION FOUR HUNDRED SIXTY THOUSAND and No/100 U.S. Dollars (\$2,460,000.00)**, to which the Deposit is a fully applicable part. The Purchase Price, including the Deposit, will be deposited by Buyer with the Escrow Agent, and, less any deductions pursuant to Section 9, will be distributed to Seller by electronic funds transfer at Closing.
4. **Title to Property**
- 4.1 **Conveyance.** At Closing, Seller shall convey to Buyer marketable fee simple title to the Property by a duly executed and acknowledged Bargain and Sale Deed (the "Deed") substantially in the form of Exhibit "A" attached hereto and by this reference incorporated herein, subject only to those encumbrances that Buyer approves pursuant to Section 4.3. below (the "Permitted Encumbrances").

- 4.2 Preliminary Commitment. Upon the Agreement Date, Seller will order a preliminary commitment for an owner's standard coverage policy of title insurance (or, at Buyer's election, an owner's extended coverage policy of title insurance) in the full amount of the Purchase Price, to be issued by First American Title Insurance Company, 920 5th Ave Ste 1250 Seattle, Washington 98104 (the "Title Company"), and accompanied by copies of all documents referred to in the commitment (the "Preliminary Commitment"), provided that, in the event Buyer elects to purchase an owner's extended coverage policy, Seller shall not be obligated to provide any indemnity to the Title Company other than that required under a standard owner's affidavit or gap indemnity.
- 4.3 Condition of Title. Buyer shall advise Seller by written notice what encumbrances to title, if any, are disapproved by Buyer ("Disapproved Encumbrances") within ten (10) business days of receipt of the Preliminary Commitment (the "Buyer's Disapproved Encumbrances Notice"). All monetary encumbrances other than non-delinquent ad valorem property taxes will be deemed to be disapproved. Seller will have five (5) business days after receipt of Buyer's notice to give Buyer notice that (i) Seller will remove Disapproved Encumbrances, or (ii) Seller elects not to remove Disapproved Encumbrances (the "Seller Response to Disapproved Encumbrances"). If Seller fails to give Buyer notice before the expiration of the five (5) business day period, Seller will be deemed to have elected not to remove said Disapproved Encumbrances. Notwithstanding anything to the contrary in this Agreement, Seller shall remove from title on or before the Closing Date all monetary encumbrances other than those approved by Buyer. If Seller elects not to remove any Disapproved Encumbrances, Buyer will have five (5) business days after receipt of Seller Response to Disapproved Encumbrances to notify Seller of Buyer's election either to proceed with the purchase and take the Property subject to those encumbrances (in which event they shall become Permitted Encumbrances), or to terminate this Agreement. If Buyer fails to give Seller notice before the expiration of the five (5) business day period, Buyer will be deemed to have elected to terminate this Agreement. If Buyer elects to terminate this Agreement pursuant to this section, the escrow will be terminated, all documents will be returned to the party who deposited them, the Deposit will be returned immediately to the Buyer, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. If this Agreement is terminated pursuant to this Section, then Seller and Buyer shall share equally any costs of terminating the escrow and any cancellation fee for the Preliminary Commitment.
- 4.4 Intervening Exceptions. Seller shall immediately notify Buyer (the "Intervening Exceptions Notice") upon Seller becoming aware of any liens, leases, encumbrances, easements, restrictions, conditions, covenants, rights-of-way and other matters affecting title to the Property that are created and which may appear of record or be revealed by survey or otherwise after the date of the Preliminary Commitment but before the Closing (collectively, "Intervening Exceptions"). Intervening Exceptions shall be subject to Buyer's approval, and Buyer shall have five (5) business days after notice in writing of any Intervening Exception, together with a description thereof and a copy of the instrument creating or evidencing the Intervening Exception, if any, to either accept it (whereupon the Intervening Exception shall become a Permitted Encumbrance) or submit written objection (the "Buyer Response to Intervening Exceptions Notice"). If Seller elects not to remove any Intervening Exception, Seller will have five (5) business days to send Buyer notice of said election. Buyer will then have five (5) business days after receipt of Seller's notice to notify Seller of Buyer's election either to proceed with the purchase and take the Property subject to

those Intervening Exceptions (in which event they shall become "Permitted Encumbrances"), or to terminate this Agreement. If Buyer fails to give Seller notice before the expiration of the five (5) business day period, Buyer will be deemed to have elected to terminate this Agreement. If Buyer elects to terminate this Agreement pursuant to this section, the escrow will be terminated, all documents will be returned to the party who deposited them, the Deposit will be returned to the Buyer, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. If this Agreement is terminated pursuant to this Section, then Seller and Buyer shall share equally any costs of terminating the escrow and any cancellation fee for the Preliminary Commitment.

- 4.5 Title Policy. At Closing, Seller shall cause the Title Company to issue to Buyer a standard coverage owner's policy of title insurance (or, at Buyer's election, an owner's extended coverage policy of title insurance) insuring Buyer's title to the Property in the full amount of the Purchase Price subject only to the Permitted Encumbrances (the "Title Policy"). The Title Policy must be dated as of the Closing Date.
5. Conditions to Closing. The Seller acknowledges and agrees that this Agreement is conditioned upon the following:
- 5.1 Tacoma Public Utility Board and Tacoma City Council Approval. This Agreement, and the transaction contemplated hereby, must be duly approved by the Tacoma Public Utility Board and the Tacoma City Council prior to Closing. If such approvals are not obtained, this Agreement will terminate, all documents will be returned by the Escrow Agent to the party who deposited them, the Deposit will be returned immediately to the Buyer, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. Nothing in this Paragraph 5.1 will obligate Buyer to obtain Tacoma Public Utility Board or City Council approval beyond the ordinary course of City of Tacoma and Department of Public Utilities procedures.
- 5.2 Buyer Funding. The purchase of the Property is contingent on receipt of grant funding and/or appropriation by Buyer of funds sufficient to purchase the Property. Buyer will have 90 days from the Agreement Date to secure such funds. If said funding is not approved within 90 days of the Agreement Date, this Agreement will terminate, the Deposit will be returned to the Buyer, and neither party will have any further rights or obligations under this Agreement. While Buyer will use reasonable efforts to secure such funding, nothing in this Section 5.2 will obligate Buyer to secure such funding or accept the funding offered.
6. Condition of the Property.
- 6.1 Seller's Covenant to Operate and Maintain. Seller shall maintain, repair, manage and operate the Property in a businesslike manner in accordance with Seller's prior practices, and Seller will not harvest the timber on the Property. Seller agrees that it will not damage, dissipate, or commit waste on any portion of the Property between the Agreement Date and the Closing Date. Seller shall surrender the Property to Buyer in as good condition (normal wear and tear excepted) as exists on the Agreement Date, provided that Seller shall have no obligation to take any action with respect to conditions caused by third parties or Acts of God.
- 6.2 Inspections. Buyer agrees that it will rely on its own inspections and evaluations of the Property, with the exception of Seller's representations and warranties

listed in Section 7 below, and of written documentation, including, but not limited to any disclosures required by law, provided to Buyer by Seller, to determine the suitability of the Property for Buyer's intended use. For the avoidance of doubt, except as provided under applicable law, any documentation delivered by Seller to Buyer to assist Buyer with its inspection and evaluation of the Property shall be without any representation or warranty, including as to its completeness or accuracy.

- 6.3 **Additional Seller Disclosures.** Buyer and Seller acknowledge that the Property may constitute "Commercial Real Estate" or "Residential Real Property" as defined in RCW 64.06.005. Pursuant to RCW 64.06.010, Buyer hereby waives any right to receive Seller's disclosure statement other than the section entitled environmental. The environmental section of the seller disclosure statement required under RCW 64.06 for transactions involving the sale of such real property (the "Disclosure Statement") shall be provided to Buyer within five (5) business days after the Agreement Date. Buyer shall within three (3) business days thereafter deliver written notice to Seller to rescind the Agreement, else the Disclosure Statement will be deemed approved and accepted by Buyer. If, upon review of the Disclosure Statement, Buyer rescinds the Agreement, all documents and the Deposit held by the Escrow Agent will be returned immediately to the party who deposited them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement.
7. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer as follows:
- 7.1 **Claims or Litigation.** To Seller's Knowledge, there is no litigation pending or threatened against Seller (or any basis for any claim) that arises out of Seller's ownership of the Property and that might materially and detrimentally affect (i) the use or operation of the Property as commercial timberlands, or (ii) the ability of Seller to perform its obligations under this Agreement.
- 7.2 **Defaults.** Seller has received no written notice of any default or breach by Seller under any covenants, conditions, restrictions, rights-of-way or easements that may affect Seller in respect to the Property or may affect the Property or any portion thereof and to Seller's Knowledge no such default or breach now exists.
- 7.3 **Organization.** Seller is a limited partnership duly organized and validly existing under the laws of the state of Delaware. This Agreement and all documents executed by Seller that are to be delivered to Buyer at Closing are, or at the Closing Date, will be: (i) duly authorized and validly executed by all necessary company action on the part of Seller and delivered by Seller, (ii) a legal, valid and binding obligation of Seller, (iii) in compliance with and will not constitute a default under the certificate of incorporation or by-laws of Seller, (iii) sufficient to convey title (if they purport to do so), and (iv) in compliance with all provisions of all agreements, documents, instruments, and judicial orders to which Seller is a party or to which Seller or all or any portion of the Property is subject.
- 7.4 **Hazardous Substances.** To Seller's Knowledge (i) Seller has not caused any generation, treatment, storage, transfer, disposal or release of Hazardous Substances in violation of applicable laws on, in, under or emanating from the Property, and (ii) there are no underground storage tanks on the Property. To Seller's Knowledge, there are no facts that would lead it to believe that there are any Hazardous Substances on, in, under or emanating from the Property in violation of applicable laws. To Seller's Knowledge, there are no concealed

material defects in the Property. "Hazardous Substances" means any hazardous or toxic substance, petroleum product or wastes that are regulated or subject to cleanup authority under any state, federal or local statute, regulation, or ordinance). To Seller's Knowledge, the environmental and ecological condition of the Property as of the date of Closing will be such that there will not be a violation of any law, ordinance, notice requirement, rule or regulation applicable thereto.

- 7.5 **No Violations.** To Seller's Knowledge, no governmental entity with jurisdiction has asserted, or has threatened to assert, that the Property or any part thereof is in violation of any applicable legal requirement. To Seller's Knowledge, Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use.
- 7.6 **No Contracts.** To Seller's Knowledge, except for the Permitted Encumbrances, there are no additional contracts, agreements or other arrangements under which Seller is obligated to sell, exchange, transfer, lease, rent or allow the use of the Property or any part thereof now or in the future, or under which any person or entity has the right to possess or occupy the Property or any part thereof now or in the future.
- 7.7 **Seller's Knowledge.** For purposes of this Agreement, "Seller's Knowledge" and phrases of similar import means and shall be limited to the present, actual knowledge of David Duncan, Head of U.S. Transactions of BTG Pactual Timberland Investment Group, Joseph Koontz, Regional Manager TTG Forestry Services, and Ryan Gordon, Area Manager TTG Forestry Services, after making reasonable inquiry of Seller's records. Such individuals are identified herein solely for the purpose of establishing the scope and content of Seller's Knowledge and shall not be deemed to make any of the representations or warranties of Seller herein nor to have any liability to Buyer with respect thereto. Seller's Knowledge shall not apply to, or be construed to include, information or material which may be in the possession of Seller generally or incidentally, but of which the individuals identified above are not actually aware.
8. **Closing.** This transaction will be closed in escrow by the Title Company acting as escrow agent (the "Escrow Agent"). The closing will occur on a time and date mutually agreed to by the parties, but in no circumstance later than twenty (20) business days following approval of the transaction by the Tacoma Public Utility Board and Tacoma City Council, whichever approval occurs later (the "Closing Date"). "Closing", for the purpose of this Agreement, is defined as the date that all documents are executed, the sale proceeds are available for disbursement to Seller, and legal title of the Property passes to Buyer. If Closing does not occur on or before the Closing Date, or any later date mutually agreed to in writing by Seller and Buyer, the Escrow Agent will immediately terminate the escrow and return all documents to the party that deposited them and immediately return the Deposit to the Buyer, unless such failure to close is caused by Buyer in breach of the terms of this Agreement. When notified by the Escrow Agent, Buyer and Seller will deposit with Escrow Agent without delay all instruments and monies required to complete the transaction in accordance with this Agreement.
9. **Closing Costs and Prorations.** Seller shall pay the premium for a standard coverage owner's policy of title insurance in the full amount of the Purchase Price, state of Washington real estate excise taxes applicable to the sale, provided that any real estate excise taxes imposed in connection with this transaction in excess of the timber tax rate, pursuant to RCW 82.45.060(1)(c), in effect at time of Closing shall be paid by Buyer, and one-half of the Escrow Agent's escrow fee. Buyer shall pay the additional premium, if any, attributable to an extended coverage owner's policy of title insurance (if elected by

Buyer, at Buyer's sole discretion, provided that Seller shall not be obligated to incur any expenses in connection with such extended policy) and any endorsements required by Buyer, the cost of recording the Deed, and one-half of the Escrow Agent's escrow fee. Property taxes and assessments for the current year, water and other utility charges, if any, shall be prorated as of the Closing Date unless otherwise agreed. Buyer is a property tax exempt organization pursuant to R.C.W. 84.36.010, and therefore Escrow Agent is directed, to the extent possible, to apply to (give notice to) King County for a change in tax status for the Property, so that property taxes do not have to be collected from Buyer at the Closing Date. Provided however, Buyer shall pay any taxes or penalties payable due to the removal of the Property from, or the failure of Buyer to continue any present classification of the Property under, any current zoning or forestland or other classification.

10. Casualty Loss Seller shall promptly notify Buyer of any event prior to the Closing Date which causes damage to or destruction of any portion of the Property. If Buyer and Seller cannot come to an agreement regarding any such damage to or destruction of the Property, including the settlement of any insurance claims, then Buyer and Seller will each have the right to terminate this Agreement by giving written notice of termination to the other party within fourteen (14) days after receipt of actual notice of such casualty loss (the "Casualty Loss Notice"). Upon exercise of such termination election by either party, this Agreement will terminate, all documents will be returned to the party who deposited them, the Deposit will be returned to the Buyer, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement.
11. As-Is Disclaimer Buyer acknowledges and agrees that, except as otherwise expressly stated in this Agreement or in the documents to be delivered by Seller hereunder, Buyer is acquiring the Property at the Closing in an "AS-IS" "WHERE-IS" condition, with all faults, and that no patent or latent defect in the physical or environmental condition of the Property, whether or not known or discovered, shall affect the rights of either party hereto. Buyer further acknowledges and agrees that, except as otherwise stated in this Agreement or in the documents to be delivered by Seller hereunder, neither Seller nor any affiliate, principal, agent, attorney, employee, broker, or other representative of Seller has made any representations or warranties of any kind whatsoever regarding the Property, either express or implied. Further, except for express statements stated in this Agreement or in the documents to be delivered by Seller hereunder, Buyer is not relying on any warranty, representation, or covenant, express or implied, with respect to the Property, including, without limitation, those relating to (a) the condition of the soils or groundwater of the Property or the presence or absence of hazardous, dangerous, or toxic materials or substances on, under, or around the Property; (b) the compliance of the Property with applicable statutes, laws, codes, ordinances, regulations, rules, or requirements, whether relating to zoning, subdivision, planning, building, fire, safety, health, or environmental matters, or otherwise, (c) the compliance of the Property with covenants, conditions, and restrictions (whether or not of record); or (d) the compliance of the Property with other local, municipal, regional, state, or federal requirements. Notwithstanding anything to the contrary in this Agreement, Buyer reserves any right it might have to bring a claim against Seller based on fraud or intentional misrepresentation. This Section 11 will survive the Closing or earlier termination of this Agreement.
12. Possession Seller shall deliver possession of the Property to Buyer on the Closing Date. Seller shall remove any and all personal property or debris from the Property on or before the Closing Date, unless specifically authorized otherwise in writing by Buyer.
13. Events of Default
 - 13.1 In the event Seller fails, without legal excuse, to complete the sale of the Property, Buyer shall be entitled, as its sole and exclusive remedy, to either (a)

immediate return of its instruments and monies deposited with the Escrow Agent (including the Deposit), or (b) maintain its Deposit with Escrow Agent and seek specific performance.

- 13.2 In the event Buyer fails, without legal excuse, to complete the purchase of the Property, Seller shall be entitled to the Deposit as full liquidated damages and not as a penalty (the parties acknowledge that Seller's damages as a result of such default are not capable of exact ascertainment and that said liquidated damages are fair and reasonable). The payment of the Deposit to Seller shall be Seller's sole and exclusive remedy under this Agreement for such default by Buyer.
 14. Notices Any notice under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier service, given by mail or e-mail. All notices must be addressed to the parties at the following addresses, or at such other addresses as the parties may from time to time direct in writing:

Seller:	David Duncan BTG Actual OEF Property 1, L.P., c/o BTG Pactual Asset Management US, LLC 1180 Peachtree Street NE, Suite 1810 Atlanta, GA 30309 e-mail: David.Duncan@btgpactual.com
Buyer:	Greg Muller, Senior Real Property Officer Tacoma Public Utilities – Real Property Services ABS – 2nd Floor 3628 S 35th Street Tacoma, WA 98409 e-mail: gmuller@cityoftacoma.org
- Any notice will be deemed to have been given, when personally delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, two business days after deposit in the U.S. mail, and if delivered by e-mail, the same day transmitted, if before 5 pm Pacific Standard Time or Pacific Daylight Time, whichever is then in effect.
15. Counterparts; Electronic Signatures This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts. Electronically transmitted signatures shall be fully binding and effective for all purposes.
 16. Brokers and Finders Each party represents and warrants to the other that, to such party's knowledge, no broker, agent or finder is involved in this transaction. In the event any broker or other person makes a claim for a commission or finder's fee based upon the transaction contemplated by this Agreement, the party through whom said broker or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorneys' fees, which may be incurred by such other party in connection with such claim. This indemnity shall survive the Closing of this transaction.
 17. Professional Advice Seller and Buyer hereby acknowledge that it may be advisable for either or both parties to obtain independent legal, tax or other professional advice in connection with this transaction, as the terms and conditions of this Agreement affect the parties' rights and obligations. The parties agree that they have satisfied themselves that

they understand the terms and conditions of this sale and have accepted full responsibility to seek such professional advice as they deem necessary.

18. Amendments. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.
19. Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained in this Agreement are intended to and will remain true and correct as of the Closing Date, will be deemed to be material, and will survive the execution and delivery of this Agreement and the delivery of the Deed and transfer of title. Such representations and warranties, however, are not assignable and do not run with the land, except as may be expressly provided herein or contained in a written instrument signed by the party to be charged.
20. Governing Law. This Agreement will be governed and construed in accordance with the laws of the state of Washington without recourse to any principles of Conflicts of Laws.
21. Attorney Fees. If either party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in the dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights under this Agreement, including without limitation, court costs and reasonable attorney fees incurred in connection with any federal, state or bankruptcy proceeding.
22. Time of the Essence. Time is of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.
23. FIRPTA. If required by Escrow Agent, Seller will prepare a certification or equivalent that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act ("FIRPTA"), and Seller agrees to sign this certification. If Seller is a "foreign person" as the same is defined by FIRPTA, and this transaction is not otherwise exempt from FIRPTA, Escrow Agent will withhold and pay the required amount to the Internal Revenue Service.
24. Waiver. Neither Seller's nor Buyer's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.
25. Nonmerger. The terms and provisions of this Agreement, including without limitation, all indemnification obligations, will not merge in, but will survive the Closing of the transaction contemplated under this Agreement.
26. Assignment. Buyer shall not assign this Agreement without Seller's prior written consent, which consent may not be unreasonably withheld or delayed.
27. Negotiation and Construction. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party.
28. Additional Acts. Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by any party hereto, the parties agree to perform, execute and/or deliver, or cause to be performed, executed and/or delivered, any and all such further acts, deeds and assurances, which may reasonably be required to give effect to the Agreement contemplated herein.

29. Survival. Any terms, conditions, or provisions of this Agreement which expressly or by their nature should survive shall survive the Closing of the sale for the period of eighteen (18) months from the date of Closing.
30. Business Days. For purposes of this Agreement, Business Days are defined as Mondays through Fridays, excluding Saturdays and Sundays and all Federal, State of Washington, and City of Tacoma recognized holidays.
31. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property, and supersedes all prior agreements and understandings, oral or written, between the parties relating to the subject matter of this Agreement.

{Remainder of Page Intentionally Left Blank}

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

**BTG Pactual OEF Property 1, L.P.,
a Delaware limited partnership**

By: BTG Pactual OEF Asset GP, LLC, its General Partner

By: BTG Pactual OEF Partnership, L.P., its Sole Member

By: BTG Pactual OEF Partnership GP, LLC, its General Partner

By: BTG Pactual Open Ended Core U.S. Timberland REIT, LLC, its Sole Member

By: David Duncan 06/27/2025
Name: David Duncan Date
Its: Authorized Signatory

BUYER:

**City of Tacoma, Department of Public Utilities, Water Division (d.b.a. Tacoma Water), a
Washington first class municipal corporation**

By: Jackie Flowers 07/14/2025
Name: Jackie Flowers Date
Its: Director of Utilities

By: Keri Burchard-Juarez
Name: Keri Burchard-Juarez
Its: Water Superintendent

Approved as to form:

By: Michael W. Smith
Name: Michael W. Smith
Its: Deputy City Attorney

City of Tacoma Review

TACOMA WATER

By: Jerrold Davis
Name: Jerrold Davis
Its: Division Manager

By: Tyler Patterson
Name: Tyler Patterson
Its: Natural Resources Manager

By: Dana Larsen
Name: Dana Larsen
Its: Division Manager

By: John Haase
Name: John Haase
Its: Tacoma Water Surveying

FINANCE:

By: Andrew Cherullo
Name: Andrew Cherullo
Its: Director of Finance

EXHIBIT A

After Recording Return To:

Tacoma Public Utilities – Real Property Services
ABS – 2nd Floor
3628 S. 35th Street
Tacoma, WA 98409

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
BARGAIN AND SALE DEED NO. 6791**

Reference No.: P2020-017 / GWM

Grantor: BTG Pactual OEF Property 1, L.P., a Delaware limited partnership

Grantee: City of Tacoma, Department of Public Utilities, Water Division
(d.b.a. Tacoma Water), a Washington first class municipal corporation

Abbreviated
Legal

Description: Portions of the SE1/4 S13, T20N, R10E, & NE1/4 S19, T20N, R10E,
& SE1/4 S20, T20N, R10E, & NE1/4 S28, T20N, R10E, &
NE1/4 S29, T20N, R10E, all of the W.M., in King Co., WA.

Complete

Description: Exhibit A

Tax Parcel Nos.: 1320109013, 1920109001, 2020109014, 2820109001,
and 2920109001

BARGAIN AND SALE DEED

BTG PACTUAL OEF PROPERTY 1, L.P., a Delaware limited partnership ("Grantor"), for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, bargains, sells and conveys to the CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, WATER DIVISION, (d.b.a. TACOMA WATER), a Washington first class municipal corporation, ("Grantee"), the real property situated in King County, Washington, described in the attached Exhibit A and by this reference incorporated herein (the "Property").

Together with all right, title and interest in and to any rights, licenses, privileges, reversions and easements appurtenant to the Property, including without limitation, (i) all timber and rights of harvest, (ii) all minerals, oil, gas and other hydrocarbon substances on and under the Property, to the extent owned by Grantor and without warranty, (iii) all development rights, air rights, water rights, water and water stock relating to the Property, to the extent owned by Grantor and without warranty, and (iv) any other easements, rights-of-way or appurtenances used in connection with the beneficial use and enjoyment of the Property, to the extent transferrable.

The Property is conveyed by Grantor and accepted by Grantee subject to those matters described on Exhibit B attached hereto.

DATED effective as of _____, 2025.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, I have executed this instrument at _____ County,
Georgia, on behalf of BTG Pactual OEF Property 1, L.P., said partnership having caused
its partnership name to be hereunto subscribed and affixed and these presents to be
executed by its thereunto duly authorized, on _____.

**BTG Pactual OEF Property 1, L.P.,
a Delaware limited partnership**

By: BTG Pactual OEF Asset GP, LLC, its General Partner
By: BTG Pactual OEF Partnership, L.P., its Sole Member
By: BTG Pactual OEF Partnership GP, LLC, its General Partner
By: BTG Pactual Open Ended Core U.S. Timberland REIT, LLC, its Sole Member

By: _____ Date _____
Name: David Duncan
Its: Authorized Signatory

[Remainder of page intentionally left blank. Notary block follows.]

STATE OF _____)
COUNTY OF _____) §

On _____ before me, a Notary Public in and for the State of Georgia,
personally appeared David Duncan, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person who executed this instrument, on oath
stated that he/she was authorized to execute the instrument, and acknowledged it as an
authorized signatory for BTG Pactual Open Ended Core U.S. Timberland REIT, LLC, the
sole member of BTG Pactual OEF Partnership GP, LLC, the general partner of BTG
Pactual OEF Partnership, L.P., the sole member of BTG Pactual OEF Asset GP, LLC,
the general partner of BTG Pactual OEF Property 1, L.P., to be the free and voluntary
act and deed of said partnership for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the
day and year first above written.

PLACE NOTARY SEAL IN BOX



Notary Public in and for the
State of Georgia

Residing in _____

Authorized by Public Utility Board Resolution No. U-_____, adopted _____.

ACCEPTED:

City of Tacoma, Department of Public Utilities, Water Division (d.b.a. Tacoma Water)
a Washington first class municipal corporation

Jackie Flowers, Date
Director of Utilities

Keri Burchard-Juarez,
Water Superintendent

Approved as to form:

Michael W. Smith,
Deputy City Attorney

City of Tacoma Review

TACOMA WATER

Jerrod Davis,
Division Manager

Tyler Patterson,
Natural Resources Manager

Dana Larsen,
Division Manager

John Haase,
Tacoma Water Surveying

FINANCE:

Andrew Cherullo,
Director of Finance

EXHIBIT A

Legal Description of the Property

Parcel A:

Those portions of the North half of the Southeast quarter and the Southwest quarter of the Southeast quarter of Section 13, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington, lying Northerly of the Northerly boundary of the parcel of land described as Tract No. VC-419 in a transmission line easement to the United States of America dated September 28, 1964 (recorded under recording no. 5868264).

Parcel B:

The Northeast quarter of Section 19, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington;

EXCEPT that portion thereof lying within the Northern Pacific Railway Company Railroad right of way.

Parcel C:

That portion of the South half of the Southeast quarter of Section 20, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington, lying Southerly of the centerline of the Puget Sound Power & Light Company transmission line as described in easement from Ella Walton and J. F. Walton, her husband, dated September 29, 1922 and recorded under recording no. 1669188.

Parcel D:

The Northeast quarter of Section 28, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington.

Parcel E:

The Northeast quarter of Section 29, Township 20 North, Range 10 East, Willamette Meridian, in King County, Washington.

For informational purposes only, also known as King County Tax Parcel Numbers 1320109013, 1920109001, 2020109014, 2820109001, and 2920109001.

Exhibit B

Permitted Encumbrances

[TO BE ADDED FROM TITLE REPORT]

Property Location Map

