1. Receipt by purchaser before date of closing of Referendum 37 Funds from the State of Washington for use as downpayment on real estate contract to be executed between purchaser and seller.

2. Official approval by all applicable governmental agencies and parties of condominium to be created with regard to the real estate described in Exhibit A and the building located thereon, and approval by the State of Washington of said condominium as satisfying its requirements for disbursement of Referendum 37 funds to purchaser, said condominium to be in a form acceptable to purchaser.

3. Satisfaction in full of real estate contract between Garry L. Johnson and Venona R. Johnson (seller) and Homer L. Nottingham (purchaser), recorded April 22, 1980, under Auditor's File No. 367954, and filing and recordation with Island County Auditor of document(s) representing said satisfaction.

4. Purchaser shall be entitled to possession of the premises on date of closing.

5. Execution of a business premises lease between Cascade-Islands Comprehensive Community Health Board, Inc., and purchaser for the premises identified in Exhibit A satisfactory to purchaser, which shall contain a provision, among others, to the effect that Cascade-Islands Comprehensive Community Health Board, Inc., (Island Mental Health Center), will be the primary lessee of the building in question for the full term of the real estate contract between purchaser and seller, and said lessee shall pay rent to lessor in monthly amounts equal to or greater than purchaser's (lessor's) monthly obligation under its real estate contract with seller, and said rental payments shall be made from mental health millage funds allocated to lessee.

6. Execution of a real estate contract between the parties for the sale and purchase of the land and premises described in Exhibit A under the terms and conditions embodied in this earnest money agreement and in form satisfactory to purchaser.

7. In the event that seller shall default on any instrument of security under which it may be obligated with regard to the land and premises described in Exhibit A, the security holder shall notify purchaser of such default, and purchaser shall have the right to make any payments necessary to remove the default, and any payments so made shall be applied to the payments next falling due on the contract between seller and purchaser herein.

8. Purchaser's inspection and approval of the following:

a. Title report.

b. Physical inspection of interiors and exteriors of all units and blueprints and plans of the building.

c. Inventory of all personal property, furnishings and fixtures to be included as part of the building and premises purchased.

9. The uses of the premises to be made by purchaser and its principal lessee, Cascade-Islands Comprehensive Community Health Board, Inc.(Island Mental Health Center), are premissible under any and all applicable state, county and city laws, ordinances and regulations governing land use and the activities in which purchaser and its principal lessee shall be engaged.

10. Approval of a payment and collection arrangement between and satisfactory to the parties and a bank or other financial institution, whereby the monies to satisfy the payments under the real estate contract to be executed between purchaser and seller and the seller's underlying obligation to WFCU will be automatically disbursed to the proper parties.

Commissioner Kemp questioned as to the lessee's obligation since the matter is now at a point of entering into a real estate transaction wherein Island County would be acquiring a building for the use of Island Mental Health, his concern being that the County not be obligated to buy the building should Mental Health feel they could go elsewhere and the County have an empty building. Mr. Hancock stated he had drafted the agreement with that in mind -- such that one condition under Exhibit C, Paragraph 5, provides for the execution by Mental Health of a Business Premises Lease. It was moved by Commissioner Kemp, seconded by Commissioner Dunlop and passed unanimously, that Island County sign the Earnest Money Receipt and Agreement between Island County and Garry L. and Venona R. Johnson, TransAmerica Title Insurance Company (trustee), and Whidbey Federal Credit Union (beneficiary). It was also moved by Commissioner Kemp, seconded by Commissioner Dunlop and passed unanimously that the Board approve and sign a Promisary Note in the amount of $1,000 between Island County and Garry L. and Venona R. Johnson.

PLANNING DIRECTOR'S AGENDA

Zone Review Committees: With regard to the Zoning Ordinance, Syd Glover, Island County Planning Director, read the following letter dated this date and addressed to the Board of County Commissioners:

"The Development of a proposed zoning ordinance and maps has generated some controversy in Island County in which adversary positions have been taken. In order that these adversary positions not become polarized it is necessary that public input be maximized to the fullest extent possible.

It has been suggested by Commissioner Dunlop & Planning Commission members Maxine Geisel, Chairman and Harry Kohl that consideration be given to the appointment of citizen advisory groups to review the proposed zoning maps and make recommendations for amendments to the Planning Commission. This system was utilized in Skagit County and proved quite successful.

It is recommended that there be four committees - South Whidbey, Central Whidbey, North Whidbey and Camano Island and that they be composed of from five to seven members each drawn from a wide segment of the population. Representatives should include realtors, developers, members of citizen action groups, farmers and other land owners among others.

The Planning Commission members have been polled and no real opposition expressed. It was the concensus, however, that the scope of review should be strictly structured and a definite time limit be set. Another suggestion was that Planning Commission members be appointed as chairmen of the various groups.

I would be pleased to discuss this matter with your further."

Mr. Glover pointed out that this type system had been used effectively in Skagit County. For Island County, it was suggested by Mr. Glover that the Board consider to stipulate that the committees, if appointed, address only the zoning of the areas - the application of the zones within the proposed zoning ordinance to the various areas of the County. If this procedure is used, Mr. Glover noted it would be his intent to authorize various staff members to work with the committees. Commissioner Romeo stated he was familiar with the committee in Skagit County, and that it seemed to work very well and the Skagit County Board of Commissioners seemed happy with the system. Commissioner Dunlop stated his feeling that it would seem helpful in expediting the ordinance through the Planning Commission process by trying to mitigate some of the polarizing effects. If this is approved, Commissioner Dunlop suggested that the committees meet with the Planning Department as a unit to be brought up-to-date on planning and zoning, breaking then into the individual committees - the committees to be given a deadline of 45-60 days to report back to the Planning Commission with a recommendation so that the Planning Commission may go on with Public Hearings. Mr. Gus Smith, North Whidbey, member of the Island County Planning Commission, endorsed the proposal, but emphasized the need to limit the scope of the committees task, that being to develop a zoning ordinance and making sure that it receives the necessary public input to ensure that it is supportive of the land use policies and guidelines of the Comprehensive Plan. Mr. Smith feels that the Comprehensive Plan is reasonably up-to-date, having been adopted in 1977, reaffirmed by the Board in 1979, and as recently as March of this year, the Planning Commission reviewed it and made recommendations. As a member of the Planning Commission, Mr. Smith pointed out that the most frequent and difficult task was trying to resolve conflicts between the fifteen year old Zoning Ordinance and the Comprehensive Plan; therefore the proposed committees should address only those issues in the proposed zoning ordinance which may be in conflict with the Comprehensive Plan. Mr. Smith referred to form letters being received by the Planning Commission generally from the South Whidbey area regarding the zoning ordinance proposed, the form providing three boxes to choose from: (1) remain zoned as is with no reduction in the number of houses allowed per acre; (2) be down-zoned as scheduled on the proposed rezone map; and (3) other. Mr. Smith's opinion is that this kind of comment does not help develop a zoning ordinance since each refers only to an individual piece of property and does not address the issue of whether the guidelines in the proposed zoning ordinance are good, bad or indifferent. Mrs. Harriette Hayes, Island Action Coalition, noted that Mr. Smith had failed to mention that two citizen groups had added progressive ideas to the zoning ordinance under the leadership of Mrs. Mary Ann Beck, and had gathered information from the surrounding communities, and felt that should be included in the input noted as received. Mrs. Hayes concurred with Commissioner Dunlop in that there should be a time limit put on the committee. She did point out that Skagit County had its land use controlled since 1966 when the farmers got together and asked for 40-acre agriculture designations, and the Skagit County Planning Department's prime objective is to keep the farmland -- Skagit County is not under the critical pressure that Island County is under today. For that reason, if the Commissioners are considering the letter as presented by Mr. Glover, Island Action has two requests for the Board's consideration: (1) that no further segregations of large acreages be segregated until the zoning ordinance is completed; and (2) a time limitation on the committees be stipulated, i.e., 45 to 60 days. Mrs. Hayes also asked that the Board consider appointment to the committees of a variety of citizens and not just the large acreage landowners, but also the small acreage landowners and some of the people present at this meeting today who attend continually and show a definite interest in the total well-being of Island County. Rufus Rose, South Whidbey, acknowledged authorship of the form letter spoken of by Mr. Smith, and stated that the group he is working with created and distributed the form. Speaking for himself, Mr. Rose stated he whole-heartedly supported the recommendation of getting citizens from the various areas together on the proposed zoning ordinance. Mr. Rose pointed out that he was aware that the zoning ordinance text and map were being revised, and felt that either the groups would have to work with the original draft and map or wait until the updated text and corrected map was available. In regard to Planning Commission members chairing the various committees, Mr. Rose stated his disagreement, feeling that it would be more appropriate to have the citizen groups select their own chairman. Mr. Rose did agree that the zoning ordinance requires much public input and encouraged that the Board not act in haste. Mr. Rose stated he wished to disassociate his previous comments from the group which he chairs, except for those comments relating to the form letter - the group is a non-profit organization not as yet accepted officially by the Secretary of State - the name of the group being the "South Whidbey Citizens for Intelligent Land Use". Commissioner Dunlop reported that a printout is available for groups to use on the current use of land in Island County, and suggested that the Board consider at its next meeting, determining if there are interested citizens that would serve on such a committee, and decide at that time if there are the necessary people to go ahead with this. Agreed.

HEARING HELD: ORDINANCE NUMBER PD-81-6, ISLAND COUNTY CODE SECTION 14.02.010 BUILDING PERMIT APPLICATIONS, AREAS OF SPECIAL FLOOD HAZARD

A Public Hearing was held at 2:00 p.m. as scheduled on Ordinance Number PD-81-6, Island County Code Section 14.02.010, Building Permit Application and Areas of Special Flood Hazards. Mr. Glover reported that for a number of years, Island County had been under the interim program of the Federal Insurance Administration pertaining to the ability of people within the community to buy flood hazard insurance from the Federal Administration. In June of 1981, the Federal Emergency Management Agency produced the Flood Insurance Study for Island County, and a series of Flood Insurance Rate Maps (FIRMS), and advised Island County that unless certain changes were made to its existing ordinance, the insurance program would expire and the insurance would not be available for the people within the flood hazard areas in Island County. Mr. Glover noted that the Federal Flood Insurance Program is the only flood insurance in the United States as there are no private carriers, pointing out that the effects of non-participation in the National Flood Insurance Program would be: (1) flood hazard insurance would no longer be available to any resident of Island County (Oak Harbor is under the program and has adopted an ordinance); (2) no Federal grants or loans for buildings will be made in identified flood hazard areas (i.e. HUD, EDA, SBA, FHA); (3) no Federal disaster assistance may be provided in the form of loans for repairs or reconstruction purposes in identified flood hazard areas; (4) no Federal mortgage insurance may be provided in identified flood hazard areas; (5) no FNMA or GNMA purchase of mortgages in the secondary market may be made if the properties subject to those mortgages are located in special flood hazard areas of non-participating communities; and (6) lenders of conventional loans must notify the buyer or lessee that the property is in a flood hazard area and is not eligible for flood disaster relief or other declared disaster relief. Mr. Glover pointed out that acturarial rates go into effect for the first layer of coverage of all construction occuring after the effective date of the flood insurance rate map, regardless of whether or not the community participates in the program at that time.