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Taylor Shellfish To File Damages Claim Against DNR

Goldmark's Breach of Contract Leads to \$4.5 Million Dollar Damages Claim Against State Agency

Shelton, Wa— Tomorrow, Taylor Shellfish will file a \$4.5 million dollar damages claim against the Washington State Department of Natural Resources (DNR). The claim is part of the on-going action by the company in response to DNR Commissioner Goldmark's decision not to honor a signed settlement agreement between Taylor Shellfish and DNR over disputed property in Totten Inlet.

"DNR's assertion of ownership to these tidelands has restricted our use of property that we have claimed ownership to all along," said Bill Taylor. "As a result we've been prohibited from farming, planting and harvesting our products and we've been damaged."

Taylor has always maintained that it had equitable ownership claims to the tidelands in dispute, but the Company had hoped to resolve the dispute without court action.

On January 12th, 2009 after a nine-month investigation, DNR Commissioner Sutherland signed a settlement agreement under which Taylor had agreed to forfeit its ownership claims to the property if DNR decided, after complying with all applicable statutes, to lease 21 acres of tidelands to Taylor for five years.

The proposed lease would have allowed Taylor to harvest the crops Taylor had planted on the land. This settlement also fully compensated DNR for all back rent allowable under the law, plus interest and reimbursement for staff time. In addition, under the settlement agreement, Taylor would have paid \$200,000 toward continued geoduck research by Sea Grant.

Had Commissioner Goldmark honored the agreement, the total compensation to the State, including an estimated \$500,000 rent for the five year lease, would have been \$1.3 million and the DNR would have obtained possession of the 21 acres of valuable shoreline property in dispute.

“We estimate that our losses are in the range of \$4.5 million dollars,” said Bill Dewey. “Under the signed settlement agreement, Taylor would have been able to harvest its product and the state would not be on the hook for a \$4.5 million dollar damages claim.”

“The signed settlement agreement was fair to all parties,” continued Dewey. “Given what’s at stake here for the state, I am dumbfounded by Commissioner Goldmark’s decision in this dispute.”

“We are deeply disappointed in Commissioner Goldmark’s decision not to honor the signed settlement agreement,” said Taylor. “Now, rather than avoiding court, gaining possession of the land in dispute, and being compensated \$1.3 million, the state is facing a \$4.5 million dollar damages claim.”

Taylor Shellfish is a fifth-generation, family owned business. The company is headquartered in Shelton, Washington. Taylor Shellfish is the largest producer of farmed shellfish on the West Coast and provides 500 family-wage jobs. Shellfish farming contributes to a clean and healthy Puget Sound. *Taylor Shellfish — good for the economy AND good for the environment.* www.taylorshellfish.com

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