WSDOT-Port Property Exchange Transaction EXHIBIT LIST

EXHIBITS TO COMMISSION MEMO

DESCRIPTION

- **EXHIBIT 1.** Resolution -----(declaring Port-owned parcels surplus and authorizing execution of all documents necessary to exchange Port-owned Property for WSDOT-owned property and enter into airspace leases).
- **EXHIBIT 2.** Four aerial photographs with superimposed drawings depicting locations of subject properties and their relative sizes:
 - 2.1. South map (depicting Port-owned parcels, 0.24 acres, 0.68 acres, 18.76 acres, 3.24 acres, 1.13 acres, 0.08 acres and 0.45acres).
 - 2. 2. North map (depicting WSDOT-owned parcels 1, 1A, 2 and 3)
 - 2.3. Map depicting WSDOT-owned parcel 7 which the Port needs to lease for the Third Runway approach lighting system.
 - 2.4. Map showing WSDOT-owned parcel 6, Port-owned detention pond site (0.64 acres).
- **EXHIBIT 3.** WSDOT-Port Property Exchange Agreement and its multiple exhibits: A, B, C-1, C-2, C-3, D, E-1, E-2, E-3, E-4, E-5, F-1, F-2, F-3;

<u>Exhibit A.</u> Legal Descriptions of Port-owned parcels to be surplused and conveyed in fee to WSDOT.

<u>Exhibit B.</u> Legal Descriptions of three WSDOT-owned parcels to be surplused and conveyed in fee to the Port

<u>Exhibit C-1.</u> Lease for soil nail retaining wall and attached drawing. (The attached drawing depicts the Premises).

Exhibit C-2. Lease for approach lighting system and attached drawing. (The attached drawing depicts the Premises).

EXHIBITS TO COMMISSION MEMO

DESCRIPTION

EXHIBIT 3.

<u>Exhibit C-3</u>.Lease for bridge to L-shaped parcel and attached drawing. (The attached drawing depicts the Premises).

Exhibit D. Agreed Upon Values (tables).

Exhibit E-1. Quitclaim Deed from Port to WSDOT (conveying parcels of 0.08 acres and 0.45 acres identified by WSDOT Parcel #1 -16825).

Exhibit E-2. Quitclaim Deed from Port to WSDOT (conveying parcels of 0.68 acres, 18.76 acres, 3.24 acres and 1.13 acres identified by WSDOT Parcel #1-16827).

Exhibit E-3. Quitclaim Deed from Port to WSDOT (conveying parcel of 0.24 acres identified by WSDOT Parcel #1-16852).

Exhibit E-4. Quitclaim Deed from Port to WSDOT (conveying parcel of 0.02 acres identified by WSDOT Parcel #1-16884).

Exhibit E-5. Quitclaim Deed from Port to WSDOT (conveying parcel of 0.64 acres identified by WSDOT Parcel #1-22568).

Exhibit F-1. Quitclaim Deed from WSDOT to Port (conveying parcel of 2.32 acres identified as Parcel 1 in Table of Agreed Upon Values and by IC # 1-17-03329).

Exhibit F-2. Quitclaim Deed from WSDOT to Port (conveying parcel of 3.76 acres identified as Parcel 2 in Table of Agreed Upon Values and by IC # 1-17-07989).

Exhibit F-3. Quitclaim Deed from WSDOT to Port (conveying parcel of 0.25 acres identified as Parcel 6 in Table of Agreed Upon Values and by IC # 1-17-07993).

Exhibit 4.

Golf course-related lease of 6.16 acres, attaching marked-up right-of-way plan sheets and aerial depiction of Premises.

EXHIBIT 1 TO MEMO

RESOLUTION NO.

A RESOLUTION

of the Port Commission of the Port of Seattle declaring surplus and no longer needed for Port District purposes nine parcels of Port-owned real property located in SeaTac, Washington, including a 0.64 acre detention pond site; a 0.02 acre remnant off South 188th Street; a 0.24 acre parcel at 1205 South 196th Street; four noncontiguous parcels (0.68 acres, 18.76 acres, 3.24 acres and 1.13 acres) in vicinity of Tyee Golf Course at 18th Avenue South and South 200th Street; and two noncontiguous parcels (0.08 acres, 0.45 acres) in area bounded by 24th Avenue South, South 202nd Street and South 204th Street ("Property") and authorizing the CEO to execute all documents necessary to transfer the Property to Washington State Department of Transportation ("WSDOT") in exchange for WSDOT property and enter into airspace leases needed for current and future projects related to construction of the Rental Car Facility, improvements to the Northern Airport Expressway, maintenance and operation of the Third Runway approach lighting system, and construction of a bridge to the "L"-shaped parcel that would support future development of that land in support of airport cargo and operations.

WHEREAS, the voters of King County, pursuant to the provisions of enabling legislation adopted by the Legislature of the State of Washington, Chapter 92, Laws of 1911, RCW 53.04.010, authorized and approved at a special election held in King County on the 5th day of September 1911, the formation of a Port District coextensive with King County to be known as the Port of Seattle; and

WHEREAS, the Port of Seattle was thereupon established as a port district and has since been and now is a duly authorized and acting port district of the State of Washington and operator of Seattle-Tacoma International Airport ("Airport"); and

WHEREAS, the Port owns the real property described on attached Exhibit A (the "Property"); and

WHEREAS, the Washington State Department of Transportation ("WSDOT") owns the real property described on attached <u>Exhibit B</u> and the real property subject to the airspace leases identified on attached <u>Exhibit C</u>; and

WHEREAS, the Port-owned Property includes nine parcels of land that WSDOT needs to extend SR 509 to connect with I-5; and

WHEREAS, conveyance of said Port-owned Property to WSDOT will make possible a major redesign of access to the Airport from the south, which redesign was envisioned in the Port's Comprehensive Development Plan.

WHEREAS, conveyance of said Port-owned Property to WSDOT would be pursuant to a property exchange agreement between the Port and WSDOT under which the Port would acquire from WSDOT title to the real property described at Exhibit B as well as certain airspace leases described at Exhibit C; and

WHEREAS, the Port needs the WSDOT property described at Exhibit B as well as certain airspace leases described at Exhibit C for current and future projects, including projects related to construction of a Rental Car Facility, improvements to the Northern Airport Expressway, installation of approach lights for the Third Runway, construction of a bridge to the Port's "L"-shaped parcel, or other business development.

WHEREAS, the FAA has approved the exchange between the Port and WSDOT; and

WHEREAS, Chapter 39.33 of the Revised Code of Washington provides that the Port may "sell, transfer, exchange, lease or otherwise dispose of any property ... to the

state of any municipality of any political subdivision thereof ... on such terms and conditions as may be mutually agreed upon ..."; and

WHEREAS, the maps and other data regarding the property proposed for conveyance to WSDOT for the future extension of SR 509 are on file at the Port offices; and

WHEREAS, the Port of Seattle Commission has heard from all persons desiring to speak at said public hearing with regard to the proposed property transfer; and

WHEREAS, the members of the Port of Seattle Commission have discussed and considered the proposed property transfer in light of all comments by members of the public at the public hearing; and

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle that:

Section 1. The Property described on Exhibit A attached to this Resolution is no longer needed for Port purposes and is declared surplus to Port needs.

Section 2. The CEO is authorized to take all steps and execute all documents necessary to transfer the Property to WSDOT in exchange for WSDOT property described at Exhibit B and airspace leases described at Exhibit C to this Resolution. The Port-owned Property has an appraised fair market value of \$16,519,400.00. The WSDOT property to be conveyed in fee to the Port has an appraised fair market value of \$15,761,328.00. The airspace leases described at Exhibit C have the following appraised fair market rental values: \$15,618.00 per year; \$10,200.00 per year; and \$2,000.00 per year.

ADOPTED b	y the Port Co	mmission of the Port of Seattle at a regular meeting
thereof, held this _	day of	, 2009 and duly authenticated in open session by
the signatures of the	e Commissior	ners voting in favor thereof and the seal of the
Commission.		
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		Port Commissioners

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EXHIBIT "A" to Resolution No.

Legal Descriptions of Port-owned parcels to be conveyed in fee to WSDOT

1. <u>0.64 acre more or less (IC 1-17-08360 or 1-22568)</u>

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., COUNTY OF KING, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT OPPOSITE HIGHWAY ENGINEER'S STATION (hereinafter referred to as HES) SR 509 927+15 ON THE SR 509 LINE SURVEY OF SR 509: SR 516 TO DES MOINES WAY SOUTH, SHEET 11 OF 11, DATED DEC. 1 1969 AND 118.24 FEET NORTHEASTERLY THEREFROM;

THENCE NORTHWESTERLY TO A POINT OPPOSITE HES SR 509 929+50 AND 120.63 FEET NORTHEASTERLY THEREFROM;

THENCE EASTERLY TO A POINT OPPOSITE HES SR 509 928+74 AND 285.00 FEET NORTHEASTERLY THEREFROM;

THENCE SOUTHERLY TO A POINT OPPOSITE HES SR 509 926+85 AND 195.00 FEET NORTHEASTERLY FROM;

THENCE WESTERLY TO THE POINT OF BEGINNING.

CONTAINING: 28,008 SQ.FT. 0.64 ACRES. MORE OR LESS.

2. 0.02 acre more or less (IC 1-17-08364 or 1-16884)

PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., KING COUNTY, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 32, THENCE SOUTH 89°56'19" WEST ALONG SUBDIVISION LINE, A DISTANCE OF 1,475.03 FEET; THENCE SOUTH 00°03'41" EAST, A DISTANCE OF 194.39 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 30°18'50" EAST, A DISTANCE OF 80.95 FEET;

THENCE SOUTH 51°39'00" EAST, A DISTANCE OF 17.03 FEET;

THENCE SOUTH 38°23'07" WEST, A DISTANCE OF 5.76 FEET;

THENCE NORTH 51°36'53" WEST, A DISTANCE OF 50.02 FEET;

THENCE NORTH 11°58'09" WEST, A DISTANCE OF 55.10 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 859.0 SQUARE FEET. 0.02 ACRES MORE OR LESS

3. <u>0.24 acre more or less (IC 1-17-08361 or 1-16852)</u>

PORTION OF LOT 1, KOESSNER ADDITION, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 57 OF PLATS, PAGES 75, 76 AND 77 IN KING COUNTY, WASHINGTON. LYING IN THE EAST QUARTER OF SECTION 5, TOWNSHIP 22 NORTH, RANGE 4 EAST, W.M., COUNTY OF KING, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS;

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 5, THENCE NORTH 05°26'07" WEST ALONG SUBDIVISION LINE, A DISTANCE OF 1561.46 FEET; THENCE SOUTH 84°33'53" WEST, A DISTANCE OF 1023.27 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 01°07'33" WEST, A DISTANCE OF 74.90 FEET;

THENCE NORTH 88°52'22" WEST, A DISTANCE OF 99.34 FEET;

THENCE NORTH 48°30'27" WEST, A DISTANCE OF 91.95 FEET:

THENCE NORTH 15°54'48" EAST, A DISTANCE OF 15.87 FEET;

THENCE SOUTH 88°52'25" EAST, A DISTANCE OF 165.34 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 10,570 SQ.FT. 0.24 ACRES MORE OR LESS.

4. 0.68 acre more or less (IC 1-17-08362 or 1-16827)

COMMENCING AT POINT "D"; THENCE SOUTH 89°10'53" WEST, A DISTANCE OF 14.99 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89°11'05" WEST, A DISTANCE OF 87.60 FEET;

THENCE NORTH 36°24'47" WEST, A DISTANCE OF 21.13 FEET;

THENCE NORTH 00°48'55" WEST, A DISTANCE OF 279.56 FEET;

THENCE NORTH 89°03'12" EAST, A DISTANCE OF 99.90 FEET;

THENCE SOUTH 00°48'55" EAST, A DISTANCE OF 296.97 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 29,550 SQ.FT. 0.68 ACRES MORE OR LESS.

ALONG WITH:

5. 18.76 acres more or less (IC 1-17-08406 or 1-16827)

COMMENCING AT POINT "A"; THENCE NORTH 00°07'09" EAST, A DISTANCE OF 65.31 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 88°29'41" WEST, A DISTANCE OF 294.91 FEET;

THENCE SOUTH 00°06'53" WEST, A DISTANCE OF 42.46 FEET;

THENCE NORTH 89°52'55" WEST, A DISTANCE OF 220.03 FEET;

THENCE NORTH 88°27'21" WEST, A DISTANCE OF 218.55 FEET;

THENCE NORTH 00°48'54" WEST, A DISTANCE OF 14.64 FEET;

THENCE NORTH 88°24'18" WEST, A DISTANCE OF 107.40 FEET;

THENCE NORTH 01°35'46" EAST, A DISTANCE OF 10.29 FEET;

THENCE SOUTH 88°27'37" EAST, A DISTANCE OF 111.29 FEET;

THENCE NORTH 13°34'04" WEST, A DISTANCE OF 216.23 FEET;

THENCE NORTH 45°35'49" WEST, A DISTANCE OF 90.85 FEET;

THENCE NORTH 00°54'23" WEST, A DISTANCE OF 262.02 FEET;

THENCE SOUTH 89°11'07" WEST, A DISTANCE OF 259.61 FEET;

THENCE NORTH 45°35'45" WEST. A DISTANCE OF 92.95 FEET;

THENCE NORTH 36°24'49" WEST, A DISTANCE OF 187.59 FEET;

THENCE NORTH 00°49'07" WEST, A DISTANCE OF 143.33 FEET TO A POINT HEREAFTER KNOWN AS "D";

THENCE CONTINUE NORTH 00°49'07" WEST, A DISTANCE OF 357.00 FEET;

THENCE SOUTH 89°03'15" WEST, A DISTANCE OF 13.40 FEET; THENCE NORTH 01°07'36" EAST, A DISTANCE OF 141.21 FEET; THENCE SOUTH 88°52'25" EAST, A DISTANCE OF 4.95 FEET; THENCE SOUTH 47°01'18" EAST, A DISTANCE OF 80.59 FEET; THENCE SOUTH 01°07'35" WEST, A DISTANCE OF 145.13 FEET; THENCE NORTH 89°03'12" EAST, A DISTANCE OF 65.05 FEET; THENCE NORTH 01°07'35" EAST, A DISTANCE OF 84.55 FEET: THENCE SOUTH 47°01'18" EAST, A DISTANCE OF 119.66 FEET; THENCE SOUTH 62°40'34" EAST, A DISTANCE OF 381.80 FEET; THENCE SOUTH 42°22'38" EAST, A DISTANCE OF 2.65 FEET; THENCE SOUTH 00°41'10" EAST, A DISTANCE OF 16.90 FEET; THENCE NORTH 89°11'05" EAST, A DISTANCE OF 15.02 FEET; THENCE SOUTH 42°21'46" EAST, A DISTANCE OF 216.81 FEET: THENCE SOUTH 54°43'13" EAST, A DISTANCE OF 187.95 FEET; THENCE SOUTH 40°34'34" EAST, A DISTANCE OF 311.56 FEET; THENCE SOUTH 25°10'58" EAST A DISTANCE OF 541.90 FEET TO THE TRUE POINT OF BEGINNING. **CONTAINES:** 817,175 SQ. FT. 18.76 ACRES MORE OR LESS.

6. <u>3.24 acres more or less (IC 1-17-08407 or 1-16827)</u>

ALONG WITH:

COMMENCING AT POINT "B"; THENCE NORTH 00°07'09" EAST, A DISTANCE OF 55.72 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 28°21'10" WEST, A DISTANCE OF 416.10 FEET;
THENCE SOUTH 79°06'47" EAST, A DISTANCE OF 200.65 FEET;

THENCE SOUTH 66°38'09" EAST, A DISTANCE OF 354.82 FEET;

THENCE SOUTH 00°58'55" EAST, A DISTANCE OF 75.98 FEET;

THENCE SOUTH 63°54'21" EAST, A DISTANCE OF 314.83 FEET;

THENCE NORTH 89°53'07" WEST, A DISTANCE OF 438.49 FEET;

THENCE NORTH 65°23'56" WEST, A DISTANCE OF 54.81 FEET;

THENCE NORTH 88°29'41" WEST, A DISTANCE OF 120.92 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 140,939 SQ. FT. 3.24 ACRES MORE OR LESS.

ALONG WITH:

7. 1.13 acres more or less (IC 1-17-08408 or 1-16827)

PORTIONS OF THE NORTH HALF OF SECTION 4, TOWNSHIP 22 NORTH, RANGE 4 EAST W.M. AND THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 22 NORTH, RANGE 4 EAST, W.M., COUNTY OF KING, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS;

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 4;
THENCE SOUTH 89°52'51" EAST ALONG SUBDIVISION LINE, A DISTANCE OF
515.59 FEET TO A POINT HEREAFTER KNOWN AS "A"; THENCE CONTINUE
SOUTH 89°52'51" EAST, A DISTANCE OF 396.76 FEET TO A POINT HEREAFTER
KNOWN AS "B"; THENCE CONTINUE SOUTH 89°52'51" EAST A DISTANCE OF
988.68 FEET TO A POINT HEREAFTER KNOWN AS "C"; THENCE NORTH
00°07'09" EAST, A DISTANCE OF 30.15 FEET TO THE TRUE POINT OF
BEGINNING;

THENCE NORTH 00°06'53" EAST, A DISTANCE OF 24.00 FEET;

THENCE SOUTH 89°53'07" EAST, A DISTANCE OF 59.00 FEET:

THENCE NORTH 27°19'51" EAST, A DISTANCE OF 39.36 FEET:

THENCE NORTH 78°08'58" EAST, A DISTANCE OF 308.71 FEET;

THENCE SOUTH 65°53'47" EAST, A DISTANCE OF 218.19 FEET;

THENCE SOUTH 88°27'12" EAST, A DISTANCE OF 120.04 FEET;

THENCE SOUTH 00°06'53" WEST, A DISTANCE OF 31.00 FEET;

THENCE NORTH 89°53'07" WEST, A DISTANCE OF 699.00 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 49,245 SQ.FT. 1.13 ACRES MORE OR LESS.

8. <u>0.08 acre more or less (IC 1-17-08363 or 1-16825)</u>

PORTIONS OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 22 NORTH, RANGE 4 EAST, W.M., COUNTY OF KING, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS;

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 4, THENCE NORTH 02°44'39" WEST ALONG SUBDIVISION LINE, A DISTANCE OF 1115.24 FEET TO A POINT "A"; THENCE CONTIUNUE NORTH 02°44'39" WEST A DISTANCE OF 856.99 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89°52'44" WEST, A DISTANCE OF 299.79 FEET;

THENCE SOUTH 02°44'50" EAST, A DISTANCE OF 31.52 FEET;

THENCE NORTH 49°02'12" WEST, A DISTANCE OF 25.29 FEET;

THENCE NORTH 02°15'24" WEST, A DISTANCE OF 24.96 FEET:

THENCE SOUTH 89°52'44: EAST, A DISTANCE OF 317.88 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 3,603 SQ. FT. 0.08 ACRES MORE OR LESS

ALONG WITH;

9. <u>0.45 acre more or less (IC 1-17-08409 or 1-16825)</u>

BEGINNING AT POINT "A", THENCE SOUTH 66°53'14" WEST, A DISTANCE OF 92.03 FEET;

THENCE NORTH 89°01'08" WEST, A DISTANCE OF 102.58 FEET;

THENCE NORTH 43°14'28" WEST, A DISTANCE OF 125.05 FEET;

THENCE SOUTH 89°51'32" EAST, A DISTANCE OF 270.19 FEET;

THENCE SOUTH 02°44'39" EAST, A DISTANCE OF 56.12 FEET TO THE POINT OF BEGINNING.

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CONTAINING: 19,498 SQ. FT. 0.45 ACRES MORE OR LESS

EXHIBIT "B" to Resolution No.

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Legal Descriptions of WSDOT-owned parcels to be conveyed in fee to Port

1. 2.32 acres more or less (IC 1-17-03329)

That portion of Tract "X" described as follows:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) N-E 14+50 on the N-E Ramp line survey of SR 518, Riverton Heights: SR 509 to SR 5 and 60 feet Southeasterly therefrom;

thence Northeasterly parallel with said line survey to a point opposite HES N-E 19+50; thence Northeasterly to a point opposite HES N-E 22+00 on said N-E Ramp line survey and 87 feet Southeasterly therefrom;

thence Easterly to a point opposite HES N-E 23+70 on said line survey and 105 feet Southerly therefrom;

thence Southeasterly to a point opposite HES PHS 422+70 on the PHS line survey of said highway and 62 feet Northwesterly therefrom;

thence Southwesterly to a point opposite HES PHS 420+03 on said PHS line survey and 63 feet Northwesterly therefrom;

thence Southwesterly to a point opposite HES BR 18+00 on the BR Ramp line survey of said highway and 60 feet Southerly therefrom;

thence Westerly to a point opposite HES BR 19+00 on said BR Ramp line survey and 70 feet Southwesterly therefrom;

thence Northwesterly parallel with said BR Ramp line survey to a point opposite HES BR 20+30:

thence Northwesterly to a point opposite HES N–E 19+50 on the N–E line survey of said highway and 90 feet Southeasterly therefrom;

thence Southwesterly to the point of beginning.

Tract "X"

Parcel 1

Lots 6, 7 and 8 Block 2 of Lowe's Terrace No. 14, according to the plat recorded in Volume 56 of Plats, page 67, records of King County.

Parcel 2

The Southeast quarter of the Southeast quarter of Section 21, Township 23 North, Range 4 East, W.M.

Parcel 3

The Southwest quarter of the Southwest quarter of Section 22, Township 23 North, Range 4 East, W.M.

2. 3.76 acres more or less (IC 1-17-07989)

That portion of the hereinafter described Tract "X" lying within a tract of land described as:

Beginning at a point opposite Highway Engineer's Station (herein after referred to as HES) S. 160th St. 8+78 on the S. 160th St. line survey of SR 518, Riverton Heights: SR 509 to SR 5 and 30 feet Northerly therefrom;

thence Northeasterly, parallel with the A.S.R. line survey of said highway to a point opposite HES ASR 140+15.90 on said A.S.R. line survey and 35 feet Southeasterly therefrom;

thence Southeasterly to a point opposite HES N-W 227+21.64 on the N-W line survey of said highway and 54.16 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES N-W 228+83.45 on said N-W line survey and 50.23 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES N-W 229+57.69 on said N-W line survey and 68.05 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES N-W 229+78.09 on said N-W line survey and 75.48 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES S. 160th St. 13+48.33 on said S. 160th St. line survey and 36.24 feet Northerly therefrom;

thence Westerly to a point opposite HES S. 160th St. 13+12.19 on said S. 160th St. line survey and 30 feet Northerly therefrom;

thence Westerly, parallel with said S. 160th St. line survey, to the point of beginning.

Tract "X"

Parcel 1

The Southeast quarter of the Southeast quarter of Section 21, Township 23 North, Range 4 East, W.M.

Parcel 2

The Southwest quarter of the Southeast quarter of Section 21, Township 23 North, Range 4 East, W.M.

Parcel 3

Lot 1 and Lots 3 through 9 inclusive, Glenroy Acres, according to the plat recorded in Volume 51 of Plants, page 82, records of King county, Washington.

Parcel 4

28th Ave. South as shown on the Plat of Glenroy Acres, according to the plat recorded in Volume 51 of Plants, page 82, records of King county, Washington.

3. <u>0.25 acre more or less (IC 1-17-07993)</u>

That portion of the hereinafter described Tract "X" lying within the following described tract of land:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) DMW 36+43.29 on the DMW line survey of SR 509, SR 99 to S. 188th St. Vic. and 68 feet Southeasterly therefrom; thence Northwesterly, parallel with said line survey, to a point opposite HES DMW 36+10; thence Northwesterly to a point opposite HES 883+24 on the SR 509 line survey of said highway and 378 feet Southeasterly therefrom; thence Northerly to a point opposite HES 885+48 on said SR 509 line survey and 344.76 feet Southeasterly therefrom; thence Southeasterly to the point of beginning.

Tract X:

That portion of the Northwest Quarter of the Southeast Quarter and the Southwest Quarter of the Northeast Quarter, all in Section 32, Township 23 North, Range 4 East, W.M, King County, Washington, lying within that certain parcel as deeded to the State of Washington under recording number 7203090277.

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EXHIBIT "C" to Resolution No.____

Airspace Leases

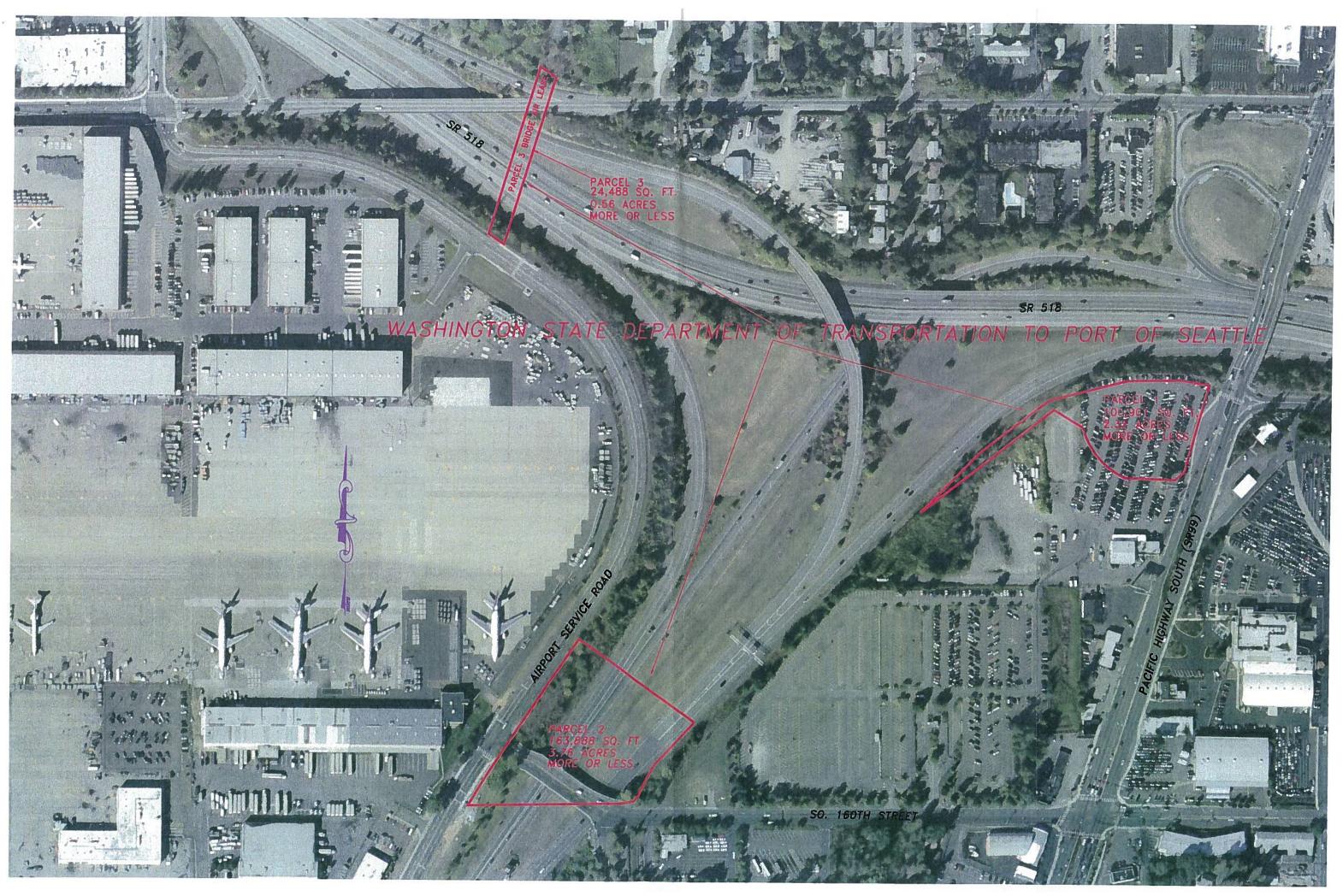
- 1. Airspace Lease of 0.094 acres (4,096 square feet) for soil nail retaining wall use.
- 2. Airspace Lease of 0.46 acres (20,089 square feet) for Third Runway north approach lighting system use.
- 3. Airspace Lease of 0.56 acres (24,488 square feet) for bridge to Port-owned "L"-shaped parcel use.

F- 10

EXHIBIT 2 TO MEMO



Exhibit 2.1 South Map



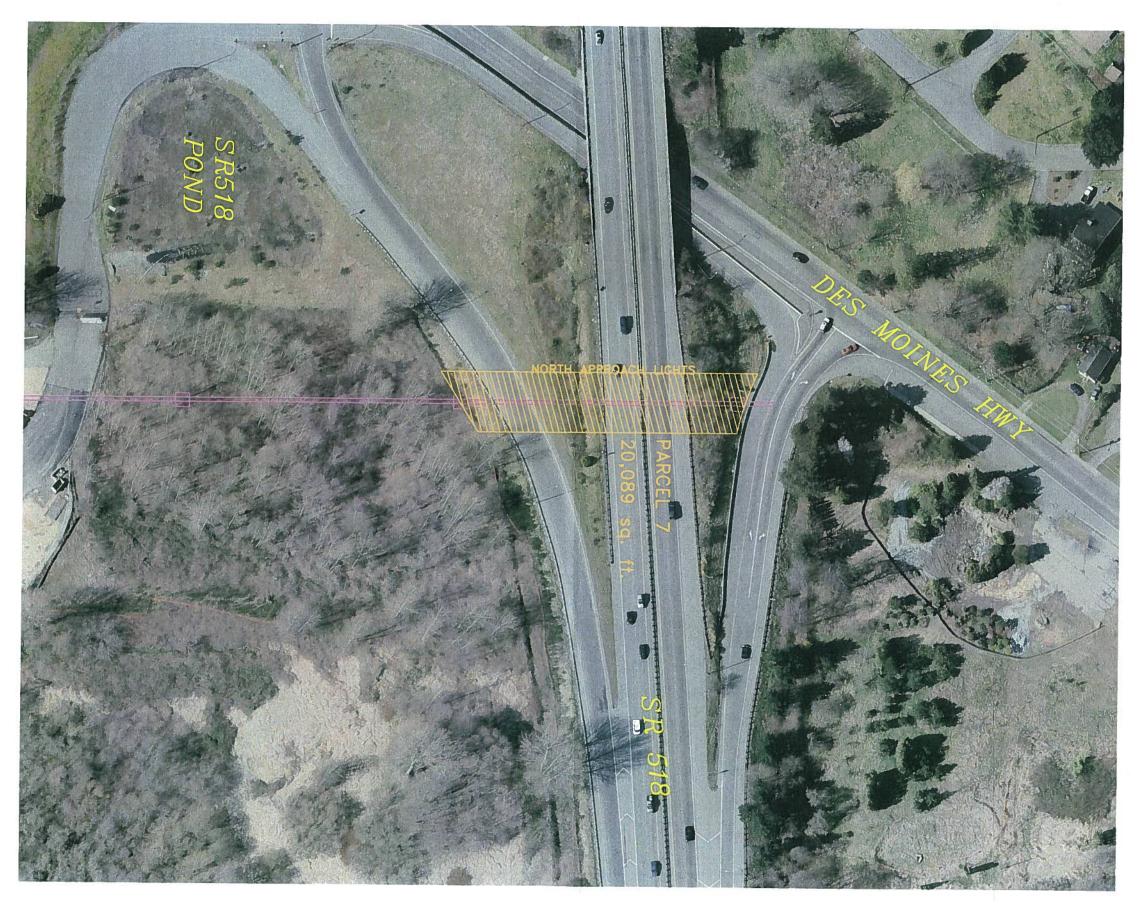


Exhibit 2.3 North Approach Lights



Exhibit 2.4
Map of
Parcel 6 &
Detention
Pond Site

EXHIBIT 3 TO MEMO

EXHIBIT A to WSDOT-Port Property Exchange Agreement

Legal Descriptions of Port-owned parcels to be conveyed in fee to WSDOT

1. <u>0.64 acre more or less (IC 1-17-08360 or 1-22568)</u>

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., COUNTY OF KING, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT OPPOSITE HIGHWAY ENGINEER'S STATION (hereinafter referred to as HES) SR 509 927+15 ON THE SR 509 LINE SURVEY OF SR 509: SR 516 TO DES MOINES WAY SOUTH, SHEET 11 OF 11, DATED DEC. 1 1969 AND 118.24 FEET NORTHEASTERLY THEREFROM;

THENCE NORTHWESTERLY TO A POINT OPPOSITE HES SR 509 929+50 AND 120.63 FEET NORTHEASTERLY THEREFROM;

THENCE EASTERLY TO A POINT OPPOSITE HES SR 509 928+74 AND 285.00 FEET NORTHEASTERLY THEREFROM;

THENCE SOUTHERLY TO A POINT OPPOSITE HES SR 509 926+85 AND 195.00 FEET NORTHEASTERLY FROM;

THENCE WESTERLY TO THE POINT OF BEGINNING.

CONTAINING: 28,008 SQ.FT. 0.64 ACRES. MORE OR LESS.

2. <u>0.02 acre more or less (IC 1-17-08364 or 1-16884)</u>

PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., KING COUNTY, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 32, THENCE SOUTH 89°56'19" WEST ALONG SUBDIVISION LINE, A DISTANCE OF 1,475.03 FEET; THENCE SOUTH 00°03'41" EAST, A DISTANCE OF 194.39 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 30°18'50" EAST, A DISTANCE OF 80.95 FEET;

THENCE SOUTH 51°39'00" EAST, A DISTANCE OF 17.03 FEET:

THENCE SOUTH 38°23'07" WEST, A DISTANCE OF 5.76 FEET;

THENCE NORTH 51°36'53" WEST, A DISTANCE OF 50.02 FEET:

THENCE NORTH 11°58'09" WEST, A DISTANCE OF 55.10 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 859.0 SQUARE FEET. 0.02 ACRES MORE OR LESS

3. <u>0.24 acre more or less (IC 1-17-08361 or 1-16852)</u>

PORTION OF LOT 1, KOESSNER ADDITION, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 57 OF PLATS, PAGES 75, 76 AND 77 IN KING COUNTY, WASHINGTON. LYING IN THE EAST QUARTER OF SECTION 5, TOWNSHIP 22 NORTH, RANGE 4 EAST, W.M., COUNTY OF KING, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 5, THENCE NORTH 05°26'07" WEST ALONG SUBDIVISION LINE, A DISTANCE OF 1561.46 FEET; THENCE SOUTH 84°33'53" WEST, A DISTANCE OF 1023.27 FEET TO THE TRUE POINT OF BEGINNING:

THENCE SOUTH 01°07'33" WEST, A DISTANCE OF 74.90 FEET:

THENCE NORTH 88°52'22" WEST, A DISTANCE OF 99.34 FEET;

THENCE NORTH 48°30'27" WEST, A DISTANCE OF 91.95 FEET:

THENCE NORTH 15°54'48" EAST, A DISTANCE OF 15.87 FEET:

THENCE SOUTH 88°52'25" EAST, A DISTANCE OF 165.34 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 10,570 SQ.FT. 0.24 ACRES MORE OR LESS.

4. 0.68 acre more or less (IC 1-17-08362 or 1-16827)

COMMENCING AT POINT "D"; THENCE SOUTH 89°10'53" WEST, A DISTANCE OF 14.99 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89°11'05" WEST, A DISTANCE OF 87.60 FEET;

THENCE NORTH 36°24'47" WEST, A DISTANCE OF 21.13 FEET;

THENCE NORTH 00°48'55" WEST, A DISTANCE OF 279.56 FEET:

THENCE NORTH 89°03'12" EAST, A DISTANCE OF 99.90 FEET;

THENCE SOUTH 00°48'55" EAST, A DISTANCE OF 296.97 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 29,550 SQ.FT. 0.68 ACRES MORE OR LESS.

ALONG WITH:

5. <u>18.76 acres more or less (IC 1-17-08406 or 1-16827)</u>

COMMENCING AT POINT "A"; THENCE NORTH 00°07'09" EAST, A DISTANCE OF 65.31 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 88°29'41" WEST, A DISTANCE OF 294.91 FEET:

THENCE SOUTH 00°06'53" WEST, A DISTANCE OF 42.46 FEET:

THENCE NORTH 89°52'55" WEST, A DISTANCE OF 220.03 FEET:

THENCE NORTH 88°27'21" WEST, A DISTANCE OF 218.55 FEET;

THENCE NORTH 00°48'54" WEST, A DISTANCE OF 14.64 FEET:

THENCE NORTH 88°24'18" WEST, A DISTANCE OF 107.40 FEET:

THENCE NORTH 01°35'46" EAST, A DISTANCE OF 10.29 FEET:

THENCE SOUTH 88°27'37" EAST, A DISTANCE OF 111.29 FEET:

THENCE NORTH 13°34'04" WEST, A DISTANCE OF 216.23 FEET;

THENCE NORTH 45°35'49" WEST, A DISTANCE OF 90.85 FEET;

THENCE NORTH 00°54'23" WEST, A DISTANCE OF 262.02 FEET;

THENCE SOUTH 89°11'07" WEST, A DISTANCE OF 259.61 FEET;

THENCE NORTH 45°35'45" WEST. A DISTANCE OF 92.95 FEET;

THENCE NORTH 36°24'49" WEST, A DISTANCE OF 187.59 FEET;

THENCE NORTH 00°49'07" WEST, A DISTANCE OF 143.33 FEET TO A POINT HEREAFTER KNOWN AS "D";

THENCE CONTINUE NORTH 00°49'07" WEST, A DISTANCE OF 357.00 FEET:

THENCE SOUTH 89°03'15" WEST, A DISTANCE OF 13.40 FEET:

THENCE NORTH 01°07'36" EAST, A DISTANCE OF 141.21 FEET;

THENCE SOUTH 88°52'25" EAST, A DISTANCE OF 4.95 FEET:

THENCE SOUTH 47°01'18" EAST, A DISTANCE OF 80.59 FEET:

THENCE SOUTH 01°07'35" WEST, A DISTANCE OF 145.13 FEET:

THENCE NORTH 89°03'12" EAST, A DISTANCE OF 65.05 FEET:

THENCE NORTH 01°07'35" EAST, A DISTANCE OF 84.55 FEET:

THENCE SOUTH 47°01'18" EAST, A DISTANCE OF 119.66 FEET;

THENCE SOUTH 62°40'34" EAST, A DISTANCE OF 381.80 FEET:

THENCE SOUTH 42°22'38" EAST, A DISTANCE OF 2.65 FEET:

THENCE SOUTH 00°41'10" EAST, A DISTANCE OF 16.90 FEET:

THENCE NORTH 89°11'05" EAST, A DISTANCE OF 15.02 FEET:

THENCE SOUTH 42°21'46" EAST, A DISTANCE OF 216.81 FEET:

THENCE SOUTH 54°43'13" EAST, A DISTANCE OF 187.95 FEET;

THENCE SOUTH 40°34'34" EAST, A DISTANCE OF 311.56 FEET:

THENCE SOUTH 25°10'58" EAST A DISTANCE OF 541.90 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINES: 817,175 SQ. FT. 18.76 ACRES MORE OR LESS.

ALONG WITH:

6. 3.24 acres more or less (IC 1-17-08407 or 1-16827)

COMMENCING AT POINT "B"; THENCE NORTH 00°07'09" EAST, A DISTANCE OF 55.72 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 28°21'10" WEST, A DISTANCE OF 416.10 FEET;

THENCE SOUTH 79°06'47" EAST, A DISTANCE OF 200.65 FEET;

THENCE SOUTH 66°38'09" EAST, A DISTANCE OF 354.82 FEET:

THENCE SOUTH 00°58'55" EAST, A DISTANCE OF 75.98 FEET;

THENCE SOUTH 63°54'21" EAST, A DISTANCE OF 314.83 FEET;

THENCE NORTH 89°53'07" WEST, A DISTANCE OF 438.49 FEET;

THENCE NORTH 65°23'56" WEST, A DISTANCE OF 54.81 FEET;

THENCE NORTH 88°29'41" WEST, A DISTANCE OF 120.92 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 140,939 SQ. FT. 3.24 ACRES MORE OR LESS.

ALONG WITH:

7. <u>1.13 acres more or less (IC 1-17-08408 or 1-16827)</u>

PORTIONS OF THE NORTH HALF OF SECTION 4, TOWNSHIP 22 NORTH, RANGE 4 EAST W.M. AND THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 22 NORTH, RANGE 4 EAST, W.M., COUNTY OF KING, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS;

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 4; THENCE SOUTH 89°52'51" EAST ALONG SUBDIVISION LINE, A DISTANCE OF 515.59 FEET TO A POINT HEREAFTER KNOWN AS "A"; THENCE CONTINUE SOUTH 89°52'51" EAST, A DISTANCE OF 396.76 FEET TO A POINT HEREAFTER KNOWN AS "B"; THENCE CONTINUE SOUTH 89°52'51"EAST A DISTANCE OF 988.68 FEET TO A POINT HEREAFTER KNOWN AS "C"; THENCE NORTH 00°07'09" EAST, A DISTANCE OF 30.15 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00°06'53" EAST, A DISTANCE OF 24.00 FEET;

THENCE SOUTH 89°53'07" EAST, A DISTANCE OF 59.00 FEET:

THENCE NORTH 27°19'51" EAST, A DISTANCE OF 39.36 FEET:

THENCE NORTH 78°08'58" EAST, A DISTANCE OF 308.71 FEET:

THENCE SOUTH 65°53'47" EAST, A DISTANCE OF 218.19 FEET:

THENCE SOUTH 88°27'12" EAST, A DISTANCE OF 120.04 FEET;

THENCE SOUTH 00°06'53" WEST, A DISTANCE OF 31.00 FEET:

THENCE NORTH 89°53'07" WEST, A DISTANCE OF 699.00 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 49,245 SQ.FT. 1.13 ACRES MORE OR LESS.

8. <u>0.08 acre more or less (IC 1-17-08363 or 1-16825)</u>

PORTIONS OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 22 NORTH, RANGE 4 EAST, W.M., COUNTY OF KING, STATE OF WASHINGTON, FURTHER DESCRIBED AS FOLLOWS;

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 4, THENCE NORTH 02°44'39" WEST ALONG SUBDIVISION LINE, A DISTANCE OF 1115.24 FEET TO A POINT "A"; THENCE CONTIUNUE NORTH 02°44'39" WEST A DISTANCE OF 856.99 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89°52'44" WEST, A DISTANCE OF 299.79 FEET:

THENCE SOUTH 02°44'50" EAST, A DISTANCE OF 31.52 FEET:

THENCE NORTH 49°02'12" WEST, A DISTANCE OF 25.29 FEET;

THENCE NORTH 02°15'24" WEST. A DISTANCE OF 24.96 FEET:

THENCE SOUTH 89°52'44: EAST, A DISTANCE OF 317.88 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 3,603 SQ. FT. 0.08 ACRES MORE OR LESS

ALONG WITH;

9. 0.45 acre more or less (IC 1-17-08409 or 1-16825)

BEGINNING AT POINT "A", THENCE SOUTH 66°53'14" WEST, A DISTANCE OF 92.03 FEET;

THENCE NORTH 89°01'08" WEST, A DISTANCE OF 102.58 FEET:

THENCE NORTH 43°14'28" WEST, A DISTANCE OF 125.05 FEET:

THENCE SOUTH 89°51'32" EAST, A DISTANCE OF 270.19 FEET:

THENCE SOUTH 02°44'39" EAST, A DISTANCE OF 56.12 FEET TO THE POINT OF BEGINNING.

CONTAINING: 19,498 SQ. FT. 0.45 ACRES MORE OR LESS

EXHIBIT B to WSDOT-Port Property Exchange Agreement

Legal Descriptions of WSDOT-owned parcels to be conveyed in fee to Port

1. 2.32 acres more or less (IC 1-17-03329)

That portion of Tract "X" described as follows:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) N-E 14+50 on the N-E Ramp line survey of SR 518, Riverton Heights: SR 509 to SR 5 and 60 feet Southeasterly therefrom;

thence Northeasterly parallel with said line survey to a point opposite HES N-E 19+50; thence Northeasterly to a point opposite HES N-E 22+00 on said N-E Ramp line survey and 87 feet Southeasterly therefrom;

thence Easterly to a point opposite HES N-E 23+70 on said line survey and 105 feet Southerly therefrom;

thence Southeasterly to a point opposite HES PHS 422+70 on the PHS line survey of said highway and 62 feet Northwesterly therefrom;

thence Southwesterly to a point opposite HES PHS 420+03 on said PHS line survey and 63 feet Northwesterly therefrom;

thence Southwesterly to a point opposite HES BR 18+00 on the BR Ramp line survey of said highway and 60 feet Southerly therefrom;

thence Westerly to a point opposite HES BR 19+00 on said BR Ramp line survey and 70 feet Southwesterly therefrom;

thence Northwesterly parallel with said BR Ramp line survey to a point opposite HES BR 20+30;

thence Northwesterly to a point opposite HES N-E 19+50 on the N-E line survey of said highway and 90 feet Southeasterly therefrom;

thence Southwesterly to the point of beginning.

Tract "X"

Parcel 1

Lots 6, 7 and 8 Block 2 of Lowe's Terrace No. 14, according to the plat recorded in Volume 56 of Plats, page 67, records of King County.

Parcel 2

The Southeast quarter of the Southeast quarter of Section 21, Township 23 North, Range 4 East, W.M.

Parcel 3

The Southwest quarter of the Southwest quarter of Section 22, Township 23 North, Range 4 East, W.M.

2. <u>3.76 acres more or less (IC 1-17-07989)</u>

That portion of the hereinafter described Tract "X" lying within a tract of land described as:

Beginning at a point opposite Highway Engineer's Station (herein after referred to as HES) S. 160th St. 8+78 on the S. 160th St. line survey of SR 518, Riverton Heights: SR 509 to SR 5 and 30 feet Northerly therefrom;

thence Northeasterly, parallel with the A.S.R. line survey of said highway to a point opposite HES ASR 140+15.90 on said A.S.R. line survey and 35 feet Southeasterly therefrom;

thence Southeasterly to a point opposite HES N-W 227+21.64 on the N-W line survey of said highway and 54.16 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES N-W 228+83.45 on said N-W line survey and 50.23 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES N-W 229+57.69 on said N-W line survey and 68.05 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES N-W 229+78.09 on said N-W line survey and 75.48 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES S. 160th St. 13+48.33 on said S. 160th St. line survey and 36.24 feet Northerly therefrom;

thence Westerly to a point opposite HES S. 160th St. 13+12.19 on said S. 160th St. line survey and 30 feet Northerly therefrom;

thence Westerly, parallel with said S. 160th St. line survey, to the point of beginning.

Tract "X"

Parcel 1

The Southeast quarter of the Southeast quarter of Section 21, Township 23 North, Range 4 East, W.M.

Parcel 2

The Southwest quarter of the Southeast quarter of Section 21, Township 23 North, Range 4 East, W.M.

Parcel 3

Lot 1 and Lots 3 through 9 inclusive, Glenroy Acres, according to the plat recorded in Volume 51 of Plants, page 82, records of King county, Washington.

Parcel 4

28th Ave. South as shown on the Plat of Glenroy Acres, according to the plat recorded in Volume 51 of Plants, page 82, records of King county, Washington.

3. <u>0.25 acre more or less (IC 1-17-07993)</u>

That portion of the hereinafter described Tract "X" lying within the following described tract of land:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) DMW 36+43.29 on the DMW line survey of SR 509, SR 99 to S. 188th St. Vic. and 68 feet Southeasterly therefrom; thence Northwesterly, parallel with said line survey, to a point opposite HES DMW 36+10; thence Northwesterly to a point opposite HES 883+24 on the SR 509 line survey of said highway and 378 feet Southeasterly therefrom; thence Northerly to a point opposite HES 885+48 on said SR 509 line survey and 344.76 feet Southeasterly therefrom; thence Southeasterly to the point of beginning.

Tract X:

That portion of the Northwest Quarter of the Southeast Quarter and the Southwest Quarter of the Northeast Quarter, all in Section 32, Township 23 North, Range 4 East, W.M, King County, Washington, lying within that certain parcel as deeded to the State of Washington under recording number 7203090277.

EXHIBIT C-1 to WSDOT-Port Property Exchange Agreement

Lease of 0.094 acres/4096 square feet (IC 1-17-07995) for soil nail retaining wall use [See attached lease]

Revised 11/07

RES 420

AA 1-12230

IC 1-17-07995

SR 518: Riverton Heights: SR 509 to SR 5

AIRSPACE LEASE

THIS IS AN AIRSPACE LEASE made and entered into between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, (STATE), and THE PORT OF SEATTLE (PORT), a Washington Municipal Corporation (Lease).

RECITALS

- A. The STATE owns fee title to certain real property located in SeaTac, Washington that is designated as highway right of way for State Route 518 (SR 518), a limited access highway facility, which was acquired with motor vehicle funds.
- B. The PORT desires to lease a portion of said SR 518 right of way for the purpose of installing subterranean tieback anchors (soil nails) within the right of way to support a wall constructed on PORT-owned real property located adjacent to the property to be leased.
- C. Although the property subject to this Lease is part of the operating SR 518 highway, the PORT's use of said property for subterranean tieback anchors, although not serving a highway purpose, have been determined to be compatible with the present operation and maintenance of SR 518, provided the PORT complies with the terms and conditions of this Lease.
- D. The parties acknowledge that, with the STATE's permission, the PORT accessed and made improvements to the property subject to this Lease prior to the execution of this Lease.
- E. The parties have entered into the Property Exchange Agreement by and between the Port of Seattle and the Washington State Department of Transportation (Exchange Agreement). The Exchange Agreement contemplates the exchange of real property interests including, but not limited to, the leasing of certain WSDOT-owned real property to the PORT as

B. In the event the PORT does not install the tieback anchors at the location identified in **Exhibit A**, the parties agree to promptly amend **Exhibit A** by adjusting the size, location, and legal description of the Premises to conform to the "As-Built" drawings. The PORT shall be responsible for all costs associated with said amendment.

2. TERM.

- A. The term of this Lease shall be Twenty (20) years, commencing on the Recording Date.
- B. Recording Date means the date that the conveyance documents for the Property Interests identified at Exhibits A and B of the Exchange Agreement have been recorded at the King County Recorder's Office. The parties shall, within five (5) business days of the Recording Date, complete and initial the following:

The Recording date is:	All Marie	tiekieki.	, 2009.
Initials:	STATE	PORT	_

- 3. RENEWAL. This Lease may be renewed by the PORT for Two (2) additional Ten (10) year periods (Renewal Periods); Provided that; (A) the PORT is not in default and has not been in default during the term of this Lease; (B) there is no alternative public need for the Premises; (C) PORT's continued use under this Lease does not impair the safety or operation of the STATE's highway or facility, as solely determined by the STATE; and (D) the terms and conditions of this Lease conform to then existing state policies or practices, laws, regulations and contracts or provided the PORT is willing to amend this Lease to bring it into compliance with such policies, practices, laws, regulations, and contracts. The Renewal Periods shall be on the same terms and conditions as set forth herein, except as modified by any changes in policies, practices, laws, regulations or contracts and as reflected in a written amendment signed by both parties. The PORT shall give notice of its intent to renew this Lease for each Renewal Period at least Ninety (90) calendar days, but not more than Six (6) months, prior to the expiration of this Lease, or any renewal thereof.
- 4. HOLDING OVER. In the event the PORT shall hold over or remain in possession of the Premises with the consent of the STATE after the expiration of the stated term of this Lease, or any written extension or renewal of the term of this Lease, such holding over or continued possession shall create a tenancy from month-to-month only, upon the same terms and conditions as are set forth herein; Provided, that the STATE or the PORT may, in addition to

- E. For any payment periods for which rent is due for a partial month, the rent payment shall be pro-rated based on a thirty (30) day month. Likewise, for any month in which the balance of the Rent Credit is insufficient to pay the entire amount of the then rent due, the rental payment shall be paid by Rent Credit to the extent it covers the rent, and cash payment for the balance of the rent due.
- F. In the event the Lease expires or terminates before the Rent Credit is reduced to zero, the PORT shall have the option to apply the balance of the Rent Credit toward: (1) the cost of acquiring an easement on, over, and across the Premises; or (2) rent payments the PORT is obligated to pay the STATE pursuant to other leases, as agreed to in writing by the parties.
- G. In the event the PORT does not install the tieback anchors at the location identified in **Exhibit A** to this Agreement, and **Exhibit A** is amended as provided in **Section 1.B**, the rental rate shall be adjusted to reflect any changes in the size or location of the Premises, as amended.

6. RENT ADJUSTMENTS.

- A. Rent will be adjusted annually throughout the term of this Lease beginning one year from the Commencement Date of this Lease as follows: (1) four percent (4%) of the rent amount in effect at the time of the adjustment; or (2) at a minimum of five (5) years from the Commencement Date and every five (5) years following, the STATE may, at its option, adjust the annual rent in an amount that reflects changes in comparable rents as identified in an appraisal conducted by the STATE. The STATE shall give not less than thirty (30) calendar days prior written notice to the PORT that a Rent Adjustment has been made. This notice shall include the amount of the adjusted Rent, and the date the new Rent is to become effective.
- B. On an annual basis and with each notice of a rent adjustment, the STATE shall provide written notice, current as of the date of the notice, containing the then current rent rate and the Rent Credit balance.
- C. Failure or refusal by the PORT to pay the adjusted rental rate upon receipt of the notice of rent adjustment shall constitute a default of this Lease for which the STATE may terminate with not less than five (5) calendar days prior written notice.

- determination of fair market value, the STATE and the PORT shall cooperate to reconcile the PORT's and the STATE's respective appraisals to arrive at an agreed-upon determination of fair market value. If after 90 calendar days from the date of receipt of the STATE's determination of fair market value, the parties are not able to arrive at an agreed-upon determination of fair market value, the STATE shall engage an independent Member Appraisal Institute (MAI) appraiser selected by the STATE in consultation with the PORT (Joint Appraiser). Compensation and other costs associated with obtaining the services of the Joint Appraiser will be borne in equal parts by the parties. Within 180 calendar days of the engagement of the Joint Appraiser, or such longer time as required by the Joint Appraiser to complete the review, the STATE shall submit to the PORT the Joint Appraiser's determination of fair market value.
- (6) The fair market determination of the Joint Appraiser shall be conclusive and binding on both parties provided that the Joint Appraiser's determination is not more than the higher value nor less than the lower value previously determined by the STATE and the PORT. If the value determined by the Joint Appraiser is higher than either of the values previously determined by the STATE and the PORT, the parties agree that the fair market value of the easement shall be equal to the PORT's or the STATE's previous determination, whichever was higher. If the value determined by the Joint Appraiser is lower than either of the values previously determined by the STATE and the PORT, the parties agree that the fair market value of the easement shall be equal to the PORT's or the STATE's previous determination, whichever was lower.

8. RENT PAYMENTS PAYABLE TO:

Washington State Department of Transportation. Mail payments to:

DEPARTMENT OF TRANSPORTATION
Attn.: Assistant Director, Property Management Program
243 Israel Rd. S.E., Tumwater, WA 98501
P. O. Box 47339
Olympia, WA 98504-7339

9. CHARGE FOR LATE PAYMENT, NSF CHECKS.

A. If any sums payable to STATE under this Lease are not received by the Fifth (5th) day following its due date, the PORT shall pay STATE, in addition to the amount due, for the cost of collecting and handling such payment, an amount equal to the greater of One Hundred and no/100 Dollars (\$100.00) or Five Percent (5%) of the delinquent amount. In

- (4) Immediately, upon written notice, if a receiver is appointed to take possession of the PORT's assets, the PORT makes a general assignment for the benefit of creditors, or the PORT becomes insolvent or takes or suffers action under the Bankruptcy Act;
- (5) Upon not less than Ninety (90) calendar days prior written notice, unless an emergency exists, as determined by the STATE, then immediately, if the STATE determines that it is in the best interest of the STATE to terminate this Lease; or
- (6) Upon not less than Thirty (30) calendar days prior written notice if the Premises has been abandoned, in the STATE's sole judgment, for a continuous period of Ninety (90) calendar days.
- B. Waiver or acceptance of any default of the terms of this Lease by the STATE shall not operate as a release of the PORT's responsibility for any prior or subsequent default.
- C. If the PORT defaults on any provision in this Lease, such as, but not limited to, the timely payment of rent, Three (3) times within a Twelve (12) month period, the third default shall be deemed "non-curable" and this Lease may be terminated by the STATE on not less than Thirty (30) calendar days written notice.
- 11. **TERMINATION BY PORT.** The PORT may terminate this Lease without penalty or further liability as follows:
 - A. Upon not less than Ninety (90) calendar days prior written notice for any reason;
- B. Upon not less than Thirty (30) calendar days prior written notice, if the STATE defaults and fails to cure such default within that Thirty (30) day period, or such longer period, as may be reasonably determined by the PORT, if the STATE is diligently working to cure the default; or
- C. Immediately, upon written notice, if in the PORT's judgment the Premises is destroyed or damaged so as to substantially and adversely affect PORT's authorized use of the Premises.
- 12. REIMBURSEMENT OF PREPAID RENT. All rent for the Premises prepaid beyond the effective termination date will be retained by the STATE; Except, that if the STATE terminates this Lease as provided in Section 10.A (5) above, or if the PORT terminates

17. ENVIRONMENTAL REQUIREMENTS.

- A. The PORT represents, warrants and agrees that it will conduct its activities on and off the Premises in compliance with all applicable environmental laws. As used in this Lease, "Environmental Laws" means all federal, state and local environmental laws, rules, regulations, ordinances, judicial or administrative decrees, orders, decisions, authorizations or permits, including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et. seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11001, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq., the Oil Pollution Control Act, 33 U.S.C. § 2701, et seq., and Washington or any other comparable local, state, or federal statute or ordinance pertaining to the environment or natural resources and all regulations pertaining thereto, including all amendments and /or revisions to said laws and regulations.
- B. Toxic or hazardous substances are not allowed on the Premises without the express written permission of the STATE and under such terms and conditions as may be specified by the STATE. For the purposes of this Lease, "Hazardous Substances," shall include all those substances identified as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, et seq., and the Washington Model Toxics Control Act, RCW 70.105D et seq., including all amendments and/or revisions to said laws and regulations, and shall include gasoline and other petroleum products. In the event such permission is granted, the disposal of such materials must be done in a legal manner by the PORT.
- C. The PORT agrees to cooperate in any environmental investigations conducted by STATE staff or independent third parties where there is evidence of contamination on the Premises, or where the STATE is directed to conduct such audit by an agency or agencies having jurisdiction. The PORT will reimburse the STATE for the cost of such investigations, where the need for said investigation is determined to be caused by the PORT's operations. The PORT will provide the STATE with notice of any inspections of the Premises, notices of violations, and orders to clean up contamination. The PORT will permit the STATE to participate in all settlement or abatement discussions. In the event that the PORT fails to take remedial measures as duly directed by a state, federal, or local regulatory agency within Ninety (90) calendar days of such notice, the STATE may elect to perform such work, and the PORT covenants and agrees to reimburse the STATE for all direct and indirect costs associated with the STATE's work where those costs are determined to have resulted from the PORT's use of the

facilities prior to any excavation. PORT shall contact the STATE and call the Underground Utility Locating Service, or its successor organization, as part of its efforts to ascertain any and all owners of underground utility facilities and to locate the utility. The PORT shall not damage legally installed underground utilities. PORT shall comply with all applicable provisions of Chapter 19.122 RCW relating to underground facilities.

19. USE OF RIGHT OF WAY UNDER OR ADJACENT TO STRUCTURE.

- A. The PORT agrees to provide protection against likely causes of damage arising from the PORT's use of the Premises to all retaining walls and to piers exposed to such potential damage under any elevated highway structure existing on the Premises. Such wall and pier protection shall be provided to the satisfaction of the STATE prior to occupancy.
- B. The PORT shall not weld any metal object to any metal member of any metal structure, nor drill or rivet into nor otherwise fasten anything to any pier or beam on any concrete, metal, or wood structure without the STATE's specific written approval of detailed drawings for such welding, riveting, drilling, or fastening.
- C. The PORT shall at its own expense, and upon prior written approval from the STATE, make any provisions it deems necessary to protect users of the proposed facility from any hazards resulting from use and operation of the highway.
- 20. TAXES, ASSESSMENTS, AND UTILITIES. The PORT agrees to pay all assessments that benefit the Premises and/or which may hereafter become a lien on the interest of the PORT in accordance with RCW 79.44.010. The PORT also agrees to pay all taxes that may hereafter be levied or imposed upon the interest of the PORT or by reason of this Lease. The PORT is responsible for and agrees to pay the cost of utilities, including, but not limited to, surcharges, fuel adjustments, rate adjustments and taxes that serve the Premises.

21. LIENS.

- A. Nothing in this Lease shall be deemed to make the PORT the agent of the STATE for purposes of construction, repair, alteration, or installation of structures, improvements, equipment, or facilities on the Premises. The PORT acknowledges that the STATE may not, and shall not, be subject to claims or liens for labor or materials in connection with such activities by the PORT.
- B. The PORT shall at all times indemnify and hold harmless the STATE from all claims for labor or materials in connection with construction, repair, alteration, or

shall increase the policy limits at its sole cost, when and if the STATE deems it necessary due to the PORT's use of the Premises.

- B. The PORT assumes all obligations for premium payment, and in the event of nonpayment, the PORT is obligated to reimburse the STATE the cost of maintaining the insurance coverage and any legal fees incurred in enforcing such reimbursement should PORT fail to pay the policy premiums.
- C. Coverage, if obtained by the PORT in compliance with this section, shall not be deemed as having relieved the PORT of any liability in excess of such coverage.
- D. In the event the PORT, after commencement of this Agreement, elects to terminate its self-insured status and secure commercial liability coverage, the PORT will promptly notify the STATE, and provide a certificate of insurance from an insurer licensed to conduct business in the State of Washington, in the amounts and types as set forth in Section 23.A. above. Further, the PORT shall provide a certificate of insurance within Ten (10) calendar days of receiving a written notice from WSDOT for an increase in the coverage amounts.

24. HOLD HARMLESS/INDEMNIFICATION.

The PORT, its successors and assigns, will protect, save, and hold harmless the STATE, its authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the PORT, its assigns, subtenants, agents, contractors, licensees, invitees, employees, or any person whomsoever, arising out of or in connection with any acts or activities related to this Lease. whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises. The PORT further agrees to defend the STATE, its agents or employees, in any litigation, including payment of any costs or attorney's fees, for any claims or actions commenced, arising out of, or in connection with acts or activities related to this Lease, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises. This obligation shall not include such claims, actions, costs, damages, or expenses which may be caused by the sole negligence of the STATE or its authorized agents or employees; provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the STATE, its agents or employees and (b) the PORT, its assigns, subtenants, agents, contractors, licensees, invitees, employees, or involves those actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the PORT or its assigns, subtenants, agents, contractors, licensees, invitees, employees.

adjacent highway facility or the operation thereof. In addition, the design, occupancy, or use of any improvement shall not interfere with the use, safety, appearance, nor the enjoyment of the highway facility nor produce fumes, vapors, odors, drippings, droppings, or discharge of any kind.

- C. The PORT shall provide the STATE with two sets of complete plans, details, and specifications and any revisions thereto for grading and all improvements proposed to be placed on the Premises. No work shall be done without the prior written approval of such plans by the STATE. All construction work shall be done in conformity with the plans and specifications as approved. The STATE may take any action necessary, including directing that work be temporarily stopped or that additional work be done, to ensure compliance with the plans and specifications, protection of all parts and elements of the highway facility, and compliance with the STATE's construction and safety standards. The improvements shall be designed and constructed in a manner that will permit access to the highway facility for the purpose of inspection, maintenance, and construction by the STATE.
- D. The PORT expressly acknowledges and agrees that the STATE's rights under this Lease to review, comment on, disapprove and/or accept designs, plans specifications, construction, or installation: (1) exist solely for the benefit and protection of the STATE, (2) do not create or impose upon the STATE any standard or duty of care toward PORT, all of which are hereby disclaimed, (3) may not be relied upon by PORT as having satisfied any and all applicable standards and requirements, and (4) may not be asserted, nor may the STATE's exercise or failure to exercise any such rights be asserted, against the STATE by the PORT as a defense, legal or equitable, to PORT's obligation to fulfill such standards and requirements and regardless of any acceptance of work by the STATE.
- 27. NONCOMPLETION OF CONSTRUCTION. In the event that this Lease authorizes the construction of improvements, unless the time or times for completion are extended in writing by the STATE, the STATE may, at its option, terminate this Lease, without penalty or further liability if:
- A. Construction of the improvement is not begun within Six (6) months of the Commencement Date; and
- B. Construction of the improvement is not prosecuted to completion with reasonable adherence to a construction schedule that allows not more than Twenty Four (24) months from the start to the finish of construction.

generated by such unauthorized use. The STATE shall set the amount of said share and its decision shall be final and binding. The STATE may demand such share at any time during the term of this Lease. The PORT agrees to pay said share retroactively to the date the unauthorized third-party use commenced. Furthermore, such unauthorized assignment shall not relieve the PORT from all of its obligations under this Lease, including, but not limited to, the payment of rent and the maintenance of insurance. Further, PORT shall execute an assignment as provided above within Ten (10) calendar days of the date the STATE approves the assignment.

D. Transfer of ownership or control of the abutting property owned or controlled by the PORT to a third party may be understood to serve as an assignment of the Lease and such assignment requires the STATE's prior written approval of such assignment, which approval will not be unreasonably withheld. The PORT shall notify the STATE of the transfer within Thirty (30) calendar days after closing or change of control in the PORT's property and request approval of the assignment of this Lease.

31. PERFORMANCE BY STATE.

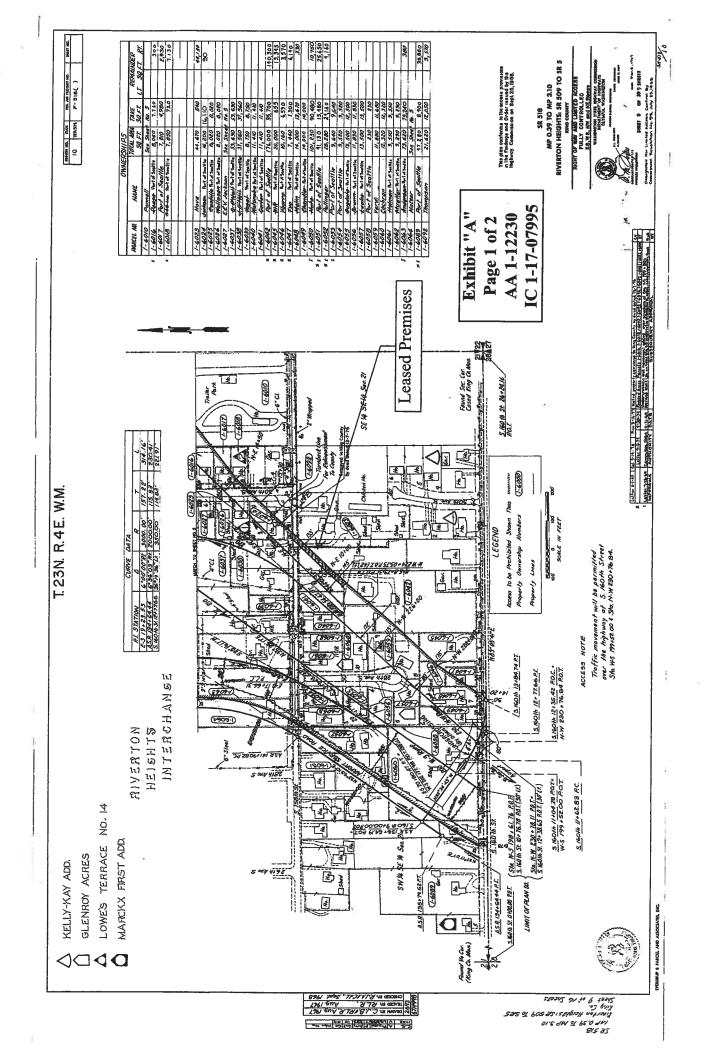
- A. If the PORT defaults in the performance or observation of any covenant or agreement contained in this Lease, the STATE, without notice if deemed by the STATE that an emergency exists, or if no emergency exists, with Thirty (30) calendar days prior written notice, may direct PORT to stop work and may itself perform or cause to be performed such covenant or agreement and may enter upon the Premises for such purpose. Such emergency shall include, but not be limited to, endangerment of life, the highway facility or failure of PORT to obtain in a timely manner the specified insurance coverage. PORT shall reimburse the STATE the entire cost and expense of such performance by the STATE within Thirty (30) calendar days of the date of the STATE's invoice. Any act or thing done by the STATE under the provisions of this section shall not be construed as a waiver of any agreement or condition herein contained or the performance thereof.
- B. In the event the STATE does not receive from the PORT any reimbursement as required in this Lease, the parties agree that in lieu of such cash payment the STATE may deduct the amount of the reimbursement plus late payment fees, as provided in Section 9, from the Rent Credit.
- 32. DISPOSITION OF IMPROVEMENTS. Except as provided elsewhere herein, upon termination of this Lease under any provision hereof, the improvements constructed by the PORT on the Premises shall become the property of the STATE or, at the option of the STATE, shall be removed by the PORT at the PORT's expense in a manner prescribed by the STATE. In the event the PORT fails to remove said improvements upon termination, the STATE may

- 36. BINDING CONTRACT. This Lease shall not become binding upon the STATE unless and until executed for the STATE by the Secretary of Transportation or her duly authorized representative.
- 37. ATTORNEYS' FEES. In the event of any controversy, claim, or dispute arising out of this Lease, each party shall be solely responsible for the payment of its own legal expenses, including but not limited to, attorney's fees and costs.
- 38. MODIFICATIONS. This Lease contains all the agreements and conditions made between the parties hereto pertaining to the rental of the Premises herein described and may not be modified orally or in any other manner other than by a written agreement signed by all parties hereto. The receipt of rent by the STATE, with knowledge of any breach of this Lease by the PORT, and/or with knowledge of any default on the part of the PORT shall not be deemed to be a waiver of any provision of this Lease. Failure on the part of the STATE to enforce any covenant or provision herein contained shall not discharge or invalidate such covenant or provision or affect the right of the STATE to enforce the same in the event of any subsequent breach or default.
- 39. INTERPRETATION. This Lease shall be governed by and interpreted in accordance with the laws of the State of Washington. The titles to paragraphs or sections of this Lease are for convenience only and shall have no effect on the construction or interpretation of any part hereof.
- 40. SEVERABILITY. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- 41. VENUE. The PORT agrees that the venue of any action or suit concerning this Lease shall be in the Thurston County Superior Court and all actions or suits thereon shall be brought therein, unless applicable law requires otherwise.
- 42. TOTALITY OF AGREEMENT. It is understood that no guarantees, representations, promises, or statements expressed or implied have been made by the STATE except to the extent that the same are expressed in this Lease.

Signatures:	Accepted and Approved by:			
PORT OF SEATTLE	WASHINGTON STATE DEPARTMENT OF TRANSPORTATION			
	nere a li el			
By:	By:			
Tay Yoshitani Chief Executive Officer	Mike Palazzo Director, Real Estate Services			
Dated:	Dated:			
APPROVED AS TO FORM	APPROVED AS TO FORM			
By: Man political and the second seco	By:			
Soojin E. Kim	Patricia K. Nightingale			
Senior Port Counsel	Assistant Attorney General			
, 2009	, 2009			
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STATE AGENCY ACKNOWLEDGMENT

STATE OF WASHINGTON)	
) ss	
COUNTY OF THURSTON)	
On this day o		, 2009 before me
personally appeared Mike Palazzo, to		
Services, and that he executed the with instrument to be the free and voluntary purposes therein set forth, and on oath	in and foregoing instrument at act and deed of said State of states that he was authorized to	nd acknowledged the said Washington, for the uses and to execute said instrument.
IN WITNESS WHEREOF, I have here day of		my official seal the
and the Barbara	(Signature)	
	(Print or type name) Notary Public in and for	the State of Washington
	residing at	
	My commission expires	



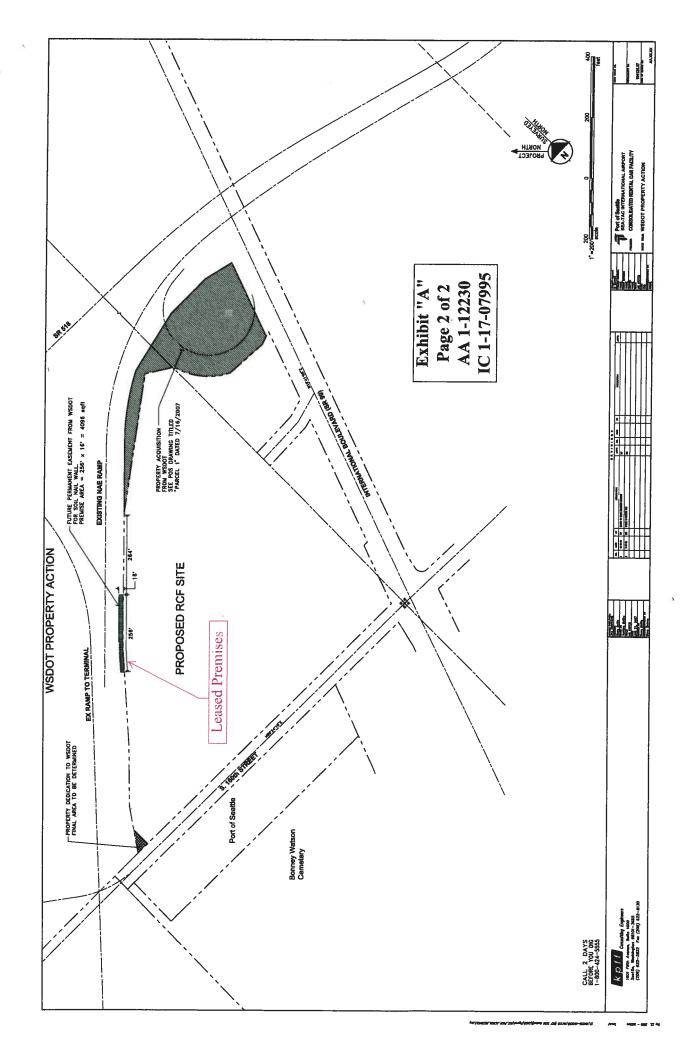




Exhibit "B" Page 1 of 1 AA 1-12230 IC 1-17-07995 Seattle-Tacoms International Airport PO Box 68727 Scottle, WA 98168

Tel: (206) 433-5388 Fax: (206) 431-5912

www.ports.eaith.com

The Port of Scattle (PORT), its successors and assigns, will protect, save, and hold harmless the Washington State Department of Transportation (WSDOT), its authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the PORT, its assigns, subtenants, agents, contractors, licensees, invitees, employees, or any person whomsoever, arising out of or in connection with any acts or activities related to the PORT's work, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises to be leased. The PORT further agrees to defend WSDOT, its agents or employees, in any litigation, including payment of any costs or attorney's fees, for any claims or actions commenced, arising out of, or in connection with acts or activities related to the PORT's work and use of the Premises, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises. This obligation shall not include such claims, actions, costs, damages, or expenses which may be caused by the sole negligence of the WSDOT or its authorized agents or employees; provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the WSDOT, its agents or employees and (b) the PORT, its assigns, subtenants, agents, contractors, licensees, invitees, employees, or involves those actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the PORT or its assigns, subtenants, agents, contractors, licensees, invitees, employees.

B. The indemnification provisions contained herein shall survive the completion of PORTs work.

Jame: Lorden &

Title

Date: 8/27/88

EXHIBIT C-2 to WSDOT-Port Property Exchange Agreement

Lease of 20,089 square feet (IC 1-17-07206) for the Third Runway north approach lighting system

[See attached lease for Third Runway north approach lighting system use]

Revised 11/07

RES 420

AA 1-12547

IC 1-17-07206

SR 518: Riverton Heights: SR 509 to SR 5

AIRSPACE LEASE

THIS IS AN AIRSPACE LEASE made and entered into between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, (STATE), and THE PORT OF SEATTLE (PORT), a Washington Municipal Corporation (Lease).

RECITALS

- A. The land and premises to be leased were purchased in fee by the STATE, for highway rights of way, with State Motor Vehicle Funds and Federal Aid highway funds, and are not presently needed exclusively for highway purposes.
- B. Pursuant to an Airspace Lease entered into by and between the STATE and the United States Government, acting by and through the Federal Aviation Administration (FAA), executed by FAA on April 26, 2006, and executed by the STATE on April 28, 2006 (FAA Lease), FAA leased the premises to be leased from the STATE to construct, operate, and maintain an approach light system tower and catwalk system for the Seattle-Tacoma Airport Third Runway (Improvements).
- C. The STATE has deemed the use of the premises to be leased as an approach light system tower and catwalk system for the Seattle-Tacoma Airport Third Runway, as further detailed in the FAA Lease, to be compatible with the current and reasonably foreseeable highway purpose use. The Federal Highway Administration (FHWA) concurs with the determination.
- D. By separate agreement FAA has delegated to the PORT and the PORT has accepted FAA's obligations to operate and maintain the Improvements in conjunction with the operation of the Seattle-Tacoma International Airport.

- E. Concurrent with the execution of this Lease the FAA Lease is terminated.
- Concurrent with the execution of this Lease, the parties entered into the Property F. Exchange Agreement by and between the Port of Seattle and the Washington State Department of Transportation (Exchange Agreement). The Exchange Agreement contemplates the exchange of real property interests including, but not limited to, the leasing of certain STATEowned real property to the PORT as part of the consideration for the STATE's fee acquisition of PORT-owned real property interests. The terms and conditions of said leases were attached to the Exchange Agreement as exhibits. This Lease was attached as Exhibit C-2 to the Exchange Agreement. The parties agreed in the Exchange Agreement that the consideration for a portion of the initial 20-year term of this Lease would be in the form of a lump sum payment in the amount of \$233,441.81. This lump sum payment would be offset against the STATE payment due to the PORT for the amount by which the cumulative fair market values of the Property Interests conveyed by the PORT to the STATE exceeds the cumulative fair market values of the Property Interests conveyed by the STATE to the PORT (Excess Value). . The Exchange Agreement further provides that in the event the exchange of property interests does not occur. the PORT would be obligated to compensate the STATE for rent due for the PORT's use of the property subject to this Lease.
- G. The terms and conditions of the Exchange Agreement warranting the execution of this Lease have been met to the satisfaction of both parties.
- H. The STATE is granted authority to lease property under RCW 47.12.120, and the STATE deems it to be in the public interest to enter into this Lease.
- I. The parties acknowledge that it is the intent of the parties to replace the PORT's leasehold interest in the property subject to this Lease with an easement interest, with a term not to exceed 50 years, prior to the expiration of the initial term of this Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY AGREED THAT:

1. PREMISES. The STATE does hereby lease to the TENANT, and the TENANT does hereby lease from the STATE, the premises (Premises) comprised of approximately 20,089 square feet in size located in the Northeast Quarter of the Northeast Quarter of Section 20.

Township 23 North, Range 4 East W.M., King County and known to be a portion of the highway right of way of SR 518, Riverton Heights: SR 509 to SR 5, Sheet 2 of 9 Sheets and as further described or shown hachured on **Exhibit A**, attached hereto and by this reference incorporated herein.

2. TERM.

- A. The term of this Lease shall be Twenty (20) years, commencing on the Recording Date.
- B. Recording Date means the date that the conveyance documents for the Property Interests identified in Exhibits A and B of the Exchange Agreement have been recorded at the King County Recorder's Office. The parties shall, within 5 business days of the Recording Date, complete and initial the following:

The Recording Date is			009.
Initials:	STATE	PORT	

- 3. RENEWAL. This Lease may be renewed by the PORT for Two (2) additional Ten (10) year periods (Renewal Period); Provided that; (A) the PORT is not in default and has not been in default during the term of this Lease; (B) there is no alternate public need for the Premises; (C) the PORT's continued use under this Lease does not impair the safety or operation of the STATE's highway or facility, as solely determined by the STATE; and (D) the terms and conditions of this Lease conform to then existing state policies or practices, laws, regulations and contracts, or provided the PORT is willing to amend this Lease to bring it into compliance with such policies, practices, laws, regulations, and contracts. The Renewal Period shall be on the same terms and conditions as set forth herein, except as modified by any changes in policies, practices, laws, regulations or contracts and as reflected in a written amendment signed by both parties. The PORT shall give notice of its intent to renew this Lease for each Renewal Period at least Ninety (90) calendar days, but not more than Six (6) months, prior to the expiration of this Lease, or any renewal thereof.
- 4. HOLDING OVER. In the event the PORT shall hold over or remain in possession of the Premises with the consent of the STATE after the expiration of the stated term of this Lease, or any written extension or renewal of the term of this Lease, such holding over or continued possession shall create a tenancy from month-to-month only, upon the same terms and conditions as are set forth herein; Provided, that the STATE or the PORT may, in addition to

other remedies provided elsewhere herein, terminate this Lease for any reason with not less than Twenty (20) calendar days prior written notice.

5. RENT.

- A. The PORT covenants and agrees to pay rent for the Premises to the STATE in advance on or before the 1st day of each calendar month (due date) during the entire term of this Lease. Rent shall be paid at the initial rate, subject to adjustment as hereinafter provided, of Eight Hundred Fifty and no/100Dollars (\$850.00) per month for rent, payable at the address designated under Section 8. In no event shall the rent be less than this initial amount.
- B. Upon the Recording Date, the PORT will be credited a lump sum rent credit in the amount of Two Hundred Thirty Three Thousand Four Hundred Forty One and 81/100 Dollars (\$233,441.81) (Rent Credit), the same amount will be deducted from the balance the STATE owes the PORT under the Exchange Agreement, and the STATE shall promptly send the PORT written notice of the then current rental rate.
- C. At such time as the Rent Credit balance is reduced to zero, the PORT shall make rental payment to the STATE in cash in the amount of the then current rental rate.
- D. For any payment periods for which rent is due for a partial month, the rent payment shall be pro-rated based on a thirty (30) day month. Likewise, for any month in which the balance of the Rent Credit is insufficient to pay the entire amount of the then rent due, the rental payment shall be paid by Rent Credit to the extent it covers the rent and cash payment for the balance of the rent due.
- E. In the event the Lease expires or terminates before the Rent Credit is reduced to zero, the PORT shall have the option to apply the balance of the Rent Credit towards: (1) the cost of acquiring an easement on, over, and across the Premises; or (2) rent payments the PORT is obligated to pay the STATE pursuant to other airspace leases, as agreed to in writing by the parties.

6. RENT ADJUSTMENTS.

A. Rent will be adjusted annually throughout the term of this Lease beginning one year from the Commencement Date of this Lease as follows: (1) four percent (4%) of the rent amount in effect at the time of the adjustment; or (2) at a minimum of five (5) years from the Commencement Date and every five (5) years following, the STATE may, at its option, adjust the annual rent in an amount that reflects changes in comparable rents as identified in an

appraisal conducted by the STATE. The STATE shall give not less than thirty (30) calendar days prior written notice to the PORT that a Rent Adjustment has been made. This notice shall include the amount of the adjusted rental rate, and the date the new rental rate is to become effective.

- B. On an annual basis and with each notice of a Rent Adjustment, the STATE shall provide written notice, current as of the date of the notice, containing the then current rental rate and Rent Credit balance.
- C. Failure or refusal by the PORT to pay the adjusted rental rate upon receipt of the notice of rent adjustment shall constitute a default of this Lease for which the STATE may terminate with not less than five (5) calendar days prior written notice.

7. RIGHT TO ACQUIRE EASEMENT.

- A. The PORT hereby notifies the STATE of the PORT's desire to obtain an easement on, over, and across the Premises covered by this Lease. The STATE and the PORT hereby agree to use their best efforts to accomplish all tasks that are preliminary to granting the PORT an easement in lieu of this Lease within the time-frames specified below. Such tasks shall all be completed within five (5) years of the Recording Date and include but are not limited to the following:
- (1) Within two (2) years of the Recording Date the STATE shall complete a disposal review of the P emises and determine, in accordance with applicable law, regulations, and guidelines, whether disposal is in the best interest of the STATE. Within fourteen (14) calendar days of making such a determination, the STATE shall notify the PORT in writing of said determination.
- (1) that the Premises may be disposed, STATE and PORT shall, within ninety (90) calendar days of said determination, shall prepare a mutually agreeable form of easement reflecting the terms and conditions of the easement for the Premises described in this Lease. Provided, however, the parties agree in advance of the negotiation of the form of easement that the use of the easement shall be limited to the uses authorized in this Lease. Within 60 calendar days of the Recording Date, the Parties shall also agree in writing on any other assumptions that will inform the appraisals of the fair market value of said easement.
- (3) Within 180 calendar days of the Recording Date, the STATE shall retain, at its sole cost and expense, a qualified appraiser to appraise the fair market value of the

easement. Any instructions given with regard to the appraisal shall be consistent with the allowed use of Premises found in **Section 15** and any other appraisal assumptions agreed to by the Parties. Within 360 calendar days of the Recording Date, the STATE shall review the appraisal and provide the PORT with a copy of the written appraisal report and the STATE's determination of fair market value.

- (4) Within 60 calendar days of receiving the STATE's appraisal report and the determination of fair market value, the PORT shall obtain, at its sole cost and expense, a review appraisal of the STATE's determination of fair market value and provide a written concurrence or detailed objection to said determination to the STATE within 60 calendar days of receipt of the STATE's determination and supporting appraisal.
- determination of fair market value, the STATE and the PORT shall cooperate to reconcile the PORT's and the STATE's respective appraisals to arrive at an agreed-upon determination of fair market value. If after 90 calendar days from the date of receipt of the STATE's determination of fair market value, the parties are not able to arrive at an agreed-upon determination of fair market value, the STATE shall engage an independent Member Appraisal Institute (MAI) appraiser selected by the STATE in consultation with the PORT (Joint Appraiser). Compensation and other costs associated with obtaining the services of the Joint Appraiser will be borne in equal parts by the parties. Within 180 calendar days of the engagement of the Joint Appraiser, or such longer time as required by the Joint Appraiser to complete the review, the STATE shall submit to the PORT the Joint Appraiser's determination of fair market value.
- (6) The fair market determination of the Joint Appraiser shall be conclusive and binding on both parties provided that the Joint Appraiser's determination is not more than the higher value nor less than the lower value previously determined by the STATE and the PORT. If the value determined by the Joint Appraiser is higher than either of the values previously determined by the STATE and the PORT, the parties agree that the fair market value of the easement shall be equal to the PORT's or the STATE's previous determination, whichever was higher. If the value determined by the Joint Appraiser is lower than either of the values previously determined by the STATE and the PORT, the parties agree that the fair market value of the easement shall be equal to the PORT's or the STATE's previous determination, whichever was lower.

8. RENT PAYMENTS PAYABLE TO:

Washington State Department of Transportation. Mail payments to:

DEPARTMENT OF TRANSPORTATION

Attn.: Assistant Director, Property Management Program 243 Israel Rd. S.E., Tumwater, WA 98501 P. O. Box 47339 Olympia, WA 98504-7339

9. CHARGE FOR LATE PAYMENT, NSF CHECKS.

- A. If any sums payable to STATE under this Lease are not received by the Fifth (5th) day following its due date, PORT shall pay STATE, in addition to the amount due, for the cost of collecting and handling such payment, an amount equal to the greater of One Hundred and no/100 Dollars (\$100.00) or Five Percent (5%) of the delinquent amount. In addition, all delinquent sums payable by PORT to STATE and not paid within Five (5) calendar days of the due date shall, at STATE's option, bear interest at the rate of Twelve Percent (12%) per annum, or the highest rate of interest allowable by law, whichever is greater; provided that if the highest rate allowable by law is less than Twelve Percent (12%), interest charged hereunder shall not exceed that amount. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment. Also there shall be a charge for any check returned uncollectable in accordance with WAC 468-20-900. STATE and the PORT agree that such charges represent a fair and reasonable estimate of the costs incurred by STATE by reason of late payments and uncollectable checks.
- B. The STATE's acceptance of late payment charges and/or any portion of the overdue payment shall in no event constitute an accord and satisfaction, compromise of such payment, or a waiver of the PORTs default with respect to such overdue payment, nor prevent the STATE from exercising any other rights and remedies granted in this Lease.
- C. When a delinquency exists, any payments received will be applied first to the late payment charge and late payment fees, next to delinquent rent, and any balance remaining to the current month's rent and Leasehold Excise Tax, if applicable.

10. TERMINATION BY STATE.

- A. The STATE may terminate this Lease, without penalty or further liability as follows:
- (1) Upon not less than Five (5) calendar days prior written notice to the PORT, if the PORT fails to cure a default for payment of amounts due under this Lease within that Five (5) day period;

- (2) Upon not less than Thirty (30) calendar days prior written notice to the PORT, if the PORT defaults, other than for non payment of rent, and fails to cure such default within that Thirty (30) day period, or such longer period, as may be reasonably determined by the STATE, if the PORT is diligently working to cure the default;
- (3) Immediately, upon written notice, if the STATE is required by court order, by legislative action, or by a governmental agency having jurisdiction to take some action, which would effectively prohibit the PORT's use of the Premises;
- (4) Immediately, upon written notice, if a receiver is appointed to take possession of the PORT's assets, the PORT makes a general assignment for the benefit of creditors, or the PORT becomes insolvent or takes or suffers action under the Bankruptcy Act;
- (5) Upon not less than Three Hundred Sixty-Five (365) calendar days prior written notice, unless an emergency exists, as determined by the STATE, then immediately, if the STATE determines that it is in the best interest of the STATE to terminate this Lease; or
- (6) Upon not less than Thirty (30) calendar days prior written notice if the Premises has been abandoned, in the STATE's sole judgment, for a continuous period of Ninety (90) calendar days.
- B. The STATE reserves the right to terminate this Lease, in whole or in part, as provided in Section 10.A(5), when the Premises, or a portion thereof, is needed for a highway purpose. In recognition of the critical need and function that the Improvements, as that term is defined in RECITAL B plays in the operation of the Seattle-Tacoma International Airport, the Airport's impact on the economic life of the region, and the substantial financial investment required to construct the Improvements, in the unlikely event the STATE determines it is necessary to relocate the Improvements for a highway purpose, the parties shall work jointly and cooperatively to explore alternatives to relocation and methods to mitigation such relocation. In the event the parties are unable to reach a mutually satisfactory resolution, the matter shall be submitted to the Executive Heads of each agency for discussion and resolution. The Washington Secretary of Transportation is hereby designed as the Executive Head for WSDOT and the Managing Director of the Aviation Division is designated as such for the PORT.
- C. Except as otherwise agreed to in writing by the parties, in the event of a termination by the STATE under this Lease, the PORT shall be responsible for expenditures incurred due to the removal and/or relocation of the Improvements, as that term is defined in **RECITAL B**.

- D. Waiver or acceptance of any default of the terms of this Lease by the STATE shall not operate as a release of the PORT's responsibility for any prior or subsequent default.
- E. If the PORT defaults on any provision in this Lease, such as, but not limited to, the timely payment of rent, Three (3) times within a Twelve (12) month period, the third default shall be deemed "non-curable" and this Lease may be terminated by the STATE on not less than Thirty (30) calendar days written notice.

11. TERMINATION BY PORT.

- A. The PORT may terminate this Lease without penalty or further liability as follows:
 - 1. Upon not less than Three Hundred Sixty-Five (365) calendar days prior written notice for any reason;
- 2. Upon not less than Thirty (30) calendar days prior written notice, if the STATE defaults and fails to cure such default within that Thirty (30) day period, or such longer period, as may be reasonably determined by the PORT, if the STATE is diligently working to cure the default; or
- 3. Immediately, upon written notice, if in the PORT's judgment the Premises is destroyed or damaged so as to substantially and adversely affect the PORT's authorized use of the Premises.
- B. In the event of a termination by the PORT pursuant to Sections 11.A(1) and (3), the PORT shall be responsible for expenditures incurred due to removal and/or relocation of the Improvements, as that term is defined in RECITAL B.
- 12. REIMBURSEMENT OF PREPAID RENT. All rent for the Premises prepaid beyond the effective termination date will be retained by the STATE; Except, that if the STATE terminates this Lease as provided in Section 10.A (5) above, or if the PORT terminates pursuant to Section 11. B or C above, the PORT shall be entitled to a pro rata refund of any rent prepaid beyond the effective termination date. This provision does not apply to the Rent Credit.
- 13. NONAPPLICABILITY OF RELOCATION ASSISTANCE. The PORT acknowledges that this Lease does not at any time entitle the PORT to assistance under the Uniform Relocation and Real Property Acquisition Policy (Ch. 8.26 RCW).

14. ENCUMBRANCES. The PORT shall not encumber the Premises.

15. USE OF LEASED PREMISES.

- A. Improvements. The STATE and the PORT acknowledge and agree that the Improvements located on the Premises at the time of the Commencement Date:,
 - (1) Are the personal property of the FAA; and
- (2) The PORT is authorized by the FAA to operate and maintain the Improvements.
- B. The PORT's use of the Premises is limited to the maintenance and operation of the Improvements and installation of equipment to aid navigation of the approach to the Airport. Any and all modifications shall not impact the safety of WSDOT's facility or the motoring public.
- C. The STATE hereby authorizes the PORT to allow the FAA, its employees, agents and contractors to engage in maintenance, operation and installation activities related to the Improvements without the prior written approval of the STATE.
- D. In using the Premises, the PORT shall comply with all policies and regulations, including, but not limited to Chapter 47.42 RCW et seq. and WAC 468-66 et seq., heretofore adopted or hereafter promulgated by the STATE relative to the location, operation, and maintenance of improvements located on the Premises. Furthermore, in using the Premises, it is expressly agreed that the PORT shall (1) comply with all applicable federal, state and local laws, ordinances, and regulations, including environmental requirements that are in force or which may hereafter be in force, and (2) secure all necessary permits and licenses for the uses of the Premises authorized in this Lease. Direct access to ramps or traveled lanes of limited access highways is not permitted. All grading and construction plans and any changes thereof are subject to approval by the STATE. The PORT shall not commit or allow to be committed any waste upon the Premises nor allow any public or private nuisance.
- 16. TRAFFIC CONTROL. At all times during the term of this Lease, the PORT shall adhere to a STATE approved Traffic Control Plan for any construction, initial testing, reconstruction, operation, and maintenance of any improvement on the Premises, including but not limited to, the FAA Improvements on the Premises. The PORT shall submit and obtain STATE approval of the Traffic Control Plan prior to performing activities on the Premises. The Traffic Control Plan shall comply with the Washington State Department of Transportation

Work Zone Traffic Control Guidelines and be prepared in accordance with the Manual on Uniform Traffic Control Devices (MUTCD). The initial Traffic Control Plan, and any subsequent revisions shall be submitted to the Washington State Department of Transportation Northwest Region Traffic Control Office, 15700 Dayton Avenue North, PO Box 330310, Seattle, WA 98133-9710, at least thirty (30) calendar days prior to initiating construction or maintenance activities on the Premises.

- 17. SIGNS, DISPLAY LIGHTS, ADVERTISING MATERIALS. The PORT is not permitted to install signs, display lights, or advertising media/materials on the Premises.
- 18. FENCES AND PROTECTIVE BARRIERS. Any STATE-owned fences in place at the time of execution of this Lease or relocated to separate the Premises from the traveled roadway on limited access highways will be maintained by the STATE for the duration of the Lease. Nothing is to be attached to the STATE's fence without the STATE's prior written approval. If any fence, barrier, or guardrail is damaged as a result of the PORT's activities, the PORT will immediately repair such damage at its cost and to the STATE's satisfaction. Any barrier and guardrail that is removed, relocated, or moved to access the Premises from the traveled way must be replaced to the STATE's satisfaction. Any fencing or protective barriers installed by the PORT must be approved in advance and in writing by the STATE.
- 19. CONDITION OF THE PROPERTY. The STATE and the PORT acknowledge that they have jointly examined the Premises and the PORT accepts said Premises in its present condition as of the Commencement Date of this Lease.

20. MAINTENANCE.

- A. The PORT shall perform or cause to be performed at its expense all maintenance of the Premises that will include, but not be limited to, keeping the Premises, the PORT improvements, and the FAA Improvements located thereon in good condition, both as to safety and appearance, to the satisfaction of the STATE.
- B. The PORT shall, at its own expense and at all times, keep the Premises, Port improvements, and the FAA Improvements, neat, clean and in a sanitary condition, and keep and use the Premises, PORT improvements, and the FAA Improvements, in accordance with all applicable laws, ordinances, rules, regulations and requirements of governmental authorities. The PORT shall permit no waste, damage or injury to the Premises. The PORT shall make such repairs as necessary to maintain the PORT improvements and FAA Improvements on the Premises in as good condition as at the commencement of this Lease,

reasonable wear, and damage by fire and other casualty for which the PORT is not responsible excepted.

- C. The PORT shall be responsible for any additional costs incurred by the STATE due to the PORT's occupancy of the Premises, including but not limited to:
 - (1) additional cost of maintenance and operation of the STATE's highway;
 - (2) any cost needed to prevent vandalism to the STATE's property;
 - (3) any cost to remove graffiti; and
 - (4) any cost incurred by the STATE for any related traffic control measures.

The PORT shall reimburse the STATE for such costs within thirty (30) calendar days of the date of the STATE's invoice.

D. The PORT shall own and be responsible at its sole expense for operating, cleaning, maintaining, repairing, and replacing, in whole or in part, all PORT improvements and the FAA Improvements on the Premises.

21. ENVIRONMENTAL REQUIREMENTS.

A. The PORT represents, warrants and agrees that it will conduct its activities on and off the Premises in compliance with all applicable environmental laws. As used in this Lease, "Environmental Laws" means all federal, state and local environmental laws, rules, regulations, ordinances, judicial or administrative decrees, orders, decisions, authorizations or permits, including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et. seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11001, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq., the Oil Pollution Control Act, 33 U.S.C. § 2701, et seq., and Washington or any other comparable local, state, or federal statute or ordinance pertaining to the environment or natural resources and all regulations pertaining thereto, including all amendments and /or revisions to said laws and regulations.

- B. Toxic or hazardous substances are not allowed on the Premises without the express written permission of the STATE and under such terms and conditions as may be specified by the STATE. For the purposes of this Lease, "Hazardous Substances," shall include all those substances identified as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, et seq., and the Washington Model Toxics Control Act, RCW 70.105D et seq., including all amendments and/or revisions to said laws and regulations, and shall include gasoline and other petroleum products. In the event such permission is granted, the disposal of such materials must be done in a legal manner by the PORT.
- C. The PORT agrees to cooperate in any environmental investigations conducted by STATE staff or independent third parties where there is evidence of contamination on the Premises, or where the STATE is directed to conduct such audit by an agency or agencies having jurisdiction. The PORT will reimburse the STATE for the cost of such investigations, where the need for said investigation is determined to be caused by the PORT's operations. The PORT will provide the STATE with notice of any inspections of the Premises, notices of violations, and orders to clean up contamination. The PORT will permit the STATE to participate in all settlement or abatement discussions. In the event that the PORT fails to take remedial measures as duly directed by a state, federal, or local regulatory agency within Ninety (90) calendar days of such notice, the STATE may elect to perform such work, and the PORT covenants and agrees to reimburse the STATE for all direct and indirect costs associated with the STATE's work where those costs are determined to have resulted from the PORT's use of the Premises. The PORT further agrees that the use of the Premises shall be such that no hazardous or objectionable smoke, fumes, vapor, odors, or discharge of any kind shall adversely affect the use and operation of the adjacent highway.
- D. For the purposes of this Section, "Costs" shall include, but not be limited to, all response costs, disposal fees, investigatory costs, monitoring costs, civil or criminal penalties, and attorney fees and other litigation costs incurred in complying with state or federal environmental laws, which shall include, but not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.; the Clean Water Act, 33 U.S.C. § 1251; the Clean Air Act, 42 U.S.C. § 7401; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901; and the Washington Model Toxics Control Act, Ch. 70.105D RCW, et seq., including all amendments and/or revisions to said laws and regulations.
- E. The PORT agrees to defend, indemnify and hold harmless the STATE from and against any and all claims, causes of action, demands and liability including, but not limited to, any costs, liabilities, damages, expenses, assessments, penalties, fines, losses,

judgments and attorneys' fees associated with the removal or remediation of any Hazardous Substances that have been released, or otherwise come to be located on the Premises, including those that may have migrated from the Premises through water or soil to other properties, including without limitation, the adjacent STATE property, and which are caused by or result from the PORT's activities on the Premises. The PORT further agrees to retain, defend, indemnify and hold harmless the STATE from any and all liability arising from the offsite disposal, handling, treatment, storage, or transportation of any such Hazardous Substances removed from said Premises.

F. The provisions of this section shall survive the termination or expiration of this Lease.

22. STATE'S RESERVATION OF RIGHT TO MAINTAIN AND GRANT UTILITY FRANCHISES AND PERMITS.

- A. The STATE reserves the right for utility franchise and permit holders to enter upon the Premises to maintain, repair and enhance existing facilities and install new utilities and, for itself, to grant utility franchises and/or permits across the Premises. Prior to any access to the Premises by a franchise or permit holder, the franchise or permit holder shall call or otherwise provide notice to the notice recipient indicated in **Section 46** (Notices) to arrange for an escort, unless an extreme emergency exists that does not allow time for notification or arranging an escort. Any work performed on the Premises by a franchise or permit holder will be accomplished in such a manner as to minimize any disruption to the PORT. The franchise/permit holder will be required to restore paving and grading damaged by the installation.
- B. The PORT shall not disturb markers installed by a franchise/permit holder and will contact and provide notice to any franchise/permit holder and all owners of underground facilities prior to any excavation. The PORT shall contact the STATE and call the Underground Utility Locating Service, or its successor organization, as part of its efforts to ascertain any and all owners of underground utility facilities and to locate the utility. The PORT shall not damage legally installed underground utilities. The PORT shall comply with all applicable provisions of Chapter 19.122 RCW relating to underground facilities.

23. USE OF RIGHT OF WAY UNDER OR ADJACENT TO STRUCTURE.

A. The PORT agrees to provide protection against vehicular hits or other likely causes of damage arising from the PORT's use of the Premises to all retaining walls and to piers exposed to such potential damage under any elevated highway structure existing on the

Premises. Such wall and pier protection shall be provided to the satisfaction of the STATE prior to occupancy.

- B. The PORT shall not weld any metal object to any metal member of any metal structure, nor drill or rivet into nor otherwise fasten anything to any pier or beam on any concrete, metal, or wood structure of an STATE-owned improvements located on or adjacent to the Premises without the STATE's specific written approval of detailed drawings for such welding, riveting, drilling, or fastening.
- C. The PORT shall at its own expense, and upon prior written approval from the STATE, make any provisions it deems necessary to: (1) protect users of the proposed facility from any hazards resulting from use and operation of the highway; and (2) protect users of the highway including, but not limited to, the traveling public and STATE employees, agents, contractors, assigns, and invitees, from any hazards resulting from the PORT's and its assign's, subtenant's, agent's, contractor's, licensee's, invitee's, including but not limited to the FAA, and employee's use of the Premises.
- 24. TAXES, ASSESSMENTS, AND UTILITIES. The PORT agrees to pay all assessments that benefit the Premises and/or which may hereafter become a lien on the interest of the PORT in accordance with RCW 79.44.010. The PORT also agrees to pay all taxes that may hereafter be levied or imposed upon the interest of the PORT or by reason of this Lease. The PORT is responsible for and agrees to pay the cost of utilities, including, but not limited to, surcharges, fuel adjustments, rate adjustments and taxes that serve the Premises.

25. LIENS.

- A. Nothing in this Lease shall be deemed to make the PORT the agent of the STATE for purposes of construction, repair, alteration, or installation of structures, improvements, equipment, or facilities on the Premises. The PORT acknowledges that the STATE may not, and shall not, be subject to claims or liens for labor or materials in connection with such activities by the PORT.
- B. The PORT shall at all times indemnify and hold harmless the STATE from all claims for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities on or within the Premises, and from the cost of defending against such claims, including attorney fees.
 - C. In the event a lien is filed upon the Premises, the PORT shall:

- (1) Record a valid Release of Lien;
- (2) Deposit sufficient cash with the STATE to cover the amount of the claim on the lien in question and authorize payment to the extent of said deposit to any subsequent judgment holder that may arise as a matter of public record from litigation with regard to lienholder claim; or
- (3) Procure and record a bond which releases the Premises from the claim of the lien and from any action brought to foreclose the lien.
- D. Should the TENANT fail to accomplish 1, 2, or 3, above, within Fifteen (15) days after the filing of such a lien, the Lease shall be in default.
- 26. STATE'S RIGHT OF ENTRY AND INSPECTION. The STATE for itself, the FHWA, and their respective agents and contractors have the right to call the notice recipient indicated in Section 46 (Notices) to arrange for a PORT escort onto the Premises for the purpose of inspection, maintenance, construction, or reconstruction of the highway facility or any element, unless an extreme emergency exists that does not allow time for notification or arranging an escort. Any loss of the use of the Premises due to the STATE's exercise of such right will be compensated for solely by a pro rata reduction of rent. The STATE shall in no way be responsible for any incidental or consequential damages due to such loss of use, if any, by the PORT. In addition, the STATE and the FHWA may call the notice recipient indicated in Section 46 (Notices) to arrange for an escort onto the Premises for the purpose of inspecting any excavation, construction, or maintenance work being done by the PORT.

27. INSURANCE.

- A. The PORT warrants that it is self-insured, and agrees to provide acceptable evidence of its self-insured status to the STATE. If commercially insured, the PORT's insurance policy must provide liability coverage for the Premises, including public liability coverage for bodily injury, property damage, and personal injury of not less than Two Million and no/100 Dollars (\$2,000,000.00) combined single limit per occurrence, with a general aggregate amount of not less than Four Million and no/100 Dollars (\$4,000,000.00) per policy period. The PORT shall increase the policy limits at its sole cost, when and if the STATE deems it necessary due to the PORT's use of the Premises.
- B. The PORT assumes all obligations for premium payment, and in the event of nonpayment, the PORT is obligated to reimburse the STATE the cost of maintaining the

insurance coverage and any legal fees incurred in enforcing such reimbursement should the PORT fail to pay the policy premiums.

- C. Coverage, if obtained by the PORT in compliance with this section, shall not be deemed as having relieved the PORT of any liability in excess of such coverage.
- D. In the event the PORT, after commencement of this Lease, elects to terminate its self-insured status and secure commercial liability coverage, the PORT will promptly notify the STATE, and provide a certificate of insurance from an insurer licensed to conduct business in the State of Washington, in the amounts and types as set forth in paragraph 27.A. above. Further, the PORT shall provide a certificate of insurance within Ten (10) calendar days of receiving a written notice from the STATE for an increase in the coverage amounts.

28. HOLD HARMLESS/INDEMNIFICATION.

- A. The PORT, its successors and assigns, will protect, save, and hold harmless the STATE, its authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the PORT, its assigns, subtenants, agents, contractors, licensees, invitees, including but not limited to FAA. employees, or any person whomsoever, arising out of or in connection with any acts or activities related to this Lease, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises. The PORT further agrees to defend the STATE. its agents or employees, in any litigation, including payment of any costs or attorney's fees, for any claims or actions commenced, arising out of, or in connection with acts or activities related to this Lease, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises. This obligation shall not include such claims, actions, costs, damages, or expenses which may be caused by the sole negligence of the STATE or its authorized agents or employees; provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the STATE, its agents or employees and (b) the PORT, its assigns, subtenants, agents, contractors, licensees, invitees, including but not limited to FAA, employees, or involves those actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the PORT or its assigns. subtenants, agents, contractors, licensees, invitees, including but not limited to FAA, and employees.
- B. The indemnification provisions contained in this section shall survive the termination or expiration of this Lease.

29. PERSONAL PROPERTY.

A. The STATE shall not be liable in any manner for, or on account of, any loss or damage sustained to any property of whatsoever kind stored, kept, or maintained on or about the Premises, except for such claims or losses that may be caused by the STATE or its authorized agents or employees. Upon termination of this Lease, the STATE or its agent may remove all personal property of the PORT or FAA remaining on the Premises, at the PORT's expense and dispose of it in any manner the STATE deems appropriate. The PORT agrees to reimburse the STATE for the costs of such removal and disposal within Thirty (30) calendar days of the date of the STATE's invoice.

30. CONSTRUCTION WORK.

- A. The PORT is not permitted to construct additional improvements or Work on the Premises except as may be approved in advance and in writing by the STATE and subject to such terms and conditions as the STATE may require. In such approval and terms and conditions shall be documents by a written amendment to this Lease. For the purposes of this Lease, the term "Work" shall include, but not be limited to activities such as regrading, construction, installation, repair, or reconstruction of an improvement or utility.
- The PORT covenants that Work it may perform on the Premises will not at any time during or after construction either damage, threaten to damage, or otherwise adversely affect any part or element of the highway facility or the operation thereof. In addition, the design, installation, occupancy, or use of any improvement or equipment shall not interfere with the use, safety, appearance, nor the enjoyment of the highway facility nor produce fumes, vapors, odors, drippings, droppings, or discharge of any kind. The PORT shall provide the STATE with two sets of complete plans, details, and specifications and any revisions thereto for grading and all improvements and equipment proposed to be placed on the Premises. No Work shall be done without the prior written approval of such plans by the STATE. All construction and installation work shall be done in conformity with the plans and specifications as approved. The STATE may take any action necessary, including directing that work be temporarily stopped or that additional work be done, to ensure compliance with the plans and specifications. protection of all parts and elements of the highway facility, and compliance with the STATE's construction and safety standards. The improvements and equipment shall be designed, installed, and constructed in a manner that will permit access to the highway facility for the purpose of inspection, maintenance, and construction by the STATE.

- C. The PORT expressly acknowledges and agrees that the STATE's rights under this Lease to review, comment on, disapprove and/or accept designs, plans specifications, construction, or installation: (1) exist solely for the benefit and protection of the STATE, (2) do not create or impose upon the STATE any standard or duty of care toward the PORT, all of which are hereby disclaimed, (3) may not be relied upon by the PORT as having satisfied any and all applicable standards and requirements, and (4) may not be asserted, nor may the STATE's exercise or failure to exercise any such rights be asserted, against the STATE by the PORT as a defense, legal or equitable, to the PORT's obligation to fulfill such standards and requirements and regardless of any acceptance of work by the STATE.
- 31. SITE PLAN. The STATE acknowledges that FAA) has previously provided the STATE with a Site Plan of the exact footprint of the Improvements and crossing of the highway facility. To the extent that the PORT installs additional equipment or improvements, the PORT shall furnish, within 120 calendar days following the PORT's completion of installation of equipment or improvements on the Premises, a Site Plan, acceptance of which shall be subject to the STATE's approval. If said plans are not received within said 120 days, this will be considered a default, and this Lease may be terminated pursuant to Section 10 herein.
- 32. NONDISCRIMINATION. The PORT, for itself, its successors and assigns, as part of the consideration hereof, does hereby agree to comply with all applicable civil rights and antidiscrimination requirements, including, but not imited to, Chapter 49.60 RCW.

33. ASSIGNMENT.

- A. Neither this Lease nor any rights created by it may be assigned, sublet, or transferred without the prior written approval of the STATE. Any such assignment shall be in writing on a form approved by the STATE and shall include an assumption of the Lease by the assignee. In determining whether to approve an assignment or sublease the STATE shall be entitled to consider the proposed assignee's or sublessee's financial condition, managerial capability, business reputation, nature of the proposed assignee's or sublessee's business, and such other factors as may reasonably bear upon the suitability of the assignee or sublessee as a tenant of the Premises or the holder of this Lease.
- B. The PORT shall provide the written assignment form to the STATE at least Sixty (60) calendar days prior to the date the PORT requires the approved form. In addition, the PORT shall provide to the STATE a copy of said written assignment within Fifteen (15) calendar days of its execution. If the PORT is a corporation, then the transfer of Forty Percent (40%) of the PORT's stock is deemed an assignment for the purposes of this Lease and

requires STATE approval. STATE's consent to one assignment or sublease shall not waive the requirement of obtaining STATE consent to any subsequent assignment or sublease. The PORT hereby covenants that it is acting as principal and not as an agent for any undisclosed principal.

- C. In the event the PORT assigns this Lease, sublets, or otherwise allows third party use of any portion of the Premises, whether by written or verbal agreement, without the STATE's written approval, the STATE, in addition to or in lieu of terminating this Lease for default and in addition to any damages it may experience, may demand a share of any revenue generated by such unauthorized use. The STATE shall set the amount of said share and its decision shall be final and binding. The STATE may demand such share at any time during the term of this Lease. The PORT agrees to pay said share retroactively to the date the unauthorized third-party use commenced. Furthermore, such unauthorized assignment shall not relieve the PORT from all of its obligations under this Lease, including, but not limited to, the payment of rent and the maintenance of insurance. Further, the PORT shall execute an assignment as provided above within Ten (10) calendar days of the date the STATE approves the assignment.
- D. Transfer of ownership or control of the abutting property owned or controlled by the PORT to a third party may be understood to serve as an assignment of the Lease and such assignment requires the STATE's prior written approval of such assignment, which approval will not be unreasonably withheld. The PORT shall notify the STATE of the transfer within Thirty (30) calendar days after closing or change of control in the PORT's property and request approval of the assignment of this Lease.

34. PERFORMANCE BY STATE.

A. If the PORT defaults in the performance or observation of any covenant or agreement contained in this Lease, the STATE, without notice if deemed by the STATE that an emergency exists, or if no emergency exists, with Thirty (30) calendar days prior written notice, may direct the PORT to stop work and may itself perform or cause to be performed such covenant or agreement and may enter upon the Premises for such purpose. Such emergency shall include, but not be limited to, endangerment of life, the highway facility or failure of the PORT to obtain in a timely manner the specified insurance coverage. The PORT shall reimburse the STATE the entire cost and expense of such performance by the STATE within Thirty (30) calendar days of the date of the STATE's invoice. Any act or thing done by the STATE under the provisions of this section shall not be construed as a waiver of any agreement or condition herein contained or the performance thereof.

- B. In the event the STATE does not receive from the PORT any reimbursement as required in this Lease, the parties agree that in lieu of such cash payment the STATE may deduct the amount of the reimbursement plus late payment fees, as provided in **Section 9**, from the Rent Credit.
- 35. DISPOSITION OF IMPROVEMENTS. Except as provided elsewhere herein, upon termination of this Lease under any provision hereof, the Improvements shall become the property of the STATE or, at the option of the STATE, shall be removed by the PORT at the PORT's expense in a manner prescribed by the STATE. In the event the PORT fails to remove the Improvements upon termination, the STATE may remove and dispose of the Improvements as it deems appropriate and at the PORT's expense. The PORT shall reimburse the STATE for all expenses incurred in such removal and disposal within thirty (30) calendar days of the date of the STATE's invoice for such costs: Provided, that to the extent such reimbursement is covered by the Rent Credit retained in Section 34.B., said reimbursements shall be deducted from the Rent Credit.
- 36. STATE ACCESS TO REMOVE IMPROVEMENTS. In the event the PORT fails to remove the Improvements or restore the Premises to the STATE's satisfaction, and if necessary or desirable in the STATE's judgment for reasons of safety or economy, the STATE or its agents shall have the right to cross any lands owned or otherwise controlled by the PORT for the purpose of accomplishing said removal or restoration. Said right shall expire One Hundred Eighty (180) calendar days after the date of termination of this Lease, or when removal and restoration is complete in the STATE's judgment, whichever is the earlier.
- 37. RESTORATION OF SITE. If during the term of this Lease, the PORT's acts or activities damage the Premises or the property or improvements located adjacent to the Premises, the PORT shall take immediate action to stabilize the Premises so as to prevent further damage and immediately notify the STATE of the damage. The PORT shall be responsible for all costs and expenses associated with the restoration of the site, including but not limited to the repair of said improvements, which shall be performed, at the STATE's discretion, by the PORT, the STATE, or its contractors, or the owner of the improvements or its contractors. Such work shall be done to the satisfaction of the STATE. In the event the PORT does not perform said work, the PORT agrees to reimburse STATE for all such costs within thirty (30) calendar days of the date of the STATE's or the owner of the property's invoice for such costs.
- 38. VACATION OF LEASED PREMISES. Upon termination of this Lease, the PORT shall cease its operations on and/or use of the Premises. In the event the PORT fails to

vacate the Premises on the date of termination, the PORT shall be liable for any and all costs to the STATE arising from such failure.

- 39. BINDING CONTRACT. This Lease shall not become binding upon the STATE unless and until executed for the STATE by the Secretary of Transportation or her duly authorized representative.
- 40. ATTORNEYS' FEES. In the event of any controversy, claim, or dispute arising out of this Lease, each party shall be solely responsible for the payment of its own legal expenses, including but not limited to, attorney's fees and costs.
- 41. MODIFICATIONS. This Lease, including the exhibits and RECITALS, which are hereby incorporated by reference herein, contains all the agreements and conditions made between the parties hereto pertaining to the rental of the Premises herein described and may not be modified orally or in any other manner other than by a written agreement signed by all parties hereto. The receipt of rent by the STATE, with knowledge of any breach of this Lease by the PORT, and/or with knowledge of any default on the part of the PORT shall not be deemed to be a waiver of any provision of this Lease. Failure on the part of the STATE to enforce any covenant or provision herein contained shall not discharge or invalidate such covenant or provision or affect the right of the STATE to enforce the same in the event of any subsequent breach or default.
- 42. INTERPRETATION. This Lease shall be governed by and interpreted in accordance with the laws of the State of Washington. The titles to paragraphs or sections of this Lease are for convenience only and shall have no effect on the construction or interpretation of any part hereof.
- 43. SEVERABILITY. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- 44. VENUE. The PORT agrees that the venue of any action or suit concerning this Lease shall be in the Thurston County Superior Court and all actions or suits thereon shall be brought therein, unless applicable law requires otherwise.

- 45. TOTALITY OF AGREEMENT. It is understood that no guarantees, representations, promises, or statements expressed or implied have been made by the STATE except to the extent that the same are expressed in this Lease.
- 46. NOTICES. Wherever in this Lease written notices are to be given or made, they will be served, personally delivered or sent by certified or overnight mail addressed to the parties at the address listed below unless a different address has been designated in writing and delivered to the other party. The PORT agrees to accept service of process at said address.;

STATE:

DEPARTMENT OF TRANSPORTATION (Mailing Address)

Attn.: Assistant Director, Property Management Program

P. O. Box 47338

Olympia, WA 98504-7338

DEPARTMENT OF TRANSPORTATION (Physical Address)

Attn.: Assistant Director, Property Management Program

243 Israel Road Southeast Tumwater, WA 98501

PORT:

THE PORT OF SEATTLE

Attn: Jim Schone

Director, Aviation Business Development

(206) 835-5777

Seattle Tacoma International Airport

17801 Pacific Highway South Seattle, WA 98158-0727

IN WITNESS WHEREOF, the parties have executed this Lease as of the last date written below.

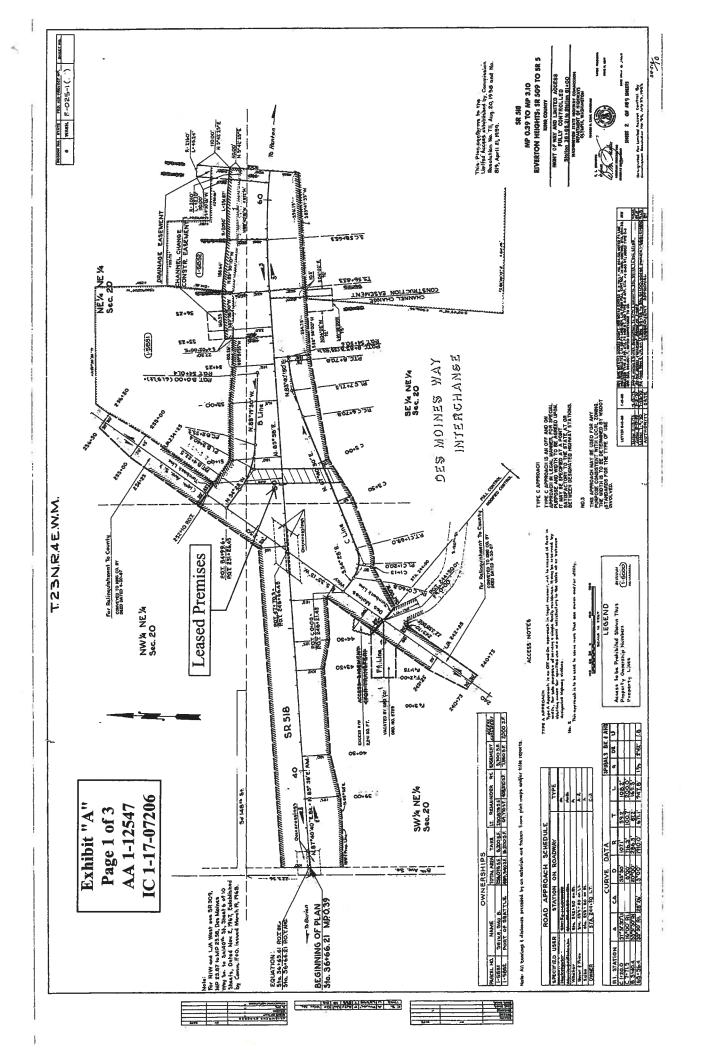
Signatures:	Accepted and Approved by:
PORT OF SEATTLE	WASHINGTON STATE
	DEPARTMENT OF TRANSPORTATION
Ву:	By:
Tay Yoshitani	Mike Palazzo
Chief Executive Officer	Director, Real Estate Services
Dated:	Dated:
de	
APPROVED AS TO FORM	APPROVED AS TO FORM
By:	By:
Soojin E. Kim	Patricia K. Nightingale
Senior Port Counsel	Assistant Attorney General
, 2009	, 2009

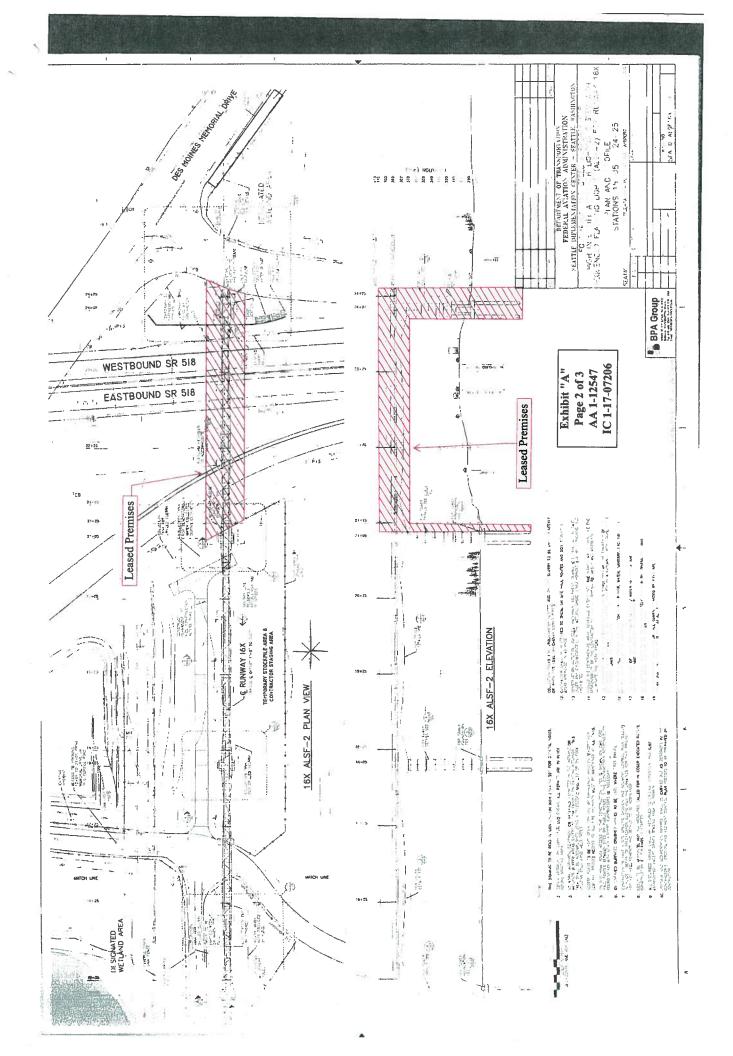
AGENCY ACKNOWLEDGMENT

STATE OF	WASHINGTON)	
) ss	
COUNTY C)F)	
On this	day of	before me person	nally appeared
		to me known to be the du	ily appointed
		7/7/19/19/2	ne/she executed the within and
foregoing in	strument and acknowled	ged the said instrument to	be his/her free and voluntary act
and deed of	said State of Washington	n, for the uses and purpose	es therein set forth, and on oath
Lessees that	he/she was authorized to	execute said instrument.	
IN WITNES	S WHEREOF, I have he	ereunto set my hand and a	ffixed my official seal the
	day of		, 20
		(a. 1	
		(Signature)	
i dali	Control (Street) Contro		
		(Drint or tyme new	-0)
		(Print or type nam	
		Notary Public III a	and for the State of Washington
		residing at	
		My commission e	expires
		ing commission o	

STATE AGENCY ACKNOWLEDGMENT

STATE OF WASHINGTON)	
) ss	
COUNTY OF THURSTON)	
On this	_day of	, 2009 before me
		the duly appointed <u>Director, Real Estate</u>
	111111111111111111111111111111111111111	g instrument and acknowledged the said
		said State of Washington, for the uses and as authorized to execute said instrument.
IN WITNESS WHEREOF, I h	ave hereunto set my han	d and affixed my official seal the
day of	,20	09.
	(Signature	e)
	(Print or ty	· · · · · · · · · · · · · · · · · · ·
	Notary Pu	blic in and for the State of Washington
	residing at	
	My comm	ission expires





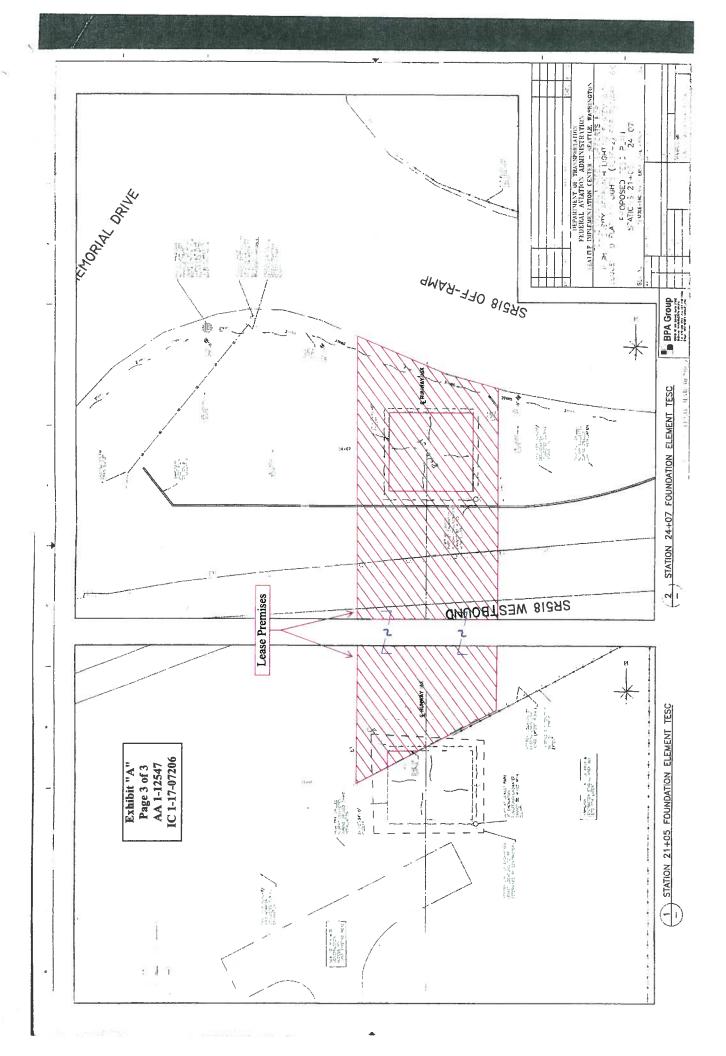


EXHIBIT C-3 to WSDOT-Port Property Exchange Agreement

Lease of 0.56 acres/24,488 square feet (IC 1-17-07990) for bridge to the Port-owned "L"-shaped parcel

[See attached]

Revised 11/07

RES 420

AA 1-12228

IC 1-17-07990

SR 518: Riverton Heights: SR 509 to SR 5

AIRSPACE LEASE

THIS IS AN AIRSPACE LEASE made and entered into between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, (STATE), and THE PORT OF SEATTLE (PORT), a Washington Municipal Corporation (Lease).

RECITALS

- A. The STATE owns fee title to certain real property located in SeaTac, Washington that is designated as highway right of way for State Route 518 (SR 518), a limited access highway facility, which was acquired with motor vehicle funds.
- B. The PORT desires to lease a portion of said SR 518 right of way for the purpose of constructing, maintaining and operating a private bridge to connect PORT's properties located on opposite sides of SR 518 (Improvements).
- C. Although the property subject to this Lease is part of the operating SR 518 highway, the PORT's use of said property for a private bridge, although not serving a highway purpose, has been determined to be compatible with the present operation and maintenance of SR 518, provided the PORT complies with the terms and conditions of this Lease.
- D. The parties have entered into the Property Exchange Agreement by and between the Port of Seattle and the Washington State Department of Transportation (Exchange Agreement). The Exchange Agreement contemplates the exchange of real property interests including, but not limited to, the leasing of certain WSDOT-owned real property to the PORT as part of the consideration for WSDOT's fee acquisition of PORT-owned real property interests. The terms and conditions of said leases were attached to the Exchange Agreement as exhibits. The form of this Lease was attached as Exhibit C-3 to the Exchange Agreement. The parties agreed in the Exchange Agreement that the consideration for the initial 20-year term of this

Lease would be in the form of a lump sum payment in the amount of \$59,556.16. This lump sum payment would be offset against the WSDOT payment due to the PORT for the amount by which the cumulative fair market value of the parcels conveyed by the PORT for the amount by which the cumulative fair market value of the parcels conveyed by the PORT to WSDOT exceeds the cumulative fair market value of the Property Interests conveyed by WSDOT to the PORT (Excess Value). The Exchange Agreement further provides that in the event the exchange of property interests did not occur, the PORT would be obligated to compensate WSDOT for all past and future rent due for the PORT's use of the property subject to this lease.

- E. The terms and conditions of the Exchange Agreement warranting the execution of this Lease have been met to the satisfaction of both parties.
- F. The STATE is granted authority to lease property under RCW 47.12.120, and the STATE deems it to be in the public interest to enter into this Lease.
 - G. The PORT is authorized to lease property under RCW 53.08.140.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY AGREED THAT:

1. PREMISES. The STATE does hereby lease to the PORT, and the PORT does hereby lease from the STATE, the premises comprised of approximately .56 acre generally located in the northeast corner of the airport operating area crossing SR 518 and connecting the "L"-shaped parcel to the airport operating area and as further described or shown hachured on Exhibit A (Premises), attached hereto and by this reference incorporated herein. The parties acknowledge and agree that the description of the Premises is approximate and that the size and shape of the area comprising the Premises may need to change to accommodate the uses described in Section 14, but shall at all times provide a vertical clearance of at least sixteen and one-half feet over all roadways. The parties agree that such change will be allowed to accommodate the uses described in Section 14 without the obligation to pay additional rent to the STATE.

2. TERM.

A. The term of this Lease shall be Twenty (20) years, commencing on the Recording Date.

B. Recording Date means the date that the conveyance documents for the Property Interests identified in Exhibits A and B of the Exchange Agreement have been recorded at the King County Recorder's Office. The parties shall, within five (5) business days of the Recording Date, complete and initial the following:

The Recording Dat	e:		, 2009.
Initials:	——— STATE	PORT	

- 3. RENEWAL. This Lease may be renewed by the PORT for Two (2) additional Ten (10) year periods (Renewal Period); Provided that; (A) the PORT is not in default and has not been in default during the term of this Lease; (B) there is no alternative public need for the Premises; (C) PORT's continued use under this Lease does not impair the safety or operation of the STATE's highway or facility, as solely determined by the STATE; and (D) the terms and conditions of this Lease conform to then existing state policies or practices, laws, regulations and contracts, or provided the PORT is willing to amend this Lease to bring it into compliance with such policies, practices, laws, regulations, and contracts. The Renewal Periods shall be on the same terms and conditions as set forth herein, except as modified by any changes in policies, practices, laws, regulations or contracts and as reflected in a written amendment signed by both parties. The PORT shall give notice of its intent to renew this Lease for each Renewal Period at least Ninety (90) calendar days, but not more than Six (6) months, prior to the expiration of this Lease, or any renewal thereof.
- 4. HOLDING OVER. In the event the PORT shall hold over or remain in possession of the Premises with the consent of the STATE after the expiration of the stated term of this Lease, or any written extension or renewal of the term of this Lease, such holding over or continued possession shall create a tenancy from month-to-month only, upon the same terms and conditions as are set forth herein; Provided, that the STATE or the PORT may, in addition to other remedies provided elsewhere herein, terminate this Lease for any reason with not less than Twenty (20) calendar days prior written notice.

5. RENT.

A. Except as otherwise provided in Section 5.B, the PORT covenants and agrees to pay rent for the Premises to the STATE in advance on or before the 1st day of each calendar month (due date) during the entire term of this Lease. Rent shall be paid at the initial rate, subject to adjustment as hereinafter provided, of One hundred sixty-six and 66/100 Dollars

(\$166.66) per month payable at the address designated under Section 7. In no event shall the rent be less than this initial amount.

- B. Upon the Recording Date, the PORT will be credited a lump sum rent credit in the amount of Fifty Nine Thousand Five Hundred Fifty Six and 16/100 Dollars (\$59,556.16) (Rent Credit), the same amount will be deducted from the balance the STATE owes the PORT under the Exchange Agreement, and the STATE shall promptly send the PORT written notice of the then current rental rate.
- C. At such time as the Rent Credit balance is reduced to zero, the PORT shall make rental payment to the STATE in cash in the amount of the then current rental rate.
- D. For any payment periods for which rent is due for a partial month, the rent payment shall be pro-rated based on a thirty (30) day month. Likewise, for any month in which the balance of the Rent Credit is insufficient to pay the entire amount of the then rent due, the rental payment shall be paid by Rent Credit to the extent it covers the rent and cash payment for the balance of the rent due.
- E. In the event the Lease expires or terminates before the Rent Credit is reduced to zero, the PORT shall have the option to apply the balance of the Rent Credit towards: (1) the cost of acquiring an easement on, over, and across the Premises; or (2) rent payments the PORT is obligated to pay the STATE pursuant to other airspace leases, as agreed to in writing by the parties.

6. RENT ADJUSTMENTS.

- A. Rent will be adjusted annually throughout the term of this Lease beginning one year from the Commencement Date of this Lease as follows: (1) four percent (4%) of the rent amount in effect at the time of the adjustment; or (2) at a minimum of five (5) years from the Commencement Date and every five (5) years following, the STATE may, at its option, adjust the annual rent in an amount that reflects changes in comparable rents as identified in an appraisal conducted by the STATE. The STATE shall give not less than thirty (30) calendar days prior written notice to the PORT that a Rent Adjustment has been made. This notice shall include the amount of the adjusted Rent, and the date the new Rent is to become effective.
- B. On an annual basis and with each notice of a rent adjustment, the STATE shall provide written notice, current as of the date of the notice, containing the then current rent rate and the Rent Credit balance.

C. Failure or refusal by the PORT to pay the adjusted rental rate upon receipt of the notice of Rent Adjustment shall constitute a default of this Lease for which the STATE may terminate with not less than five (5) business days prior written notice.

7. RENT PAYMENTS PAYABLE TO:

Washington State Department of Transportation. Mail payments to:

DEPARTMENT OF TRANSPORTATION (Mailing Address)
Attn.: Assistant Director, Property Management Program
P. O. Box 47338
Olympia, WA 98504-7338

DEPARTMENT OF TRANSPORTATION (Physical Address)
Attn.: Assistant Director, Property Management Program
243 Israel Rd. S.E., Tumwater, WA 98501
P. O. Box 47339
Olympia, WA 98504-7339

8. CHARGE FOR LATE PAYMENT, NSF CHECKS.

- A. If any sums payable to STATE under this Lease are not received by the Fifth (5th) day following its due date, the PORT shall pay STATE, in addition to the amount due, for the cost of collecting and handling such payment, an amount equal to the greater of One Hundred and no/100 Dollars (\$100.00) or Five Percent (5%) of the delinquent amount. In addition, all delinquent sums payable by PORT to STATE and not paid within Five (5) calendar days of the due date shall, at STATE's option, bear interest at the rate of Twelve Percent (12%) per annum, or the highest rate of interest allowable by law, whichever is greater; provided that if the highest rate allowable by law is less than Twelve Percent (12%), interest charged hereunder shall not exceed that amount. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment. Also there shall be a charge for any check returned uncollectable in accordance with WAC 468-20-900. STATE and PORT agree that such charges represent a fair and reasonable estimate of the costs incurred by STATE by reason of late payments and uncollectable checks.
- B. The STATE's acceptance of late payment charges and/or any portion of the overdue payment shall in no event constitute an accord and satisfaction, compromise of such payment, or a waiver of the PORT's default with respect to such overdue payment, nor prevent the STATE from exercising any other rights and remedies granted in this Lease.

C. When a delinquency exists, any payments received will be applied first to the late payment charge and late payment fees, next to delinquent rent, and any balance remaining to the current month's rent and Leasehold Excise Tax, if applicable.

9. TERMINATION BY STATE.

- A. The STATE may terminate this Lease, without penalty or further liability as follows:
- (1) Upon not less than Five (5) calendar days prior written notice to the PORT, if the PORT fails to cure a default for payment of amounts due under this Lease within that Five (5) day period;
- (2) Upon not less than Thirty (30) calendar days prior written notice to the PORT, if the PORT defaults, other than for non payment of rent, and fails to cure such default within that Thirty (30) day period, or such longer period, as may be reasonably determined by the STATE, if the PORT is diligently working to cure the default;
- (3) Immediately, upon written notice, if the STATE is required by court order, by legislative action, or by a governmental agency having jurisdiction to take some action, which would effectively prohibit the PORT's use of the Premises;
- (4) Immediately, upon written notice, if a receiver is appointed to take possession of the PORT's assets, the PORT makes a general assignment for the benefit of creditors, or the PORT becomes insolvent or takes or suffers action under the Bankruptcy Act;
- Upon not less than Three Hundred Sixty Five (365) calendar days prior written notice, unless an emergency exists, as determined by the STATE, then immediately, if the STATE determines that it is in the best interest of the STATE to terminate this Lease; or
- (6) Upon not less than Thirty (30) calendar days prior written notice if the Premises has been abandoned, in the STATE's sole judgment, for a continuous period of Ninety (90) calendar days.
- B. The STATE reserves the right to terminate this Lease, in whole or in part, as provided in Section 9.A (5), when the Premises, or a portion thereof, is needed for a highway purpose. In recognition of the critical need and function that the Improvements, as that term is defined in RECITAL B plays in the operation of the Seattle-Tacoma International Airport, the Airport's impact on the economic life of the region, and the substantial financial investment

required to construct the Improvements, in the unlikely event the STATE determines it is necessary to relocate the Improvements for a highway purpose, the parties shall work jointly and cooperatively to explore alternatives to relocation and methods to mitigation such relocation. In the event the parties are unable to reach a mutually satisfactory resolution, the matter shall be submitted to the Executive Heads of each agency for discussion and resolution. The Washington Secretary of Transportation is hereby designed as the Executive Head for WSDOT and the Managing Director of the Aviation Division is designated as such for the PORT.

- C. Except as otherwise agreed to in writing by the parties, in the event of a termination by the STATE under this Lease, the PORT shall be responsible for expenditures incurred due to the removal and/or relocation of the Improvements, as that term is defined in **RECITAL B**.
- D. Waiver or acceptance of any default of the terms of this Lease by the STATE shall not operate as a release of the PORT's responsibility for any prior or subsequent default.
- E. If the PORT defaults on any provision in this Lease, such as, but not limited to, the timely payment of rent, Three (3) times within a Twelve (12) month period, the third default shall be deemed "non-curable" and this Lease may be terminated by the STATE on not less than Thirty (30) calendar days written notice.

10. TERMINATION BY PORT.

- A. The PORT may terminate this Lease without penalty or further liability as follows:
 - (1) Upon not less than Three Hundred Sixty-Five (365) calendar days prior written notice for any reason;
- (2) Upon not less than Thirty (30) calendar days prior written notice, if the STATE defaults and fails to cure such default within that Thirty (30) day period, or such longer period, as may be reasonably determined by the PORT, if the STATE is diligently working to cure the default; or
- (3) Immediately, upon written notice, if in the PORT's judgment the Premises is destroyed or damaged so as to substantially and adversely affect the PORT's authorized use of the Premises.

B. In the event of a termination by the PORT pursuant to Sections 10.A(1) and (3), the PORT shall be responsible for expenditures incurred due to removal and/or relocation of the Improvements, as that term is defined in RECITAL B.

11. REIMBURSEMENT OF PREPAID RENT.

- A. All rent for the Leased Premises prepaid beyond the effective termination date will be retained by the STATE; Except, that if the STATE terminates this Lease as provided in Section 9.A (5) above, or if PORT terminates pursuant to Section 10.A(2) above, PORT shall be entitled to a pro rata refund of any rent prepaid beyond the effective termination date. This provision does not apply to the Rent Credit.
- 12. NONAPPLICABILITY OF RELOCATION ASSISTANCE. The PORT acknowledges that this Lease does not at any time entitle the PORT to assistance under the Uniform Relocation and Real Property Acquisition Policy (Ch. 8.26 RCW).
 - 13. ENCUMBRANCES. The PORT shall not encumber the Leased Premises.

14. USE OF LEASED PREMISES.

- A. The PORT's use of the remises is limited to construction, repair, maintenance, operation and movement of heavy vehicles on, around and along a two-lane, four-span bridge intended to connect the PORT's future North Freight Cargo Complex and the Port's future North Freight Cargo Hardstand. The PORT may construct improvements on the Premises as further detailed in Section 29 herein and may have footings located within the State Route 518 right-of-way on both the north and south sides as well as within the median. Said bridge may be 640 feet long, 56 feet wide and have a height providing at least sixteen and one-half feet of vertical clearance over all roadways. Said bridge is intended to accommodate the at least daily movement of several hundred tugs, carts and trucks carrying cargo between the future North Freight Cargo Complex and the future North Freight Cargo Hardstand. The proposed plan and elevation for said bridge is shown hachured on Exhibit A. Provided, however, Exhibit A shall be for illustrative purposes only; the PORT may update, upon written approval from STATE, Exhibit A to conform to "As-Built" drawings once they are completed.
- B. In using the Premises, the PORT shall comply with all policies and regulations, including, but not limited to Chapter 47.42 RCW et seq. and WAC 468-66 et seq., heretofore adopted or hereafter promulgated by the STATE relative to the location, operation, and maintenance of improvements located on the Premises. Furthermore, in using the Premises, it is expressly agreed that PORT shall (1) comply with all applicable federal, state and local laws,

ordinances, and regulations, including environmental requirements that are in force or which may hereafter be in force, and (2) secure all necessary permits and licenses for the uses of the Premises authorized in this Lease. Direct access to ramps or traveled lanes of limited access highways is not permitted. All grading and construction plans and any changes thereof are subject to approval by the STATE. PORT shall not commit or allow to be committed any waste upon the Premises nor allow any public or private nuisance.

- C. The PORT's occupancy or use of the Premises and Improvements shall not interfere with the use, safety, appearance, nor the enjoyment of the highway facility, nor produce fumes, vapors, odors, drippings, droppings, or discharge of any kind.
- shall adhere to a STATE approved Traffic Control Plan for any construction, initial testing, reconstruction, operation, and maintenance of any improvement on the Premises, including but not limited to, the proposed bridge structure. The PORT shall submit and obtain STATE's approval of the Traffic Control Plan prior to performing activities on the Premises. The Traffic Control Plan shall comply with the Washington State Department of Transportation Work Zone Traffic Control Guidelines and be prepared in accordance with the Manual on Uniform Traffic Control Devices (MUTCD). The initial Traffic Control Plan, and any subsequent revisions shall be submitted to the Washington State Department of Transportation Northwest Region Traffic Control Office, 15700 Dayton Avenue North, PO Box 330310, Seattle, WA 98133-9710, at least thirty (30) calendar days prior to initiating construction or maintenance activities on the Premises.

16. SIGNS, DISPLAY, ADVERTISING DEVISES.

- A. Signs, displays, or advertising devises are not permitted on the Premises unless they comply with Ch. 47.42 RCW and Ch. 468-66 WAC and are completely detailed on a separate plan sheet which has been approved in writing by the STATE and incorporated by reference into this Lease. Such advertising shall only indicate ownership and type of on-Premises activities
- 17. FENCES AND PROTECTIVE BARRIERS. Any STATE-owned fences or barriers in place at the time of execution of this Lease or relocated to separate the Premises from the traveled roadway on limited access highways will be maintained by the STATE for the duration of the Lease. Nothing is to be attached to the STATE's fence without the STATE's prior written approval. If any fence, barrier, or guardrail is damaged as a result of the PORT's activities, the PORT will immediately repair such damage at its cost and to the STATE's

satisfaction. Any barrier and guardrail that is removed, relocated, or moved to access the Premises from the traveled way must be replaced to the STATE's satisfaction. Any fencing or protective barriers installed by the PORT must be approved in advance and in writing by the STATE.

18. CONDITION OF THE PROPERTY. The STATE and PORT acknowledge that they have jointly examined the Leased Premises and the PORT accepts said Leased Premises in its present condition as of the Commencement Date of this Lease.

19. MAINTENANCE.

- A. The PORT shall perform or cause to be performed at its expense all maintenance of the Premises that will include, but not be limited to, keeping the Premises and the Improvements in good condition, both as to safety and appearance, and in a manner so as to assure the Improvements and the Premises will protect the highways safety and appearance and that such maintenance will cause no interference with the highway use, all to the satisfaction of the STATE.
- B. The PORT shall, at its own expense and at all times, keep the Premises, and the Improvements, neat, clean and in a sanitary condition, and keep and use the Premises and Improvements in accordance with all applicable laws, ordinances, rules, regulations and requirements of governmental authorities. The PORT shall permit no waste, damage or injury to the Premises. The PORT shall make such repairs as necessary to maintain the Improvements on the Premises in as good condition as at the commencement of this Lease, reasonable wear, and damage by fire and other casualty for which the PORT is not responsible excepted.
- C. The PORT shall be responsible for any additional costs incurred by the STATE due to the PORT's occupancy of the Premises, including but not limited to:
 - (1) additional cost of maintenance and operation of the STATE's highway;
 - (2) any cost needed to prevent vandalism to the STATE's property;
 - (3) any cost to remove graffiti; and
 - (4) any cost incurred by the STATE for any related traffic control measures.

The PORT shall reimburse the STATE for such costs within thirty (30) calendar days of the date of the STATE's invoice.

D. The PORT shall own and be responsible at its sole expense for operating, cleaning, maintaining, repairing, and replacing, in whole or in part, all PORT improvements on the Premises.

20. ENVIRONMENTAL REQUIREMENTS.

- A. The PORT represents, warrants and agrees that it will conduct its activities on and off the Leased Premises in compliance with all applicable environmental laws. As used in this Lease the term, Environmental Laws means all federal, state and local environmental laws, rules, regulations, ordinances, judicial or administrative decrees, orders, decisions, authorizations or permits, including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et. seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11001, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq., the Oil Pollution Control Act, 33 U.S.C. § 2701, et seq., and Washington or any other comparable local, state, or federal statute or ordinance pertaining to the environment or natural resources and all regulations pertaining thereto, including all amendments and /or revisions to said laws and regulations
- B. Toxic or hazardous substances are not allowed on the Leased Premises without the express written permission of the STATE and under such terms and conditions as may be specified by the STATE. For the purposes of this Lease, "Hazardous Substances," shall include all those substances identified as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, et seq., and the Washington Model Toxics Control Act, RCW 70.105D et seq., including all amendments and/or revisions to said laws and regulations, and shall include gasoline and other petroleum products. In the event such permission is granted, the use and disposal of such materials must be done in a legal manner by the PORT.
- C. The PORT agrees to cooperate in any environmental investigations conducted by STATE staff or independent third parties where there is evidence of contamination on the Premises, or where the STATE is directed to conduct such audit by an agency or having jurisdiction. PORT will promptly reimburse the STATE for the cost of such investigations, where the need for said investigation is determined to be caused by the PORT's operations.

PORT will provide the STATE with notice of any inspections of the Leased Premises, notices of violations, and orders to clean up contamination. The PORT will permit the STATE to participate in all settlement or abatement discussions. In the event that the PORT fails to take remedial measures as duly directed by a state, federal, or local regulatory agency within Ninety (90) calendar days of such notice, the STATE may elect to perform such work, and the PORT covenants and agrees to reimburse the STATE for all direct and indirect costs associated with the STATE's work where those costs are determined to have resulted from the PORT's use of the Premises.

- D. For the purposes of this Lease, "Costs" shall include, but not be limited to, all response costs, disposal fees, investigatory costs, monitoring costs, civil or criminal penalties, and attorney fees and other litigation costs incurred in complying with state or federal environmental laws, which shall include, but not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.; the Clean Water Act, 33 U.S.C. § 1251; the Clean Air Act, 42 U.S.C. § 7401; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901; and the Washington Model Toxics Control Act, Ch. 70.105D RCW, et seq., including all amendments and/or revisions to said laws and regulations.
- E. The PORT agrees to defend, indemnify and hold harmless the STATE from and against any and all claims, causes of action, demands and liability including, but not limited to, any costs, liabilities, damages, expenses, assessments, penalties, fines, losses, judgments and attorneys' fees associated with the removal or remediation of any Hazardous Substances that have been released, or otherwise come to be located on the Premises, including those that may have migrated from the Premises through water or soil to other properties, including without limitation, the adjacent STATE property, and which are caused by or result from PORT's activities on the Premises. The PORT further agrees to retain, defend, indemnify and hold harmless the STATE from any and all liability arising from the offsite disposal, handling, treatment, storage, or transportation of any such Hazardous Substances removed from said Premises.
- F. The provisions of this section shall survive the termination or expiration of this Lease.
- 21. STATE'S RESERVATION OF RIGHT TO MAINTAIN AND GRANT UTILITY FRANCHISES AND PERMITS.
- A. The STATE reserves the right for utility franchise and permit holders to enter upon the Premises to maintain, repair and enhance existing facilities and install new

utilities and, for itself, to grant utility franchises and/or permits across the Premises. Prior to any access to the Premises by a franchise or permit holder, the franchise or permit holder shall call or otherwise provide notice to the notice recipient indicated in **Section 46** (Notices) to arrange for an escort, unless an extreme emergency exists that does not allow time for notification or arranging an escort. Any work performed on the Premises by a franchise or permit holder will be accomplished in such a manner as to minimize any disruption to the PORT. The franchise/permit holder will be required to restore paving and grading damaged by the installation. The STATE also reserves the right to withdraw portions of the Premises for uses such as, but not limited to, telecommunications transmission sites, which the STATE determines to be reasonably compatible with PORT's authorized use of the Premises.

B. The PORT shall not disturb markers installed by a franchise/permit holder and will contact and provide notice to any franchise/permit holder and all owners of underground facilities prior to any excavation. PORT shall contact the STATE and call the Underground Utility Locating Service, or its successor organization, as part of its efforts to ascertain any and all owners of underground utility facilities and to locate the utility. The PORT shall not damage legally installed underground utilities. PORT shall comply with all applicable provisions of Chapter 19.122 RCW relating to underground facilities.

22. USE OF RIGHT OF WAY UNDER OR ADJACENT TO STRUCTURE.

- A. The PORT agrees to provide protection against vehicular hits or other likely causes of damage arising from the PORT's use of the Premises to all retaining walls and to piers exposed to such potential damage under any elevated highway structure existing on the Premises. Such wall and pier protection shall be provided to the satisfaction of the STATE prior to occupancy.
- B. The PORT shall not weld any metal object to any metal member of any metal structure, nor drill or rivet into nor otherwise fasten anything to any pier or beam on any concrete, metal, or wood structure without the STATE's specific written approval of detailed drawings for such welding, riveting, drilling, or fastening.
- C. The PORT shall at its own expense, and upon prior written approval from the STATE, make any provisions it deems necessary to: (1) protect users of the proposed facility from any hazards resulting from use and operation of the highway; and (2) protect users of the highway including, but not limited to, the traveling public and STATE employees, agents, contractors, assigns, and invitees, from any hazards resulting from the PORT's and its assign's,

subtenant's, agent's, contractor's, licensee's, invitee's, including but not limited to the Federal Aviation Administration (FAA), and employee's use of the Premises.

23. TAXES, ASSESSMENTS, AND UTILITIES. The PORT agrees to pay all assessments that benefit the Premises and/or which may hereafter become a lien on the interest of the PORT in accordance with RCW 79.44.010. The PORT also agrees to pay all taxes that may hereafter be levied or imposed upon the interest of the PORT or by reason of this Lease. The PORT is responsible for and agrees to pay the cost of utilities including, but not limited to, surcharges, fuel adjustments, rate adjustments and taxes that serve the Leased Premises.

24. LIENS.

- A. Nothing in this Lease shall be deemed to make the PORT the agent of the STATE for purposes of construction, repair, alteration, or installation of structures, improvements, equipment, or facilities on the Premises. The PORT acknowledges that the STATE may not, and shall not, be subject to claims or liens for labor or materials in connection with such activities by the PORT.
- B. The PORT shall at all times indemnify and hold harmless the STATE from all claims for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities on or within the Premises, and from the cost of defending against such claims, including attorney fees.
 - C. In the event a lien is filed upon the Premises, the PORT shall:
 - (1) Record a valid Release of Lien;
- (2) Deposit sufficient cash with the STATE to cover the amount of the claim on the lien in question and authorize payment to the extent of said deposit to any subsequent judgment holder that may arise as a matter of public record from litigation with regard to lienholder claim; or
- (3) Procure and record a bond which releases the Leased Premises from the claim of the lien and from any action brought to foreclose the lien.
- D. Should the PORT fail to accomplish 1, 2, or 3, above, within Fifteen (15) days after the filing of such a lien, the Lease shall be in default.

25. STATE'S RIGHT OF ENTRY AND INSPECTION. The STATE, for itself, its agents and contractors, and for the Federal Highway Administration (FHWA), reserves the right to call the notice recipient indicated in Section 46 (Notices) to arrange for a PORT escort onto the Premises at any time without notice to the PORT for the purpose of inspection, maintenance, construction, or reconstruction of the highway facility or any element thereof, or to perform environmental audits as provided for elsewhere in this Lease. Any loss of the use of the Premises due to the STATE's exercise of such right will be compensated for solely by a pro rata reduction of rent. The STATE shall in no way be responsible for any incidental or consequential damages due to such loss of use, if any, by the PORT. In addition, the STATE and FHWA may call the notice recipient indicated in Section 46 to arrange for an escort onto the Premises for the purpose of inspecting any excavation, construction, or maintenance work being done by the PORT. Entry upon the Premises and the Improvements for any other purpose by the STATE and FHWA shall be conducted with reasonable notice to the PORT and during the hours of 8:00 a.m. to 5:00 p.m.

26. INSURANCE.

- A. PORT warrants that it is self-insured, and agrees to provide acceptable evidence of its self-insured status to the S ATE. If in ured, the PORT's insurance policy must provide liability coverage for the Premises, including public liability coverage for bodily injury, property damage, and personal injury of not less than Two Million and no/100 Dollars (\$2,000,000.00) combined single limit per occurrence, with a general aggregate amount of not less than Four Million and no/100 Dollars (\$4,000,000.00) per policy period. The PORT shall increase the policy limits at its sole cost, when and if the STATE deems it necessary due to the PORT's use of the Premises.
- B. The PORT assumes all obligations for premium payment, and in the event of nonpayment, the PORT is obligated to reimburse the STATE the cost of maintaining the insurance coverage and any legal fees incurred in enforcing such reimbursement should PORT fail to pay the policy premiums.
- C. Coverage, if obtained by the PORT in compliance with this section, shall not be deemed as having relieved the PORT of any liability in excess of such coverage.
- D. In the event PORT, after commencement of this Agreement, elects to terminate its self-insured status and secure commercial liability coverage, PORT will promptly notify WSDOT, and provide a certificate of insurance from an insurer licensed to conduct business in the State of Washington, in the amounts and types as set forth in paragraph 26.A.

above. Further, PORT shall provide a certificate of insurance within Ten (10) calendar days of receiving a written notice from WSDOT for an increase in the coverage amounts.

27. HOLD HARMLESS/INDEMNIFICATION.

- Α. The PORT, its successors and assigns, will protect, save, and hold harmless the STATE, its authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the PORT, its assigns, subtenants, agents, contractors, licensees, invitees including but not limited to the FAA, employees, or any person whomsoever, arising out of or in connection with any acts or activities related to this Lease, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises. The PORT further agrees to defend the STATE, its agents or employees, in any litigation, including payment of any costs or attorney's fees, for any claims or actions commenced, arising out of, or in connection with acts or activities related to this Lease, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises. This obligation shall not include such claims, actions, costs, damages, or expenses which may be caused by the sole negligence of the STATE or its authorized agents or employees; provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the STATE, its agents or employees and (b) the PORT, its assigns, subtenants, agents, contractors, licensees, invitees, including but not limited to FAA, employees, or involves those actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the PORT or its assigns, subtenants, agents, contractors, licensees, invitees, including but not limited to FAA, and employees.
- B. The indemnification provisions contained in this section shall survive the termination or expiration of this Lease.
- 28. PERSONAL PROPERTY. The STATE shall not be liable in any manner for, or on account of, any loss or damage sustained to any property of whatsoever kind stored, kept, or maintained on or about the Premises, except for such claims or losses that may be caused by the STATE or its authorized agents or employees. Upon termination of this Lease, the STATE or its agent may remove all property of the PORT remaining on the Premises at the PORT's expense and dispose of it in any manner the STATE deems appropriate. PORT agrees to reimburse the STATE for the costs of such removal and disposal within Thirty (30) days of the date of the STATE's invoice.

29. CONSTRUCTION WORK.

- A. The PORT is not permitted to construct additional improvements or Work on the Premises except as may be approved in advance and in writing by the STATE and subject to such terms and conditions as the STATE may require. In such approval and terms and conditions shall be documents by a written amendment to this Lease. For the purposes of this Lease, the term "Work" shall include, but not be limited to activities such as regrading, construction, installation, repair, or reconstruction of an improvement or utility.
- B. The PORT covenants that Work it may perform on the Premises will not at any time during or after construction either damage, threaten to damage, or otherwise adversely affect any part or element of the highway facility or the operation thereof. In addition, the design, installation, occupancy, or use of any improvement or equipment shall not interfere with the use, safety, appearance, nor the enjoyment of the highway facility nor produce fumes, vapors, odors, drippings, droppings, or discharge of any kind. The PORT shall provide the STATE with two sets of complete plans, details, and specifications and any revisions thereto for grading and all improvements and equipment proposed to be placed on the Premises. No Work shall be done without the prior written approval of such plans by the STATE. All construction and installation work shall be done in conformity with the plans and specifications as approved. The STATE may take any action necessary, including directing that work be temporarily stopped or that additional work be done, to ensure compliance with the plans and specifications, protection of all parts and elements of the highway facility, and compliance with the STATE's The improvements and equipment shall be designed, construction and safety standards installed, and constructed in a manner that will permit access to the highway facility for the purpose of inspection, maintenance, and construction by the STATE.
- C. The PORT expressly acknowledges and agrees that the STATE's rights under this Lease to review, comment on, disapprove and/or accept designs, plans specifications, construction, or installation: (1) exist solely for the benefit and protection of the STATE, (2) do not create or impose upon the STATE any standard or duty of care toward the PORT, all of which are hereby disclaimed, (3) may not be relied upon by the PORT as having satisfied any and all applicable standards and requirements, and (4) may not be asserted, nor may the STATE's exercise or failure to exercise any such rights be asserted, against the STATE by the PORT as a defense, legal or equitable, to the PORT's obligation to fulfill such standards and requirements and regardless of any acceptance of work by the STATE.
- 30. NONCOMPLETION OF CONSTRUCTION. In the event that this Lease authorizes the construction of improvements, unless the time or times for completion are

extended in writing by the STATE, the STATE may, at its option, terminate this Lease, without penalty or further liability if:

- A. Construction of the improvements is not begun within Ten (10) years of the Recording Date; and
- B. Construction of the improvements is not prosecuted to completion with reasonable adherence to a construction schedule that allows not more than Thirty Six (36) months from the start to the finish of construction.
- 31. "AS-BUILT" PLANS. Within Ninety (90) calendar days following the PORT's completion of installation and or construction of improvements on the Premises, the PORT shall furnish the STATE a complete set of reproducible "As-Built" plans for the Tenant Improvements, acceptance of which shall be subject to the STATE's approval.
- 32. NONDISCRIMINATION. PORT, for itself, its successors and assigns, as part of the consideration hereof, does hereby agree to comply with all applicable civil rights and antidiscrimination requirements, including, but not limited to, Chapter 49.60 RCW.

33. ASSIGNMENT

- A. Neither this Lease nor any rights created by it may be assigned, sublet, or transferred without the prior written approval of the STATE. Any such assignment shall be in writing on a form approved by the STATE and shall include an assumption of the Lease by the assignee. In determining whether to approve an assignment or sublease the STATE shall be entitled to consider the proposed assignee's or sublessee's financial condition, managerial capability, business reputation, nature of the proposed assignee's or sublessee's business, and such other factors as may reasonably bear upon the suitability of the assignee or sublessee as a tenant of the Premises or the holder of this Lease.
- B. PORT shall provide the written assignment form to the STATE at least Sixty (60) calendar days prior to the date the PORT requires the approved form. In addition, PORT shall provide to the STATE a copy of said written assignment within Fifteen (15) days of its execution. If the PORT is a corporation, then the transfer of Forty Percent (40%) of PORT's stock is deemed an assignment for the purposes of this Lease and requires STATE approval. STATE's consent to one assignment or sublease shall not waive the requirement of obtaining STATE consent to any subsequent assignment or sublease. The PORT hereby covenants that it is acting as principal and not as an agent for any undisclosed principal.

- C. In the event the PORT assigns this Lease, sublets, or otherwise allows third party use of any portion of the Leased Premises, whether by written or verbal agreement, without the STATE's written approval, the STATE, in addition to or in lieu of terminating this Lease for default and in addition to any damages it may experience, may demand a share of any revenue generated by such unauthorized use. The STATE shall set the amount of said share and its decision shall be final and binding. The STATE may demand such share at any time during the term of this Lease. The PORT agrees to pay said share retroactively to the date the unauthorized third-party use commenced. Furthermore, such unauthorized assignment shall not relieve the PORT from all of its obligations under this Lease, including, but not limited to, the payment of rent and the maintenance of insurance. Further, PORT shall execute an assignment as provided above within Ten (10) calendar days of the date the STATE approves the assignment.
- D. Transfer of ownership or control of the abutting property owned or controlled by the PORT to a third party may be understood to serve as an assignment of the Lease and such assignment requires the STATE's prio written approval of such assignment, which approval will not be unreasonably withheld. The PORT shall notify the STATE of the transfer within Thirty (30) calendar days after closing or change of control in the PORT's property and request approval of the assignment of this Lease.

34. PERFORMANCE BY STATE.

- A. If the PORT defaults in the performance or observation of any covenant or agreement contained in this Lease, the STATE, without notice if deemed by the STATE that an emergency exists, or if no emergency exists, with Thirty (30) calendar days prior written notice, may direct the PORT to stop work and may itself perform or cause to be performed such covenant or agreement and may enter upon the Premises for such purpose. Such emergency shall include, but not be limited to, endangerment of life, the highway facility or failure of the PORT to obtain in a timely manner the specified insurance coverage. The PORT shall reimburse the STATE the entire cost and expense of such performance by the STATE within Thirty (30) calendar days of the date of the STATE's invoice. Any act or thing done by the STATE under the provisions of this section shall not be construed as a waiver of any agreement or condition herein contained or the performance thereof.
- B. In the event the STATE does not receive from the PORT any reimbursement as required in this Lease, the parties agree that in lieu of such cash payment the STATE may deduct the amount of the reimbursement plus late payment fees, as provided in **Section 9**, from the Rent Credit.

- 35. DISPOSITION OF IMPROVEMENTS. Except as provided elsewhere herein, upon termination of this Lease under any provision hereof, the improvements constructed by the PORT on the Premises shall become the property of the STATE or, at the option of the STATE, shall be removed by the PORT at the PORT's expense in a manner prescribed by the STATE. In the event the PORT fails to remove said improvements upon termination, the STATE may remove and dispose of said improvements as it deems appropriate and at the PORT's expense. The PORT shall reimburse the STATE for all expenses incurred in such removal and disposal within Thirty (30) calendar days of the date of the STATE's invoice for such costs: Provided, that to the extent such reimbursement is covered by the Rent Credit Retained in Section 34.B., said reimbursements shall be deducted from the Rent Credit.
- 36. STATE ACCESS TO REMOVE IMPROVEMENTS. In the event the PORT fails to remove improvements or restore the Premises to the STATE's satisfaction, then if necessary or desirable in the STATE's judgment for reasons of safety or economy, the STATE or its agents shall have the right to cross any lands owned or otherwise controlled by the PORT for the purpose of accomplishing said removal or restoration. Said right shall expire One Hundred Eighty (180) calendar days after the date of termination of this Lease, or when removal and restoration is complete in the STATE's judgment, whichever is the earlier.

37. RESTORATION OF SITE.

- A. If during the term of this Lease, the PORT's acts or activities damage the Premises or the property or improvements located adjacent to the Leased Premises, the PORT shall take immediate action to stabilize the Premises so as to prevent further damage and immediately notify the STATE of the damage. The PORT shall be responsible for all costs and expenses associated with the restoration of the site, including but not limited to the repair of said improvements, which shall be performed, at the STATE's discretion, by the PORT, the STATE, or its contractors, or the owner of the improvements or its contractors. Such work shall be done to the satisfaction of the STATE. In the event the PORT does not perform said work, the PORT agrees to reimburse STATE for all such costs within thirty (30) calendar days of the date of the STATE's or the owner of the property's invoice for such costs.
- B. Prior to the termination of this Lease, the PORT agrees, if so directed by the STATE, to restore the Leased Premises to its condition prior to the PORT's occupancy. This work is to be done at the PORT's expense to the satisfaction of the STATE.
- 38. VACATION OF PREMISES. Upon termination of this Lease, the PORT shall cease its operations on and/or use of the Premises. In the event the PORT fails to vacate the

Premises on the date of termination, the PORT shall be liable for any and all costs to the STATE arising from such failure.

- 39. BINDING CONTRACT. This Lease shall not become binding upon the STATE unless and until executed for the STATE by the Secretary of Transportation or her duly authorized representative.
- 40. ATTORNEYS' FEES. In the event of any controversy, claim, or dispute arising out of this Lease, each party shall be solely responsible for the payment of its own legal expenses, including but not limited to, attorney's fees and costs.
- 41. MODIFICATIONS. This Lease contains all the agreements and conditions made between the parties hereto pertaining to the rental of the Premises and may not be modified orally or in any other manner other than by a written agreement signed by all parties hereto. The receipt of rent by the STATE, with knowledge of any breach of this Lease by the PORT, and/or with knowledge of any default on the part of the PORT shall not be deemed to be a waiver of any provision of this Lease. Failure on the part of the STATE to enforce any covenant or provision herein contained shall not discharge or invalidate such covenant or provision or affect the right of the STATE to enforce the same in the e ent of any subsequent breach or default.
- 42. INTERPRETATION. This Lease shall be governed by and interpreted in accordance with the laws of the State of Washington. The titles to paragraphs or sections of this Lease are for convenience only and shall have no effect on the construction or interpretation of any part hereof.
- 43. SEVERABILITY. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- 44. VENUE. PORT agrees that the venue of any action or suit concerning this Lease shall be in the Thurston County Superior Court and all actions or suits thereon shall be brought therein, unless applicable law requires otherwise.
- 45. TOTALITY OF AGREEMENT. It is understood that no guarantees, representations, promises, or statements expressed or implied have been made by the STATE except to the extent that the same are expressed in this Lease.

46. NOTICES. Wherever in this Lease written notices are to be given or made, they will be served, personally delivered or sent by certified or overnight mail addressed to the parties at the address listed below unless a different address has been designated in writing and delivered to the other party. The PORT agrees to accept service of process at said address; provided, that such address is located in the State of Washington. Otherwise, the PORT designates the Secretary of State of Washington as an agent for the purpose of service of process. Such service shall be deemed personal service.

STATE:

DEPARTMENT OF TRANSPORTATION (Mailing Address)

Attn.: Assistant Director, Property Management Program

P. O. Box 47338

Olympia, WA 98504-7338

DEPARTMENT OF TRANSPORTATION (Physical Address)

Attn.: Assistant Director, Property Management Program

243 Israel Road Southeast Tumwater, WA 98501

PORT:

THE PORT OF SEATTLE

Attn: Director, Aviation Business Development

(206) 835-5777

17801 Pacific Highway South

Seattle, WA 98158-727

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Signatures:	Accepted and Approved by:			
PORT OF SEATTLE	WASHINGTON STATE DEPARTMENT OF TRANSPORTATION			
By:	By: Mike Palazzo Director, Real Estate Services			
Dated:				
APPROVED AS TO FORM	APPROVED AS TO FORM			
By:	By:			
Senior Port Counsel	Assistant Attorney General			
, 2008	, 2008			

AGENCY ACKNOWLEDGMENT

STATE OF WASHINGTON)	
) ss	
COUNTY OF)	
	1100	
On this day of	before me persona	ally appeared
	to me known to be the duly	y appointed
	and that he	/she executed the within and
foregoing instrument and acknowled		
and deed of said State of Washington Lessees that <u>he/she</u> was authorized to		therein set forth, and on oath
Lessees that <u>ney site</u> was authorized to	cxccute said mstrument.	
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day of		, 20 .
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Y.	(Signature)	
	The state of the s	
	(Print or type name)
	la l	d for the State of Washington
	residing at	
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STATE AGENCY ACKNOWLEDGMENT

STATE OF WASHINGTON)				
) ss				
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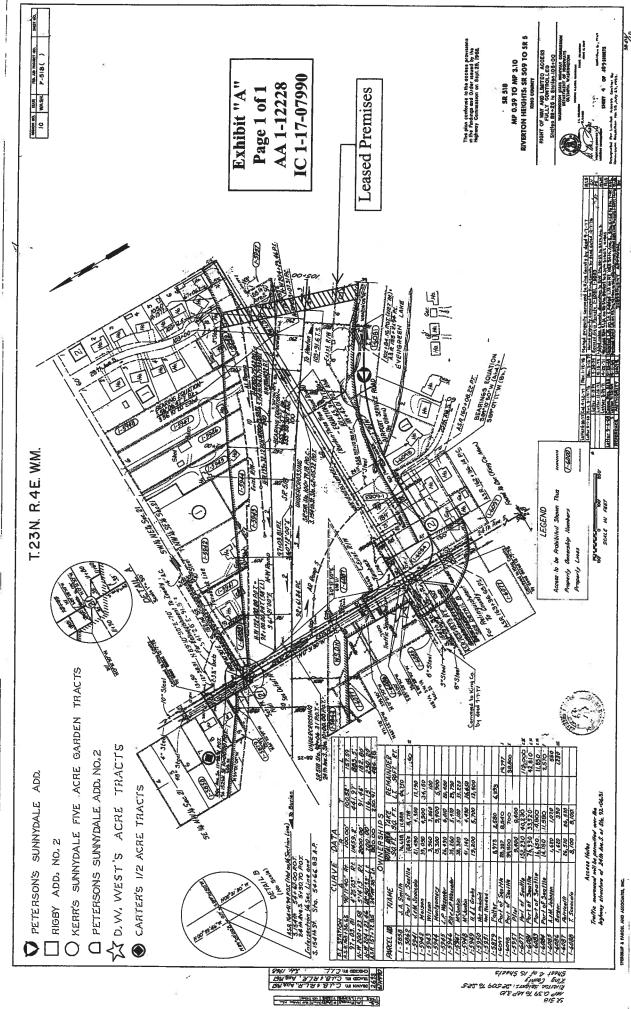


EXHIBIT D to WSDOT-Port Property Exchange Agreement

Agreed Upon Values

[See attached]

EXHIBIT D Agreed Upon Values

POS to WSDOT			
IC#	Parcel #	Fee	
1-17-08360	1-22568	\$ 235,400.00	
1-17-08364	1-16884	\$ 500.00	
1-17-08361	1-16852	\$ 100,700.00	
1-17-08362	1-16827	\$ 15,826,000.00	
1-17-08406			
1-17-08407			
1-17-08408			
1-17-08363	1-16825	\$ 356,800.00	
1-17-08409			

WSDOT to ROS					
IC#	Parcel		Fee	L	ease/Year
1-17-03329	1	\$	9,200,328.00	Γ.	
1-17-07995	1A				\$15,618.00
1-17-07989	2	\$	6,555,500.00		
1-17-07990	3	T		\$	2,000.00
1-17-07993	- 6	\$	5,500.00		
1-17-07206	7			\$	10,200.00

\$ 15,761,328.00 \$ 27,818.00

\$ 16,519,400.00

Fee \	/alues
POS to WSOT	\$16,519,400.00
WSDOT to POS	\$15,761,328.00
Fee Difference	\$ 758,072.00

RENT CREDITS PER LEASE			
Parcel 1A	\$	465,074.03	
Parcel 3	\$	59,556.16	
Parcel 7	\$	233,441.81	
Total Rent Credit \$ 758,072.00			

Exhibit E-1 to WSDOT-Port Property Exchange Agreement

Quit Claim Deed from Port to WSDOT (conveying parcels of 0.08 acres and 0.45 acres identified by WSDOT Parcel # 1-16825)

[See attached]

After Recording Return to:

State of Washington
Department of Transportation
Real Estate Services Office
P O Box 47338
Olympia WA 98504-7338

Quitclaim Deed

Grantor(s): Port of Seattle, a Washington municipal corporation

Grantee: State of Washington, Department of Transportation

Abbreviated Legal Description(s): SW, 04-22-04; Ptn. Tracts 10-15, Parkhurst, unrecorded, lots 1-8, Ptn. Lot 9, Mayvale No. 77, Pg. 19

Tax Parcel No(s).: 666300-0010-03, 042204-9216-07 & 666300-0102-02

Reference Nos. of additional documents: N/A

The GRANTOR, Port of Seattle, a Washington municipal	pal corporation
("Grantor") for and in consideration of the terms and conditions	s of that certain agreement
entitled Property Exchange Agreement by and between the Port	of Seattle and the
Washington State Department of Transportation, dated	, conveys and quit
claims to the State of Washington, Department of Transport	ation ("Grantee"), the
following described real estate situated in the King County, Star	te of Washington:

See Attachment A attached hereto and made a part hereof (the "Property").

Subject to and excepting all easements, reservations, covenants and other encumbrances of record, including the encumbrances set forth below:

NOW, THEREFORE, the Grantor reserves unto itself, its successors and assigns, for the use and benefit of the public an easement and right of way, for a right of flight for the passage of aircraft in and through the airspace above the surface of the Property, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for the use of said airspace for landing on, taking off from, or operating on the Seattle Tacoma International Airport.

- (1) This is a permanent and non-exclusive easement for the free and unobstructed use and passage of all types of aircraft in and through the airspace over or in the vicinity of the Property, with such use and passage to be unlimited as to frequency, type of aircraft, and proximity. Grantee furthermore waives all damages and claims for damages caused or alleged to be caused by or incidental to such activities.
- (2) As used herein, the term "aircraft" shall mean any and all types of aircraft, whether now in existence or hereafter manufactured and developed, and shall include, but is not limited to, jet aircraft, propeller-driven aircraft, civil aircraft, military aircraft, commercial aircraft, helicopters and all other types of aircraft or vehicles now in existence or hereafter developed for the purpose of transporting persons or property through the air.
- (3) That the Grantee expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth and other obstructions on the Grantee's property to a height of not more than 416 feet Datum NGVD 29.

- (4) The easement and right-of-way hereby reserves to the Grantor the continuing right of the Grantor to prevent the erection or growth upon the Property of any building, structure, tree, or other object that extends into the airspace above said property. The Grantor reserves a right of ingress to, egress from and passage over the Property to remove the offending structure or object, and to cut the offending growth, all at the expense of the Grantee, in the event the aforesaid covenant is breached.
- (5) That the Grantee expressly agrees for itself, its successors and assigns to not authorize any use of the Property which would interfere with landing or taking off of aircraft at the Seattle Tacoma International Airport, or otherwise constitute an airport hazard. Such hazards include uses that create electrical interference with navigational signals or radio communication between the airport and aircraft, make it difficult for pilots to distinguish between airport lights and other, result in glare in the eyes of pilots using the airport, impair visibility in the vicinity of the airport, create bird strike hazards, or otherwise in any way endanger or interfere with the landing, takeoff or maneuvering of aircraft intending to use the airport.
- (6) Said easement and burden, together with all things which may be alleged to be incident to or resulting from the use and enjoyment of said easement, including but not limited to the right to cause in all airspace above or in the vicinity of the surface of the Property such noise, vibrations, fume, deposits of dust or other particulate matter, fuel particles (which are incidental to the normal operation of said aircraft), fear, interference with sleep and communications and any and all other effects that may be alleged to be incident to or caused by the operation of aircraft over or in the vicinity of the Property or in landing at or taking off from or operating at or on Seattle Tacoma International Airport is hereby reserved.
- (7) Grantee does hereby fully waive, remise, and release any right or cause of action which they may now have or which they may have in the future against Grantor, its successor and assigns, due to such noise vibrations, fumes, dust, fuel particles and all other effects that may be caused or may have been caused by the operation of aircraft landing at, or taking off from, or operating at or on Seattle Tacoma International Airport.

TO HAVE AND TO HOLD said easement and right-of-way, and all rights pertaining thereto unto the Grantor, its successors, and assigns, until the Seattle Tacoma International Airport shall be abandoned and shall cease to be used for public airport purposes. It being understood and agreed that the aforesaid covenants and agreements shall run with the land and shall be forever binding upon the heirs, administrators, executors, successors and assigns of the Grantee until Seattle Tacoma International Airport shall be abandoned and cease to be used for public airport purposes.

It is understood and agreed that delivery of this deed is hereby tendered and that the terms and obligations hereof shall not become binding upon the State of Washington unless and until accepted and approved hereon in writing for the State of Washington, Department of Transportation, by the Director of Real Estate Services.

, 2009.
all research with our grant within
nt
Approved and accepted:
STATE OF WASHINGTON Department of Transportation
By: Mike Palazzo Director, Real Estate Services
Date:

STATE OF WASHINGTON COUNTY OF KING

On this day of personally appeared before me, acknowledged Business Development of the corporation that instrument, and signed said instrument by free corporation, for the uses and purposes therein mer authorized to execute said instrument for said corp	t executed the within and foregoing and voluntary act and deed of said ntioned, and on oath stated that he was
	Printed Name:
	Notary Public in and for the State of Washington, residing at
	My appointment expires
STATE OF WASHINGTON COUNTY OF	
On this day of	at he signed this instrument, on oath strument, and acknowledged it as the of Washington to be the free and
C. s. Assess T. Donnard to entry up to a decrease	
	Printed Name:
gane Dignesión ferre entre el comité de Care el Care e	Notary Public in and for the State of Washington, residing at
	My appointment expires

Attachment A Legal Descriptions

TRACT 1:

That portion of the hereinafter described Parcel "A" lying within the following described Tract:

Beginning at a point opposite Highway Engineer's Station A 46+08± on the A line survey of SR 509, SR 99 to S. 188th St. Vic. and 237.37 feet northwesterly therefrom, said point being on the northerly line of said Parcel "A"; thence westerly to a point opposite Highway Engineer's Station A 44+71± on said line survey and 446.91 feet northwesterly therefrom, said point being on the northerly line of said Parcel "A"; thence southeasterly to a point opposite Highway Engineer's Station A 44+48.99 on said line survey and 347 feet northwesterly therefrom; thence easterly to a point opposite Highway Engineer's Station A 44+86.02 on said line survey and 258.00 feet northwesterly there from; thence northeasterly to a point opposite Highway Engineer's Station A 45+61.87 on said line survey and 205.feet northwesterly therefrom; thence northerly to the point of beginning.

TRACT 2:

That portion hereinafter described Parcel "B" lying Northeasterly of the following described line:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) 793+47.14 on the SR 509 line survey of SR 509, SR 99 to S. 188th St. Vic. and 150.00 feet southwesterly therefrom; thence northwesterly to a point opposite HES 794+07.67 on said line survey and 129.58 feet southwesterly therefrom; thence northwesterly to a point opposite HES 795+28 on said line survey and 89 feet southwesterly therefrom; thence Northwesterly along a curve to the left having a radius of 5,449 feet and an arc length of 1,744.81 feet to a point opposite HES 813+16 on said line survey and 110 feet southwesterly therefrom and the terminus of said line description.

PARCEL A:

The east half of the southeast quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the west 20 feet thereof;

AND EXCEPT any portion lying within South 208th Street, as conveyed to King County by deed recorded under Recording Number 2710180;

AND EXCEPT the east 30 feet of the north half of the southeast quarter of the southeast quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington, conveyed to King County by deed recorded under Recording Number 4714903;

AND EXCEPT the north 150 feet of the east 300 feet of the southeast quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington, pursuant Stipulated Consent Judgment & Decree of Appropriation recorded under Recording Number 20001020000308;

TOGETHER WITH the east half of vacated 22nd Avenue South adjoining, vacated by City of SeaTac Ordinance Number 96-1011, recorded under Recording Number 20060614001524, and attaching thereto by operation of law;

(ALSO KNOWN AS a portion of Tracts 1 through 8, Parkhurst, according to the unrecorded plat thereof, and vacated street adjoining.)

PARCEL B:

The east half of the southeast quarter of the northeast quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the south 650 feet of the east 300 feet thereof.

PARCEL C:

The north half of the south half of the southwest quarter of the southeast quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the west 220 feet thereof;

AND EXCEPT the east 20 feet thereof;

TOGETHER WITH the south half of the north half of the southwest quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the west 220 feet thereof;

AND EXCEPT the south 62 feet thereof;

AND EXCEPT the east 20 feet thereof;

The south 62 feet of the east 545.01 feet of the said north half of the southwest quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the west 120 feet thereof:

AND EXCEPT the east 20 feet thereof;

TOGETHER WITH the north half of the north half of the southwest quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the west 220 feet thereof;

AND EXCEPT the east 20 feet thereof;

TOGETHER WITH the south half of the south half of the northwest quarter of the southeast quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the west 395 feet thereof:

AND EXCEPT the east 20 feet thereof;

TOGETHER WITH the north half of the south half of the northwest quarter of the southeast quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the west 390 feet thereof; AND EXCEPT the east 20 feet thereof;

TOGETHER WITH the south half of the north half of the northwest quarter of the southeast quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington; EXCEPT the west 491.41 feet thereof; AND EXCEPT the east 20 feet thereof;

TOGETHER WITH that portion of the west half of vacated 22nd Avenue South adjoining the above described tracts, vacated by City of SeaTac Ordinance Number 96-1011, recorded under Recording Number 20060614001524, and attaching thereto by operation of law;

(ALSO KNOWN AS a portion of Tracts 10 through 15, Parkhurst, according to the unrecorded plat thereof and vacated street adjoining.)

PARCEL D:

Lots 1 through 8, inclusive, and the easterly 70 feet of Lot 9, as measured at right angles to the easterly lines of said Lot 9, Mayvale No. 2, according to the plat thereof recorded in Volume 77 of Plats, page 19, in King County, Washington; TOGETHER WITH that portion of the west half of vacated 22nd Avenue South adjoining, vacated by City of SeaTac Ordinance Number 96-1011, recorded under Recording Number 20060614001524, and attaching thereto by operation of law.

ALSO, the grantor herein conveys and grants to the State of Washington, Department of Transportation all rights of ingress and egress (including all existing, future or potential easements of access, light, view and air) to, from and between SR 509, SR 99 to S. 188th St. Vic. and the remainder of said Parcels "A, "B", "C" and "D"

The lands herein described contain an area of 23,398 square feet, more or less, the specific details concerning all of which are to be found in that certain map of definite location now of record and on file in the office of the Secretary of Transportation at Olympia, and bearing date of approval December 3, 2004 revised March 25, 2005.

Grante	or's Init	ials

Exhibit E-2 to WSDOT-Port Property Exchange Agreement

Quit Claim Deed from Port to WSDOT

(conveying parcels of 0.68 acres, 18.76 acres, 3.24 acres and 1.13 acres identified by WSDOT Parcel # 1-16827)

[See attached]

After Recording Return to:

State of Washington Department of Transportation Real Estate Services Office P O Box 47338 Olympia WA 98504-7338

Quitclaim Deed

Grantor(s): Port of Seattle, a Washington municipal corporation

Grantee: State of Washington, Department of Transportation

Abbreviated Legal Description(s): Lots 3-10 Block 2, Block 3, 4, 5, 6, 12, 13, 14, 15, 22, Lots 1 through 5 & 8-16, Block 32, Seeley's Add. To Des Moines, Vol 4, pg. 59, Lots 9 11-12, Koessner Add., Vol. 57, pg. 75, Lots 9-12, Block 1; Lots 1-12, Block 11, Lots 1-12, Block 21, Lots 1 – 16, Block 31, Lots 1-7 Block 91, Ptn. Lots 1-8 & Lots 9-16, Block 92, Amendatory Plat of a part of Seeley's Add. To the City of Des Moines "vacated, Vol. 6, pg. 68, S1/2 NW1/4 & NW1/4 SW1/4, 04-22-04 of Document.

Assessor's Tax Parcel Numbers: 768620-0160-08, 768620-0120-07, 768620-0080-05, 768620-0040-04, 768620-0440-00, 392640-0055-01, 768620-0015-05, 768720-0040-03, 768620-0620-02, 768620-0980-06, 768720-0125-01, 768720-0680-08, 768720-0705-09, 768720-0715-07, 768720-0716-06, 392640-0045-04, 768620-1520-01, 768720-0185-08, 768620-0500-07, 768620-0560-04, 768720-0220-05, 768720-0755-08, 768620-1555-09 & 282304-9016-00.

Reference Nos. of additional documents: N/A

The GRANTOR, **Port of Seattle**, a Washington municipal corporation ("Grantor") for and in consideration of the terms and conditions of that certain agreement entitled Property Exchange Agreement by and between the Port of Seattle and the Washington State Department of Transportation, dated _______, conveys and quit claims to the **State of Washington**, **Department of Transportation** ("Grantee"), the following described real estate situated in the King County, State of Washington:

See Attachment A attached hereto and made a part hereof (the "Property").

Subject to and excepting all easements, reservations, covenants and other encumbrances of record, including the encumbrances set forth below:

NOW, THEREFORE, the Grantor reserves unto itself, its successors and assigns, for the use and benefit of the public an easement and right of way, for a right of flight for the passage of aircraft in and through the airspace above the surface of the Property, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for the use of said airspace for landing on, taking off from, or operating on the Seattle Tacoma International Airport.

- (1) This is a permanent and non-exclusive easement for the free and unobstructed use and passage of all types of aircraft in and through the airspace over or in the vicinity of the Property, with such use and passage to be unlimited as to frequency, type of aircraft, and proximity. Grantee furthermore waives all damages and claims for damages caused or alleged to be caused by or incidental to such activities.
- (2) As used herein, the term "aircraft" shall mean any and all types of aircraft, whether now in existence or hereafter manufactured and developed, and shall include, but is not limited to, jet aircraft, propeller-driven aircraft, civil aircraft, military aircraft, commercial aircraft, helicopters and all other types of aircraft or vehicles now in existence or hereafter developed for the purpose of transporting persons or property through the air.
- (3) That the Grantee expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth and other obstructions on the Grantee's property to a height of not more than 416 feet Datum NGVD 29.

- (4) The easement and right-of-way hereby reserves to the Grantor the continuing right of the Grantor to prevent the erection or growth upon the Property of any building, structure, tree, or other object that extends into the airspace above said property. The Grantor reserves a right of ingress to, egress from and passage over the Property to remove the offending structure or object, and to cut the offending growth, all at the expense of the Grantee, in the event the aforesaid covenant is breached.
- (5) That the Grantee expressly agrees for itself, its successors and assigns to not authorize any use of the Property which would interfere with landing or taking off of aircraft at the Seattle Tacoma International Airport, or otherwise constitute an airport hazard. Such hazards include uses that create electrical interference with navigational signals or radio communication between the airport and aircraft, make it difficult for pilots to distinguish between airport lights and other, result in glare in the eyes of pilots using the airport, impair visibility in the vicinity of the airport, create bird strike hazards, or otherwise in any way endanger or interfere with the landing, takeoff or maneuvering of aircraft intending to use the airport.
- (6) Said easement and burden, together with all things which may be alleged to be incident to or resulting from the use and enjoyment of said easement, including but not limited to the right to cause in all airspace above or in the vicinity of the surface of the Property such noise, vibrations, fume, deposits of dust or other particulate matter, fuel particles (which are incidental to the normal operation of said aircraft), fear, interference with sleep and communications and any and all other effects that may be alleged to be incident to or caused by the operation of aircraft over or in the vicinity of the Property or in landing at or taking off from or operating at or on Seattle Tacoma International Airport is hereby reserved.
- (7) Grantee does hereby fully waive, remise, and release any right or cause of action which they may now have or which they may have in the future against Grantor, its successor and assigns, due to such noise vibrations, fumes, dust, fuel particles and all other effects that may be caused or may have been caused by the operation of aircraft landing at, or taking off from, or operating at or on Seattle Tacoma International Airport.

TO HAVE AND TO HOLD said easement and right-of-way, and all rights pertaining thereto unto the Grantor, its successors, and assigns, until the Seattle Tacoma International Airport shall be abandoned and shall cease to be used for public airport purposes. It being understood and agreed that the aforesaid covenants and agreements shall run with the land and shall be forever binding upon the heirs, administrators, executors, successors and assigns of the Grantee until Seattle Tacoma International Airport shall be abandoned and cease to be used for public airport purposes.

It is understood and agreed that delivery of this deed is hereby tendered and that the terms and obligations hereof shall not become binding upon the State of Washington unless and until accepted and approved hereon in writing for the State of Washington, Department of Transportation, by the Director of Real Estate Services.

Dated this _____ day of ______, 2009.

Dated this day of	, 2009.
GRANTOR:	
PORT OF SEATTLE, a Washington municipal corporation	
Jim Schone	مربصال انتسالان يمتدع المسرب
Director, Aviation Business Developmen	t - i - i - i - i - i - i - i - i - i -
	Approved and accepted:
which he will be a sense of the	STATE OF WASHINGTON Department of Transportation
	By: Mike Palazzo Director, Real Estate Services
	Charging us successful that could be
	Date:
APPROVED AS TO FORM:	
By:	
Assistant Attorney General	
REVIEWED AS TO FORM:	
By:	

STATE OF WASHINGTON COUNTY OF KING

personally appeared before me, acknowled Business Development of the corporation instrument, and signed said instrument be	, 2009, I certify that Jim Schone edged that he is the Director of Aviation on that executed the within and foregoing y free and voluntary act and deed of said on mentioned, and on oath stated that he was id corporation.
	Printed Name:
	Notary Public in and for the State of
	Washington, residing at
	My appointment
	expires
personally appeared before me, acknowled stated that he was authorized to execute t Director of Real Estate Services of the	ged that he signed this instrument, on oath his instrument, and acknowledged it as the State of Washington to be the free and r the uses and purposes mentioned in the
	Printed Name:
	Notary Public in and for the State of Washington, residing at
	My appointment expires

Attachment A Legal Description

TRACT 1:

All that portion of the hereinafter described Tract "X" lying within the following described tract:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) S. 200TH 39+01 on the S. 200TH line survey of SR 509, SR 99 to S. 188th St. Vic. and 30 feet Northerly therefrom; thence Northerly to a point opposite said HES and 54 feet Northerly therefrom; thence Easterly, parallel with said line survey to a point opposite HES S. 200TH 39+60; thence Northeasterly to a point opposite HES S. 200TH 39+78 on said line survey and 89 feet Northerly therefrom; thence Northeasterly to a point opposite HES S. 200TH 40+74.11 on said line survey and 109.36 feet Northerly therefrom; thence Northeasterly to a point opposite HES S. 200TH 42+80 on said line survey and 153 feet Northerly therefrom; thence Southeasterly to a point opposite HES S. 200TH 43+64.59 on said line survey and 115.37 feet Northerly therefrom; thence Southeasterly to a point opposite HES S. 200TH 44+80 on said line survey and 64 feet Northerly therefrom; thence Easterly to a point opposite HES S. 200TH 46+00 on said line survey and 61 feet Northerly therefrom; thence Southerly to a point opposite said HES and 30 feet Northerly therefrom; thence Westerly, parallel with said line survey, to the point of beginning.

TRACT 2:

All that portion of the hereinafter described TRACT "X" lying within the following described tract:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) S. 200TH 34+48.70 on the S. 200TH line survey of SR 509, SR 99 to S. 188th St. Vic. and 68 feet Northerly therefrom; thence Easterly to a point opposite HES S. 200TH 37+55 on said line survey and 82 feet Northerly therefrom; thence Southerly to a point opposite said HES and 30 feet Northerly therefrom; thence Westerly, parallel with said line survey, to a point opposite HES S. 200TH 35+21.58; thence Northwesterly to the point of beginning.

TRACT 3:

All that portion of the hereinafter described TRACT "X" lying between Lines A and B:

Line A

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) 795+28 on the SR 509 line survey of SR 509, SR 99 to S. 188th St. Vic. and 89 feet Southwesterly therefrom; thence Northwesterly, along a curve to the left having a radius of 5449 feet an arc distance of 1744.81 feet, to a point opposite HES 813+16 on said line survey and 110 feet Southwesterly therefrom; thence Westerly to a point opposite S. 200TH 22+20 on the S. 200TH line survey of said highway and 73 feet Northerly therefrom and the terminus of said line.

Line B:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES 800+31.71 on the SR 509 line survey of SR 509, SR 99 to S. 188th St. Vic. and 76 feet Northeasterly therefrom; thence Northwesterly, parallel with said line survey, to a point opposite HES 811+71; thence Northerly to a point opposite HES 812+02 on said line survey and 145 feet Northeasterly therefrom; thence Northwesterly to a point opposite HES 815+46 on said line survey and 158 feet Northeasterly therefrom; thence Westerly to a point opposite HES 817+44.39 on said line survey and 127.94 feet Northeasterly therefrom; thence Northwesterly to a point opposite HES 820+00 on said line survey and 130 feet Northeasterly therefrom and the end of this line description.

TRACT 4:

All that portion of the hereinafter described TRACT "X" lying within the following described tract:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) S. 200TH 22+20 on the S. 200TH line survey of SR 509, SR 99 to S. 188th St. Vic. and 73 feet Northerly therefrom; thence Southerly to a point opposite said HES and 30 feet Southerly therefrom; thence Westerly, parallel with said line survey, to a point opposite HES 200TH 22+10±; thence Northerly to a point opposite said HES and 20 feet Southerly therefrom; thence Westerly, parallel with said line survey, to a point opposite HES S. 200TH 20+00.20; thence Southerly to a point opposite HES S. 200TH 20+00.44 on said line survey and 45 feet Southerly therefrom; thence Westerly, parallel with said line survey, to a point opposite HES S. 200TH 16+16.99; thence Northerly to a point opposite HES S. 200TH 16+12.87 on said line survey and 55 feet Northerly therefrom: thence Easterly, parallel with said line survey, to a point opposite HES S. 200TH 17+84.75; thence Northwesterly to a point opposite HES 825+50 on the SR 509 line survey of said highway and 410 feet Southwesterly therefrom; thence Northwesterly to a point opposite HES 830+50 on said SR 509 line survey and 300 feet Southwesterly therefrom; thence Northwesterly to a point opposite HES 835+55± on said SR 509 line survey and 169.11 feet Southwesterly therefrom; thence Westerly to a point opposite HES 836+04.06 on said SR 509 line survey and 219.71 feet Southwesterly therefrom; thence Northerly to a point opposite HES 836+30.39 on said SR 509 line survey and 192 feet Southwesterly therefrom; thence Northwesterly to a point opposite HES 839+41 on said SR 509 line survey and 173.11 feet Southwesterly therefrom; thence Northerly to a point opposite HES 841+97 on said SR 509 line survey and 175 feet Northeasterly therefrom; thence Southeasterly to a point opposite HES 836+72.14 on said SR 509 line survey and 222.75 feet Northeasterly therefrom; thence Southeasterly to a point opposite HES 836+53.17 on said SR 509 line survey and 223.30 feet Northeasterly therefrom: thence Southeasterly to a point opposite HES 833+50 on said SR 509 line survey and 221 feet Northeasterly therefrom; thence Southeasterly to a point opposite HES 829+50 on said SR 509 line survey and 290 feet Northeasterly therefrom; thence Southeasterly to a point opposite HES 827+00 on said SR 509 line survey and 230 feet Northeasterly therefrom; thence Southeasterly to a point opposite HES 820+00 on said SR 509 line survey and 130 feet Northeasterly therefrom; thence Southeasterly to a point opposite HES 813+16 on said SR 509 line survey and 110 feet Southwesterly therefrom; thence Westerly to the point of beginning.

TRACT 5:

All that portion of the hereinafter described TRACT "X" lying within the following described tract:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) S. 200TH 30+83.09 on the S. 200TH line survey of SR 509, SR 99 to S. 188th St. Vic. and 30 feet Northerly therefrom; thence Westerly, parallel with said line survey, to a point opposite HES S. 200TH 29+26.23; thence Southerly to a point opposite said HES and 30 feet Southerly therefrom; thence Westerly, parallel with said line survey, to a point opposite HES S. 200TH 24+96.42; thence Northerly to a point opposite said HES and 30 feet Northerly therefrom; thence Westerly, parallel with said line survey, to a point opposite S. 200TH 22+20; thence Northerly to a point opposite said HES and 73 feet Northerly therefrom; thence Easterly to a point opposite HES 813+16 on the SR 509 line survey of said highway and 110 feet Southwesterly therefrom; thence Southeasterly to the point of beginning.

TRACT X

PARCEL A:

Lots 9, 11 and 12, Koessner Addition, according to the plat thereof recorded in Volume 57 of Plats, page 75, in King County, Washington; EXCEPT that portion of said Lot 11 conveyed to the State of Washington for highway by deed recorded under Recording Number 7212260178;

TOGETHER WITH the North half of South 196th Place adjoining said Lots, vacated by City of SeaTac Ordinance Numbers 02-1002 and 96-1011, recorded under Recording Numbers 20040419000733 and 20060614001524, and attaching thereto by operation of law.

PARCEL B:

Lots 9 through 12, inclusive, Block 1, Amendatory Plat of part of Seeley's Addition to the City of Des Moines, "vacated", according to the plat thereof recorded in Volume 6 of Plats, page 68, in King County, Washington; EXCEPT that portion conveyed to the State of Washington for highway purposes by deed recorded under Recording Number 7211060292;

ALSO Lots 3 through 10, inclusive, Block 2, Seeley's Addition to the City of Des Moines, "vacated", according to the plat thereof recorded in Volume 4 of Plats, page 59, in King County, Washington;

TOGETHER WITH that portion of 15th Place (Edna Street) lying northerly of the north line of South 197th Street and southerly of the north line of said Lot 3, Block 2, produced east, as vacated by order filed in Volume 48, pages 582 and 583 of King County Commissioner's Records, and attaching to said Blocks 1 and 2 by operation of law;

EXCEPT the east 32.5 feet of that portion of said vacated street lying northerly of the north line of said Lot 9, Block 1, produced west;

AND TOGETHER WITH the east half of 15th Avenue South adjoining Lots 3 through 10, inclusive, said Block 2, vacated by City of SeaTac Ordinance Numbers 02-1002 and 96-1011, recorded under Recording Numbers 20040419000733 and 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH the north half of South 197th Street adjoining said Blocks 1 and 2 and adjoining the aforementioned vacated streets, vacated by City of SeaTac Ordinance Numbers 02-1002 and 96-1011, recorded under Recording Numbers 20040419000733 and 20060614001524, and attaching thereto by operation of law.

PARCEL C:

All of Block 3, 4 and 5, Seeley's Addition to the City of Des Moines, "vacated", according to the plat thereof recorded in Volume 4 of Plats, page 59, in King County, Washington;

EXCEPT that portion of Block 3 condemned for highway purposes in King County Superior Court Cause No. SC782483;

TOGETHER WITH that portion of the vacated alley between Blocks 3 and 4 of said plat and that portion of 14th Avenue South adjoining said Blocks 4 and 5, vacated by City of SeaTac Ordinance Numbers 98-1044 and 96-1011, recorded under Recording Numbers 9904151321 and 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH the north half of South 197th Street and the west half of 15th Avenue South adjoining, vacated by City of SeaTac Ordinance Numbers 02-1002 and 96-1011, recorded under Recording Numbers 20040419000733 and 20060614001524, and attaching thereto by operation of law.

AND TOGETHER WITH the south half of South 196th Place adjoining, vacated by City of SeaTac Ordinance Number 02-1002, recorded under Recording Numbers 20040419000733, and attaching thereto by operation of law.

PARCEL D:

All of Block 6, Seeley's Addition to the city of Des Moines, "vacated", according to the plat thereof recorded in Volume 4 of Plats, page 59, in King County, Washington.

TOGETHER WITH the north half of South 197th Street adjoining said Block 6, vacated by City of SeaTac Ordinance Number 96-1011, recorded under Recording Number 20060614001524, and attaching thereto by operation of law.

PARCEL E:

Lots 1 through 12, inclusive, Block 11, Amendatory Plat of part of Seeley's Addition to the City of Des Moines, "vacated", according to the plat thereof recorded in Volume 6 of Plats, page 68, in King County, Washington;

TOGETHER WITH the east half of 15th Place South adjoining said Block 11, vacated by City of SeaTac Ordinance Numbers 98-1044 and 96-1011, recorded under Recording Numbers 9904151321 and 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH the south half of South 197th Street and the north half of South 198th Street adjoining, vacated by City of SeaTac Ordinance Numbers 02-1002 and 96-1011, recorded under Recording Numbers 20040419000733 and 20060614001524, and attaching thereto by operation of law.

PARCEL F:

All of Block 12, 13 and 14 Seeley's Addition to the City of Des Moines, "vacated", according to the plat thereof recorded in Volume 4 of Plats, page 59, in King County, Washington;

TOGETHER WITH the east half of 14th Avenue South adjoining said Block 14, vacated by order entered in King County Superior Court Cause Number 85-2-07561-7, recorded under Recording Number 8508150435, and by City of SeaTac Ordinance Number 96-1011, recorded under Recording Number 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH that portion of the vacated alley between Blocks 13 and 14 of said plat, vacated by City of SeaTac Ordinance Number 98-1044, recorded under Recording Numbers 9904151321, and attaching thereto by operation of law;

AND TOGETHER WITH the west half of 15th Place South adjoining said Block 12, vacated by City of SeaTac Ordinance Numbers 98-1044 and 96-1011, recorded under Recording Numbers 9904151321 and 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH the south half of South 197th Street, the north half of South 198th Street and that portion of 15th Avenue South adjoining, vacated by City of SeaTac Ordinance Numbers 02-1002 and 96-1011, recorded under Recording Numbers 20040419000733 and 20060614001524, and attaching thereto by operation of law.

PARCEL G:

Block 15, Seeley's Addition to the City of Des Moines "vacated", according to the plat thereof recorded in Volume 4 of Plats, page 59, in King County, Washington;

TOGETHER WITH the east half of alley adjoining the south 50 feet and the south 50 feet of the north 150 feet of said Block 15, vacated by order entered in King County Superior Court Cause Number 85-2-07561-7, recorded under Recording Number 8508150435, and attaching thereto by operation of law;

AND TOGETHER WITH the west half of 14th Avenue South, vacated by City of SeaTac Ordinance Numbers 98-1044 and 96-1011, recorded under Recording Numbers 9904151321 and 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH the south half of South 197th Street adjoining, vacated by City of SeaTac Ordinance Numbers 02-1002 and 96-1011, recorded under Recording Numbers 20040419000733 and 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH the north half of South 198th Street adjoining, vacated by City of SeaTac Ordinance Number 96-1011, recorded under Recording Number 20060614001524, and attaching thereto by operation of law.

recorded under Recording Numbers 20040419000733 and 20060614001524 PARCEL H:

Block 22 and Lots 1, 2, 3, 4 and 5, Block 32, Seeley's Addition to the City of Des Moines (vacated), according to the plat thereof recorded in Volume 4 of Plats, page 59, in King County, Washington;

TOGETHER WITH the west half of alley adjoining, vacated by City of SeaTac Ordinance Number 98-1044, recorded under Recording Number 9904151321, and attaching thereto by operation of law;

AND TOGETHER WITH that portion of South 199th Street adjoining vacated by City of SeaTac Ordinance Numbers 98-1044 and 96-1011, recorded under Recording Numbers 9904151321 and 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH the south half of South 198th Street adjoining, vacated by City of SeaTac Ordinance Numbers 02-1002 and 96-1011,, and attaching thereto by operation of law;

AND TOGETHER WITH the east half of 15th Avenue South adjoining, vacated by City of SeaTac Ordinance Number 96-1011, recorded under Recording Number 20060614001524, and attaching thereto by operation of law.

PARCEL I:

That portion of Block 31 and 92 lying north of the northerly margin of South 200th Street as established by order filed June 17, 1957 in Volume 59 of Commissioners Records, page 76 and all of Block 21 and 91, Amendatory Plat of Part of Seeley's Addition to the City of Des Moines (vacated), according to the plat thereof recorded in Volume 6 of Plats, page 68, in King County, Washington;

TOGETHER WITH the east half of alley, South 199th Street and 16th Avenue South adjoining, vacated by order entered in King County Superior Court Cause Number

85-2-07561-7, recorded under Recording Number 8508150435, and by City of SeaTac Ordinance Numbers 98-1044 and 96-1011, recorded under Recording Numbers 9904151321 and 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH the south half of South 198th Street adjoining, vacated by City of SeaTac Ordinance Numbers 02-1002 and 96-1011, recorded under Recording Numbers 20040419000733 and 20060614001524, and attaching thereto by operation of law.

PARCEL J:

Lots 9 through 16, inclusive, Block 31 and Lots 9 through 16, inclusive, Block 92, Amendatory Plat of part of Seeley's Addition to the City of Des Moines, "vacated", according to the plat thereof recorded in Volume 6 of Plats, page 68, in King County, Washington and Lots 8 through 16, inclusive, Block 32, Seeley's Addition to the City of Des Moines "vacated", according to the plat thereof recorded in Volume 4 of Plats, page 59, in King County, Washington, lying south of the southerly margin of South 200th Street as established by order filed June 17, 1957 in Volume 59 of Commissioners Records, page 76. Excepting therefrom those portions as conveyed to King County by deed recorded under recording number 4842068

TOGETHER WITH the alley lying between said Blocks 31 and 32, vacated by order entered in King County Superior Court Cause Number 85-2-07561-7, recorded under Recording Number 8508150435, and by City of SeaTac Ordinance Numbers 98-1044 and 96-1011, recorded under Recording Numbers 9904151321 and 20060614001524, and attaching thereto by operation of law;

AND TOGETHER WITH the north half of South 201th Street and 16th Avenue South adjoining, vacated by order entered in King County Superior Court Cause Number 85-2-07561-7, recorded under Recording Number 8508150435, and by City of SeaTac Ordinance Numbers 98-1044, 02-1002 and 96-1011, recorded under Recording Numbers 9904151321, 20040416000733 and 20060614001524, and attaching thereto by operation of law.

PARCEL K:

The west three-quarters of the south half of the northwest quarter of Section 4. Township 22 North, Range 4 East, W.M., in King County, Washington; EXCEPT that portion conveyed to the State of Washington by deed recorded under Recording Number 7509050361 for SR509; AND EXCEPT 18th Avenue South;

AND EXCEPT South 196th Street;

AND EXCEPT that portion lying within the right-of-way for South 200th Street. established by order filed June 17, 1957 in Volume 59 of Commissioners Records. page 76, and by deeds recorded under Recording Numbers 4838308, 4849964, 4849965 and 4857502:

AND the northeast quarter of the northwest quarter of the southwest quarter of Section 4, Township 22 North, Range 4 East, W.M., in King County, Washington; EXCEPT the west 320 feet;

AND EXCEPT any portion thereof lying within SR509;

AND EXCEPT that portion lying within the right-of-way for South 200th Street, established by order filed June 17, 1957 in Volume 59 of Commissioners Records, page 76, and by deeds recorded under Recording Number 4839934.

ALSO, the grantor herein conveys and grants to the State of Washington, Department of Transportation all rights of ingress and egress (including all existing, future or potential easements of access, light, view and air) to, from and between SR 509, SR 99 to S. 188th St. Vic. and the remainder of said TRACT "X".

The lands herein described contain an area of 1,064,842 square feet, more or less, the specific details concerning all of which are to be found in that certain map of definite location now of record and on file in the office of the Secretary of Transportation at Olympia, and bearing date of approval December 3, 2004.

Gı	antor'	s Initia	ls

Exhibit E-3 to WSDOT-Port Property Exchange Agreement

Quit Claim Deed from Port to WSDOT (conveying parcel of 0.24 acres identified by WSDOT Parcel #1-16852) [See attached]

After Recording Return to:

State of Washington Department of Transportation Real Estate Services Office P O Box 47338 Olympia WA 98504-7338

Quitclaim Deed

Grantor(s): Port of Seattle, a Washington municipal corporation

Grantee: State of Washington, Department of Transportation

Abbreviated Legal Description(s): Ptn. Lot 1, Koessner Addition, Volume 57, pgs. 75, 76 and 77

Tax Parcel No(s).: 392640-0005-02

Reference Nos. of additional documents: N/A

The GRANTOR, Port of Seattle, a Washington munic	ipal corporation
("Grantor") for and in consideration of the terms and condition	ns of that certain agreement
entitled Property Exchange Agreement by and between the Por	rt of Seattle and the
Washington State Department of Transportation, dated	, conveys and quit
claims to the State of Washington, Department of Transpor	tation ("Grantee"), the
following described real estate situated in the King County, Sta	ate of Washington:

See Attachment A attached hereto and made a part hereof (the "Property").

Subject to and excepting all easements, reservations, covenants and other encumbrances of record, including the encumbrances set forth below:

NOW, THEREFORE, the Grantor reserves unto itself, its successors and assigns, for the use and benefit of the public an easement and right of way, for a right of flight for the passage of aircraft in and through the airspace above the surface of the Property, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for the use of said airspace for landing on, taking off from, or operating on the Seattle Tacoma International Airport.

- (1) This is a permanent and non-exclusive easement for the free and unobstructed use and passage of all types of aircraft in and through the airspace over or in the vicinity of the Property, with such use and passage to be unlimited as to frequency, type of aircraft, and proximity. Grantee furthermore waives all damages and claims for damages caused or alleged to be caused by or incidental to such activities.
- (2) As used herein, the term "aircraft" shall mean any and all types of aircraft, whether now in existence or hereafter manufactured and developed, and shall include, but is not limited to, jet aircraft, propeller-driven aircraft, civil aircraft, military aircraft, commercial aircraft, helicopters and all other types of aircraft or vehicles now in existence or hereafter developed for the purpose of transporting persons or property through the air.
- (3) That the Grantee expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth and other obstructions on the Grantee's property to a height of not more than 416 feet Datum NGVD 29.

- (4) The easement and right-of-way hereby reserves to the Grantor the continuing right of the Grantor to prevent the erection or growth upon the Property of any building, structure, tree, or other object that extends into the airspace above said property. The Grantor reserves a right of ingress to, egress from and passage over the Property to remove the offending structure or object, and to cut the offending growth, all at the expense of the Grantee, in the event the aforesaid covenant is breached.
- (5) That the Grantee expressly agrees for itself, its successors and assigns to not authorize any use of the Property which would interfere with landing or taking off of aircraft at the Seattle Tacoma International Airport, or otherwise constitute an airport hazard. Such hazards include uses that create electrical interference with navigational signals or radio communication between the airport and aircraft, make it difficult for pilots to distinguish between airport lights and other, result in glare in the eyes of pilots using the airport, impair visibility in the vicinity of the airport, create bird strike hazards, or otherwise in any way endanger or interfere with the landing, takeoff or maneuvering of aircraft intending to use the airport.
- (6) Said easement and burden, together with all things which may be alleged to be incident to or resulting from the use and enjoyment of said easement, including but not limited to the right to cause in all airspace above or in the vicinity of the surface of the Property such noise, vibrations, fume, deposits of dust or other particulate matter, fuel particles (which are incidental to the normal operation of said aircraft), fear, interference with sleep and communications and any and all other effects that may be alleged to be incident to or caused by the operation of aircraft over or in the vicinity of the Property or in landing at or taking off from or operating at or on Seattle Tacoma International Airport is hereby reserved.
- (7) Grantee does hereby fully waive, remise, and release any right or cause of action which they may now have or which they may have in the future against Grantor, its successor and assigns, due to such noise vibrations, fumes, dust, fuel particles and all other effects that may be caused or may have been caused by the operation of aircraft landing at, or taking off from, or operating at or on Seattle Tacoma International Airport.

TO HAVE AND TO HOLD said easement and right-of-way, and all rights pertaining thereto unto the Grantor, its successors, and assigns, until the Seattle Tacoma International Airport shall be abandoned and shall cease to be used for public airport purposes. It being understood and agreed that the aforesaid covenants and agreements shall run with the land and shall be forever binding upon the heirs, administrators, executors, successors and assigns of the Grantee until Seattle Tacoma International Airport shall be abandoned and cease to be used for public airport purposes.

It is understood and agreed that delivery of this deed is hereby tendered and that the terms and obligations hereof shall not become binding upon the State of Washington unless and until accepted and approved hereon in writing for the State of Washington, Department of Transportation, by the Director of Real Estate Services.

Dated this day of . 2009.

Dated this	day of	_, 2009.
GRANTOR:		
PORT OF SEATTLE,		
a Washington municipa	l corporation	
		in as a company in a varieties were
Jim Schone		the state of the s
Director, Aviation Busin	ness Developmen	
		Approved and accepted:
		STATE OF WASHINGTON
	The first and to the	Department of Transportation
		By:
		Mike Palazzo Director, Real Estate Services
		Director, Real Estate Sol vices
		Date:
APPROVED AS TO FO	RM:	
By: Assistant Attorney Ge		
REVIEWED AS TO FOR	RM:	
By:		

STATE OF WASHINGTON COUNTY OF KING

On this day of personally appeared before me, acknowled	, 2009, I certify that Jim Schone
Business Development of the corporation instrument, and signed said instrument by corporation, for the uses and purposes therein authorized to execute said instrument for said	that executed the within and foregoing free and voluntary act and deed of said n mentioned, and on oath stated that he was
	Printed Name:
	Notary Public in and for the State of Washington, residing at
	My appointment
	expires .
On this day of personally appeared before me, acknowledg stated that he was authorized to execute th	
Director of Real Estate Services of the voluntary act and deed of such party for	
instrument.	
	Printed Name:
	Notary Public in and for the State of
	Washington, residing at
	My appointment expires

Attachment A Legal Descriptions

All of that portion of the hereinafter described Parcel "A", lying northerly of the following described line:

Beginning at a point opposite Highway Engineers Station 841+59.74 (hereinafter referred to as HES) on the SR 509 line survey of SR 509, SR 99 to S.188th St. Vic. and 100.00 feet southwesterly therefrom; thence southeasterly, parallel with said line survey, to a point opposite HES 840+84.99; thence southwesterly, along a curve to the right having a radius of 1,462.68 feet an arc length of 63.43 feet, to a point opposite HES 840+49.29 on said line survey and 151.68 feet southwesterly therefrom; thence southeasterly to a point opposite HES 840+27.64 on said line survey and 185.30 feet southwesterly therefrom; thence southeasterly to a point opposite HES 839+41 on said line survey and 173.11 feet southwesterly therefrom; thence southeasterly to a point opposite HES 836+30.39 on said line survey and 192.00 feet southwesterly therefrom and the terminus of said line.

PARCEL A

Lot 1, Koessner Addition, according to the plat thereof recorded in Volume 57 of plats, pages 75, 76 and 77, in King County, Washington.

EXCEPT the south 10 feet thereof.

ALSO, the grantors herein convey and grant to the State of Washington, Department of Transportation all rights of ingress and egress (including all existing, future or potential easements of access, light, view and air) to, from and between SR 509, SR 99 To S. 188th St. Vic. and the remainder of said Parcel "A".

The lands herein described contain an area of 10,532 square feet, more or less, the specific details concerning all of which are to be found in that certain map of definite location now of record and on file in the office of the Secretary of Transportation at Olympia, and bearing date of approval December 3, 2004.

Grant	or's	Initials	

Exhibit E-4 to WSDOT-Port Property Exchange Agreement

Quit Claim Deed from Port to WSDOT (conveying parcel of 0.02 acres identified by WSDOT Parcel #1-16884) [See attached]

After Recording Return to:

State of Washington
Department of Transportation
Real Estate Services Office
P O Box 47338
Olympia WA 98504-7338

Quitclaim Deed

Grantor(s):

Port of Seattle, a Washington municipal corporation

Grantee:

State of Washington, Department of Transportation

Abbreviated Legal Description(s): Ptn. NW SE 32-23-4

Tax Parcel No(s).: 282304-9016-00

Reference Nos. of additional documents: N/A

The GRANTOR, Port of Seattle, a Washington municipal corporation
("Grantor") for and in consideration of the terms and conditions of that certain agreemen
entitled Property Exchange Agreement by and between the Port of Seattle and the
Washington State Department of Transportation, dated, conveys and quit
claims to the State of Washington, Department of Transportation ("Grantee"), the
following described real estate situated in the King County, State of Washington:

See Attachment A attached hereto and made a part hereof (the "Property").

Subject to and excepting all easements, reservations, covenants and other encumbrances of record, including the encumbrances set forth below:

NOW, THEREFORE, the Grantor reserves unto itself, its successors and assigns, for the use and benefit of the public an easement and right of way, for a right of flight for the passage of aircraft in and through the airspace above the surface of the Property, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for the use of said airspace for landing on, taking off from, or operating on the Seattle Tacoma International Airport.

- (1) This is a permanent and non-exclusive easement for the free and unobstructed use and passage of all types of aircraft in and through the airspace over or in the vicinity of the Property, with such use and passage to be unlimited as to frequency, type of aircraft, and proximity. Grantee furthermore waives all damages and claims for damages caused or alleged to be caused by or incidental to such activities.
- (2) As used herein, the term "aircraft" shall mean any and all types of aircraft, whether now in existence or hereafter manufactured and developed, and shall include, but is not limited to, jet aircraft, propeller-driven aircraft, civil aircraft, military aircraft, commercial aircraft, helicopters and all other types of aircraft or vehicles now in existence or hereafter developed for the purpose of transporting persons or property through the air.
- (3) That the Grantee expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth and other obstructions on the Grantee's property to a height of not more than 416 feet Datum NGVD 29.

- (4) The easement and right-of-way hereby reserves to the Grantor the continuing right of the Grantor to prevent the erection or growth upon the Property of any building, structure, tree, or other object that extends into the airspace above said property. The Grantor reserves a right of ingress to, egress from and passage over the Property to remove the offending structure or object, and to cut the offending growth, all at the expense of the Grantee, in the event the aforesaid covenant is breached.
- (5) That the Grantee expressly agrees for itself, its successors and assigns to not authorize any use of the Property which would interfere with landing or taking off of aircraft at the Seattle Tacoma International Airport, or otherwise constitute an airport hazard. Such hazards include uses that create electrical interference with navigational signals or radio communication between the airport and aircraft, make it difficult for pilots to distinguish between airport lights and other, result in glare in the eyes of pilots using the airport, impair visibility in the vicinity of the airport, create bird strike hazards, or otherwise in any way endanger or interfere with the landing, takeoff or maneuvering of aircraft intending to use the airport.
- (6) Said easement and burden, together with all things which may be alleged to be incident to or resulting from the use and enjoyment of said easement, including but not limited to the right to cause in all airspace above or in the vicinity of the surface of the Property such noise, vibrations, fume, deposits of dust or other particulate matter, fuel particles (which are incidental to the normal operation of said aircraft), fear, interference with sleep and communications and any and all other effects that may be alleged to be incident to or caused by the operation of aircraft over or in the vicinity of the Property or in landing at or taking off from or operating at or on Seattle Tacoma International Airport is hereby reserved.
- (7) Grantee does hereby fully waive, remise, and release any right or cause of action which they may now have or which they may have in the future against Grantor, its successor and assigns, due to such noise vibrations, fumes, dust, fuel particles and all other effects that may be caused or may have been caused by the operation of aircraft landing at, or taking off from, or operating at or on Seattle Tacoma International Airport.

TO HAVE AND TO HOLD said easement and right-of-way, and all rights pertaining thereto unto the Grantor, its successors, and assigns, until the Seattle Tacoma International Airport shall be abandoned and shall cease to be used for public airport purposes. It being understood and agreed that the aforesaid covenants and agreements shall run with the land and shall be forever binding upon the heirs, administrators, executors, successors and assigns of the Grantee until Seattle Tacoma International Airport shall be abandoned and cease to be used for public airport purposes.

It is understood and agreed that delivery of this deed is hereby tendered and that the terms and obligations hereof shall not become binding upon the State of Washington unless and until accepted and approved hereon in writing for the State of Washington, Department of Transportation, by the Director of Real Estate Services. Dated this _____ day of ______, 2009. **GRANTOR:** PORT OF SEATTLE, a Washington municipal corporation Jim Schone **Director, Aviation Business Development** Approved and accepted: STATE OF WASHINGTON Department of Transportation Mike Palazzo Director, Real Estate Services APPROVED AS TO FORM: By: **Assistant Attorney General**

REVIEWED AS TO FORM:

STATE OF WASHINGTON COUNTY OF KING

On this day of personally appeared before me, acknowledged Business Development of the corporation the instrument, and signed said instrument by fre corporation, for the uses and purposes therein me authorized to execute said instrument for said corporation.	at executed the within and foregoing be and voluntary act and deed of said entioned, and on oath stated that he was
	Printed Name:
	Notary Public in and for the State of
	Washington, residing at
	$3.7 \text{ fm} \cdot 1.0 \text{ m/s} \cdot 1.0 \text{ m/s} \cdot 1.0 \text{ m/s}$
	My appointment
	expires
On this day of personally appeared before me, acknowledged	, 2009, I certify that Mike Palazzo that he signed this instrument, on oath
stated that he was authorized to execute this i Director of Real Estate Services of the State voluntary act and deed of such party for the instrument.	nstrument, and acknowledged it as the te of Washington to be the free and
	Printed Name:
	Notary Public in and for the State of
	Washington, residing at
	My appointment expires .

Attachment A Legal Description

All that portion of the hereinafter described Parcel "A" lying southwesterly of the following described line:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) DMW 36+10 on the DMW line survey of SR 509, SR 99 to S. 188th St. Vic. and 68 feet Northeasterly therefrom; thence Southeasterly, parallel with said line survey, to a point opposite HES DMW 36+43.29; thence Southeasterly, continuing parallel with said line survey, to a point opposite HES DMW 36+68; thence Southeasterly to a point opposite HES DMW 36+98 on said line survey and 57 feet Northeasterly therefrom; thence Easterly, parallel with said line survey, to a point opposite HES DMW 37+15; thence Southwesterly to a point opposite said HES and 50 feet Southwesterly therefrom and the terminus of said line description.

Parcel A

That portion of the Northwest Quarter of the Southeast Quarter of Section 32, Township 23 North, Range 4 East, W.M, IN King County, Washington, lying northeasterly of Des Moines Way (now S. 188th St.)

Except that portion thereof conveyed to the State of Washington for highway by deed recorded under recording number 7203090277.

ALSO, the grantors herein convey and grant to the State of Washington, Department of Transportation all rights of ingress and egress (including all existing, future or potential easements of access, light, view and air) to, from and between SR 509, SR 99 to S. 188th St. Vic. and the remainder of said Parcel "A"

The lands herein described contain an area of 742 square feet, more or less, the specific details concerning all of which are to be found in that certain map of definite location now of record and on file in the office of the Secretary of Transportation at Olympia, and bearing date of approval December 3, 2004, as revised.

Grantor's Initials	
m weed and	

Exhibit E-5 to WSDOT-Port Property Exchange Agreement

Quit Claim Deed from Port to WSDOT (conveying parcel of 0.64 acres identified by WSDOT Parcel # 1-22568) [See attached]

After Recording Return to:

State of Washington Department of Transportation Real Estate Services Office P O Box 47338 Olympia WA 98504-7338

Quitclaim Deed

Grantor(s): Port of Seattle, a Washington municipal corporation

Grantee: State of Washington, Department of Transportation

Abbreviated Legal Description(s): NW SE, 29-23-4

Tax Parcel No(s).: 292304-9061-03

Reference Nos. of additional documents: N/A

The GRANTOR, Port of Seattle, a Washington municipal corpo	ration
("Grantor") for and in consideration of the terms and conditions of that of	certain agreement
entitled Property Exchange Agreement by and between the Port of Seattl	le and the
Washington State Department of Transportation, dated, co	onveys and quit
claims to the State of Washington, Department of Transportation ("C	Grantee"), the
following described real estate situated in the King County, State of Was	shington:

See Attachment A attached hereto and made a part hereof (the "Property").

Subject to and excepting all easements, reservations, covenants and other encumbrances of record, including the encumbrances set forth below:

NOW, THEREFORE, the Grantor reserves unto itself, its successors and assigns, for the use and benefit of the public an easement and right of way, for a right of flight for the passage of aircraft in and through the airspace above the surface of the Property, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for the use of said airspace for landing on, taking off from, or operating on the Seattle Tacoma International Airport.

- (1) This is a permanent and non-exclusive easement for the free and unobstructed use and passage of all types of aircraft in and through the airspace over or in the vicinity of the Property, with such use and passage to be unlimited as to frequency, type of aircraft, and proximity. Grantee furthermore waives all damages and claims for damages caused or alleged to be caused by or incidental to such activities.
- (2) As used herein, the term "aircraft" shall mean any and all types of aircraft, whether now in existence or hereafter manufactured and developed, and shall include, but is not limited to, jet aircraft, propeller-driven aircraft, civil aircraft, military aircraft, commercial aircraft, helicopters and all other types of aircraft or vehicles now in existence or hereafter developed for the purpose of transporting persons or property through the air.
- (3) That the Grantee expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth and other obstructions on the Grantee's property to a height of not more than 416 feet Datum NGVD 29.

- (4) The easement and right-of-way hereby reserves to the Grantor the continuing right of the Grantor to prevent the erection or growth upon the Property of any building, structure, tree, or other object that extends into the airspace above said property. The Grantor reserves a right of ingress to, egress from and passage over the Property to remove the offending structure or object, and to cut the offending growth, all at the expense of the Grantee, in the event the aforesaid covenant is breached.
- (5) That the Grantee expressly agrees for itself, its successors and assigns to not authorize any use of the Property which would interfere with landing or taking off of aircraft at the Seattle Tacoma International Airport, or otherwise constitute an airport hazard. Such hazards include uses that create electrical interference with navigational signals or radio communication between the airport and aircraft, make it difficult for pilots to distinguish between airport lights and other, result in glare in the eyes of pilots using the airport, impair visibility in the vicinity of the airport, create bird strike hazards, or otherwise in any way endanger or interfere with the landing, takeoff or maneuvering of aircraft intending to use the airport.
- (6) Said easement and burden, together with all things which may be alleged to be incident to or resulting from the use and enjoyment of said easement, including but not limited to the right to cause in all airspace above or in the vicinity of the surface of the Property such noise, vibrations, fume, deposits of dust or other particulate matter, fuel particles (which are incidental to the normal operation of said aircraft), fear, interference with sleep and communications and any and all other effects that may be alleged to be incident to or caused by the operation of aircraft over or in the vicinity of the Property or in landing at or taking off from or operating at or on Seattle Tacoma International Airport is hereby reserved.
- (7) Grantee does hereby fully waive, remise, and release any right or cause of action which they may now have or which they may have in the future against Grantor, its successor and assigns, due to such noise vibrations, fumes, dust, fuel particles and all other effects that may be caused or may have been caused by the operation of aircraft landing at, or taking off from, or operating at or on Seattle Tacoma International Airport.
- TO HAVE AND TO HOLD said easement and right-of-way, and all rights pertaining thereto unto the Grantor, its successors, and assigns, until the Seattle Tacoma International Airport shall be abandoned and shall cease to be used for public airport purposes. It being understood and agreed that the aforesaid covenants and agreements shall run with the land and shall be forever binding upon the heirs, administrators, executors, successors and assigns of the Grantee until Seattle Tacoma International Airport shall be abandoned and cease to be used for public airport purposes.

It is understood and agreed that delivery of this deed is hereby tendered and that the terms and obligations hereof shall not become binding upon the State of Washington unless and until accepted and approved hereon in writing for the State of Washington, Department of Transportation, by the Director of Real Estate Services. Dated this day of , 2009. **GRANTOR:** PORT OF SEATTLE, a Washington municipal corporation Jim Schone **Director, Aviation Business Development** Approved and accepted: STATE OF WASHINGTON Department of Transportation Mike Palazzo Director, Real Estate Services APPROVED AS TO FORM: By: **Assistant Attorney General**

REVIEWED AS TO FORM:

STATE OF WASHINGTON COUNTY OF KING

On this day of	, 2009, I certify that Jim Schone
personally appeared before me, acknowl	ledged that he is the Director of Aviation
	ion that executed the within and foregoing
	by free and voluntary act and deed of said
	rein mentioned, and on oath stated that he was
authorized to execute said instrument for sa	
authorized to execute said histrament for sa	nd corporation.
	Printed Name:
	Notary Public in and for the State of
	Washington, residing at
	in the market of the second
	My appointment
	expires
STATE OF WASHINGTON	
COUNTY OF	
COUNTY OF	
0.41	2000 7
	, 2009, I certify that Mike Palazzo.
	dged that he signed this instrument, on oath
	this instrument, and acknowledged it as the
Director of Real Estate Services of the	e State of Washington to be the free and
voluntary act and deed of such party for	or the uses and purposes mentioned in the
instrument.	and the state of a new second to the second
10/4/10/10/10	
	Printed Name:
	Notary Public in and for the State of
	Washington, residing at
	The state of the s
	My appointment expires
34	

Attachment A Legal Description

All of that portion of the hereinafter described TRACT "X", lying within the following described parcel:

Beginning at a point opposite Highway Engineer's Station 927+15 on the SR 509 line survey of SR 509, SR 516 to Des Moines Way South and 118.24 feet northeasterly therefrom; thence easterly to a point opposite Highway Engineer's Station 926+85 on said line survey and 195 feet northeasterly therefrom; thence northerly to a point opposite Highway Engineer's Station 928+74 on said line survey and 285.00 feet northeasterly therefrom; thence westerly to a point opposite Highway Engineer's Station 929+50 on said line survey and 120.63 feet northeasterly therefrom; thence southeasterly to the point of beginning.

TRACT X:

PARCEL A:

The west half of the southwest quarter of the northwest quarter of the southeast quarter of Section 29, Township 23 North, Range 4 East, W.M., in King County, Washington; EXCEPT the north 244 feet thereof;

AND EXCEPT that portion conveyed to the State of Washington for highway purposes by deed recorded under Recording Number 7105140295.

PARCEL B:

The east half of the southwest quarter of the northwest quarter of the southeast quarter of Section 29, Township 23 North, Range 4 East, W.M., in King County, Washington;

EXCEPT that portion thereof conveyed to King County for road purposes by deed recorded under Recording Number 1515888.

PARCEL C:

That portion of the south half of the southwest quarter of the northwest quarter of the northwest quarter of the southeast quarter of Section 29, Township 23 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the center of Section 29, Township 23 North, Range 4 East, W.M., in King County, Washington;

thence south 01°35'23" west, along the centerline of said section, 659.83 feet to the TRUE POINT OF BEGINNING;

thence south 88°47'54" east 322.23 feet;

thence north 01°34'18" east 84.89 feet;

thence north 88°47'12" west 192.20 feet;

thence south 01°35'23" west 40.06 feet to a point of curve;

thence on an arc to the right 31.28 feet, the radius of which is 20 feet;

thence north 88°47'54" west 110.13 feet:

thence south 01°35'23" west 25 feet to the TRUE POINT OF BEGINNING;

EXCEPT the west 30 feet thereof.

PARCEL D:

The south 81.33 feet of the north 244 feet of the west half of the southwest quarter of the northwest quarter of the southeast quarter of Section 29, Township 23 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the west 165 feet thereof, per King County Short Plat Application No. 3815 dated August 1, 1966.

PARCEL E:

The north 244 feet of the west 165 feet of the southwest quarter of the northwest quarter of the southeast quarter of Section 29, Township 23 North, Range 4 East, W.M., in King County, Washington; EXCEPT that portion thereof condemned for SR 509 in King County Superior Court Cause Number 744785;

AND EXCEPT that portion thereof conveyed to the State of Washington by deeds recorded under Recording Numbers 7911200104 and 7911200105.

PARCEL F:

The north 162.67 feet of the west half of the southwest quarter of the northwest quarter of the southeast quarter of Section 29, Township 23 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the north 81.33 feet thereof, and

EXCEPT the west 165 feet thereof, per King County Short Plat Application No. 3815 dated August 1, 1966.

PARCEL G:

The north 81.33 feet of the west half of the southwest quarter of the northwest quarter of the southeast quarter of Section 29, Township 23 North, Range 4 East, W.M., in King County, Washington;

EXCEPT the west 165 feet thereof, per King County Short Plat Application No. 3815 dated August 1, 1966.

ALSO, the grantors herein convey and grant to the State of Washington, Department of Transportation all rights of ingress and egress (including all existing, future or potential easements of access, light, view and air) to, from and between SR, SR 516 to Des Moines Way South and the remainder of said TRACT "X"

The lands herein described contain an area of 27,691 square feet, more or less, the specific details concerning all of which are to be found in that certain map of definite location now of record and on file in the office of the Secretary of Transportation at Olympia, and bearing date of approval December 1, 1969, revised June 28, 2007.

Grantor's Initials	

Exhibit F-1 to WSDOT-Port Property Exchange Agreement

Quit Claim Deed from WSDOT to Port (conveying 2.32 acre parcel identified as Parcel 1 in Table of Agreed Upon Values and by IC # 1-17-03329)

[See attached]

After recording return document to:

State of Washington
Department of Transportation
Real Estate Services Office
PO Box 47338
Olympia, WA 98504-7338

PLEASE MAKE NO MARK IN THE MARGIN SPACE - RESERVED FOR COUNTY AUDITOR'S USE

Document Title: Quitclaim Deed

Reference Number of Related Documents:

Grantor(s): State of Washington, Department of Transportation Grantee(s): Port of Seattle, a Washington municipal corporation

Legal Description: Ptn lots 6 thru 8 blk 2 Lowe's Terrace No. 14 56/67 and Ptn. SE 1/4

SE ¼ 21-23-04 & SW ¼ SW ¼ 22-23-04

Additional Legal Description is on Pages 1 and 2 of Document

Assessor's Tax Parcel Number: None Available - Road

QUITCLAIM DEED

SR 518, Riverton Heights, SR 509 to SR 5

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF WASHINGTON, Grantor, per the terms of the Property Exchange Agreement dated hereby conveys and quitclaims unto the PORT OF SEATTLE, a municipal corporation, Grantee, all right, title, and interest under the jurisdiction of the Department of Transportation, in and to the following described real property, and any after acquired interest therein, situated in King County, in the State of Washington:

That portion of Tract "X" described as follows:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) N—E 14+50 on the N—E Ramp line survey of SR 518, Riverton Heights: SR 509 to SR 5 and 60 feet Southeasterly therefrom;

thence Northeasterly parallel with said line survey to a point opposite HES N-E 19+50; thence Northeasterly to a point opposite HES N-E 22+00 on said N-E Ramp line survey and 87 feet Southeasterly therefrom;

thence Easterly to a point opposite HES N-E 23+70 on said line survey and 105 feet Southerly therefrom;

RES-411

Page 1 of 4 Pages

IC No. 1-17-03329

Revised 9/2008

QUITCLAIM DEED

thence Southeasterly to a point opposite HES PHS 422+70 on the PHS line survey of said highway and 62 feet Northwesterly therefrom;

thence Southwesterly to a point opposite HES PHS 420+03 on said PHS line survey and 63 feet Northwesterly therefrom;

thence Southwesterly to a point opposite HES BR 18+00 on the BR Ramp line survey of said highway and 60 feet Southerly therefrom;

thence Westerly to a point opposite HES BR 19+00 on said BR Ramp line survey and 70 feet Southwesterly therefrom;

thence Northwesterly parallel with said BR Ramp line survey to a point opposite HES BR 20+30;

thence Northwesterly to a point opposite HES N-E 19+50 on the N-E line survey of said highway and 90 feet Southeasterly therefrom;

thence Southwesterly to the point of beginning.

Tract "X"

Parcel 1

Lots 6, 7 and 8 Block 2 of Lowe's Terrace No. 14, according to the plat recorded in Volume 56 of Plats, page 67, records of King County.

Parcel 2

The Southeast quarter of the Southeast quarter of Section 21, Township 23 North, Range 4 East, W.M.

Parcel 3

The Southwest quarter of the Southwest quarter of Section 22, Township 23 North, Range 4 East, W.M.

The Grantor herein reserves all rights of ingress and egress (including all existing, future or potential easements of access, light, view and air) to, from and between SR 518, Riverton Heights, SR 509 to SR 5, and the lands herein conveyed.

Subject to all existing encumbrances, including easements, restrictions and reservations, if any.

The specific details concerning all of which may be found on sheets 5, 6, and 9 of that certain plan entitled SR 518, Riverton Heights, SR 509 to SR 5 now of record and on file in the Office of the Secretary of Transportation at Olympia, Washington, bearing date of approval March 6, 1969.

RES-411

QUITCLAIM DEED		annin dit,
The grantee as part consideration and anti-discrimination requirement	n herein does hereby agree to co s of Chaper 49.60 RCW as to th	mply with all civil rights to lands herein described.
The lands herein described are n pursuant to the provisions of RCW 4		arposes and are conveyed
Dated at Olympia, Washington, this	day of	, 2008.
	STATE OF WASHINGTON	
	By: Paula J. Hammond, P.E. Secretary of Transportation	
APPROVED AS TO FORM:		
By:Assistant Attorney General	time is appret year.	
REVIEWED AS TO FORM:		
Ву:	_	
RES-411	Page 3 of 4 Pages	IC No. 1–17–03329

QUITCLAIM DEED					10
STATE OF WASHING	TON)			
County of Thurston		: ss.			
On this Hammond, P.E., to me Department of Transport instrument to be the free uses and purposes there said instrument.	known to be rtation, and e and volunta	the Secreta executed the ary act and	ry of Transpore foregoing insideed of said St	ersonally appear tation, Washing trument, acknow tate of Washingt	red Paula J. ston State vledged said ton, for the
GIVEN under m	y hand and c	official seal	the day and ye	ear last above w	ritten.
			ARTINE .		
		Notary (pr	rint name)	77001811	A A WILLIAM
46				the State of Wa	
		residing at	t	le de la	
		My Appoi	ntment expires	s	
DEC 411		Dage 4 of 4 1	Pages	IC No.	1 17 02220

Exhibit F-2 to WSDOT-Port Property Exchange Agreement

Quit Claim Deed from WSDOT to Port (conveying 3.76 acre parcel identified as Parcel 2 in Table of Agreed Upon Values and by IC # 1-17-07989)

[See attached]

After recording return document to:

State of Washington
Department of Transportation
Real Estate Services Office
PO Box 47338
Olympia, WA 98504-7338

PLEASE MAKE NO MARK IN THE MARGIN SPACE - RESERVED FOR COUNTY AUDITOR'S USE

Document Title: Quitclaim Deed

Reference Number of Related Documents:

Grantor(s): State of Washington, Department of Transportation Grantee(s): Port of Seattle, a Washington municipal corporation

Legal Description: Ptn SE 1/4 SE 1/4, SW 1/4 SE 1/4 21 23 04 & lot 3 and lots 3 thru 9

Glenroy Acres 51/82

Additional Legal Description is on Pages 1 and 2 of Document

Assessor's Tax Parcel Number: None Available - Road

QUITCLAIM DEED

SR 518, Riverton Heights, SR 509 to SR 5

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF WASHINGTON, Grantor, per the terms of the Property Exchange Agreement dated, hereby conveys and quitclaims unto the PORT OF SEATTLE, a municipal corporation, Grantee, all right, title, and interest under the jurisdiction of the Department of Transportation, in and to the following described real property, and any after acquired interest therein, situated in King County, in the State of Washington:

That portion of the hereinafter described Tract "X" lying within a tract of land described as:

Beginning at a point opposite Highway Engineer's Station (herein after referred to as HES) S. 160th St. 8+78 on the S. 160th St. line survey of SR 518, Riverton Heights: SR 509 to SR 5 and 30 feet Northerly therefrom;

thence Northeasterly, parallel with the A.S.R. line survey of said highway to a point opposite HES ASR 140+15.90 on said A.S.R. line survey and 35 feet Southeasterly therefrom; thence Southeasterly to a point opposite HES N-W 227+21.64 on the N-W line survey of said highway and 54.16 feet Southeasterly therefrom;

RES-411 Revised 9/2008 Page 1 of 4 Pages

IC No. 1-17-07989

QUITCLAIM DEED

thence Southwesterly to a point opposite HES N-W 228+83.45 on said N-W line survey and 50.23 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES N-W 229+57.69 on said N-W line survey and 68.05 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES N-W 229+78.09 on said N-W line survey and 75.48 feet Southeasterly therefrom;

thence Southwesterly to a point opposite HES S. 160th St. 13+48.33 on said S. 160th St. line survey and 36.24 feet Northerly therefrom;

thence Westerly to a point opposite HES S. 160th St. 13+12.19 on said S. 160th St. line survey and 30 feet Northerly therefrom;

thence Westerly, parallel with said S. 160th St. line survey, to the point of beginning.

Tract "X"

Parcel 1

The Southeast quarter of the Southeast quarter of Section 21, Township 23 North, Range 4 East, W.M.

Parcel 2

The Southwest quarter of the Southeast quarter of Section 21, Township 23 North, Range 4 East, W.M.

Parcel 3

Lot 1 and Lots 3 through 9 inclusive, Glenroy Acres, according to the plat recorded in Volume 51 of Plants, page 82, records of King county, Washington.

Parcel 4

28th Ave. South as shown on the Plat of Glenroy Acres, according to the plat recorded in Volume 51 of Plants, page 82, records of King county, Washington.

The Grantor herein reserves all rights of ingress and egress (including all existing, future or potential easements of access, light, view and air) to, from and between SR 518, Riverton Heights, SR 509 to SR 5, and the lands herein conveyed.

Subject to all existing encumbrances, including easements, restrictions and reservations, if any.

The specific details concerning all of which may be found on sheet 9 of that certain plan entitled SR 518, Riverton Heights, SR 509 to SR 5 now of record and on file in the Office of

RES-411

Page 2 of 4 Pages

IC No. 1-17-07989

QUITCLAIM DEED		
the Secretary of Transportation at C 1969.	lympia, Washington, bearing d	ate of approval March 6,
The grantee as part consideratio and anti-discrimination requirement		
The lands herein described are repursuant to the provisions of RCW		ourposes and are conveyed
Dated at Olympia, Washington, this	day of	, 2008.
	STATE OF WASHINGTON	
	By:	
	Paula J. Hammond, P.E. Secretary of Transportation	on
APPROVED AS TO FORM:		
By:Assistant Attorney General	HILL THE ENGINEERS OF THE	
REVIEWED AS TO FORM:		
Ву:		
RES-411	Page 3 of 4 Pages	IC No. 1–17–07989

QUITCLAIM DEED			100000
TATE OF WASHING			
ounty of Thurston		SS.	
ounty of Fildreton	g while v		
ammond, P.E., to me epartment of Transportstrument to be the free	known to be the tation, and exect and voluntary	Secretary of Transport cuted the foregoing instact and deed of said S	retation, Washington State strument, acknowledged said tate of Washington, for the she is authorized to execute
GIVEN under m	y hand and offi	cial seal the day and ye	ear last above written.
	N	otary (print name)	
	N		the State of Washington,
	re	siding at	1600 OT PARTITION
	M	y Appointment expire	s
S-411	Pa	ge 4 of 4 Pages	IC No. 1-17-07989

Exhibit F-3 to WSDOT-Port Property Exchange Agreement

Quit Claim Deed from WSDOT to Port (conveying 0.25 acre parcel identified as Parcel 6 in Table of Agreed Upon Values and by IC # 1-17-07993)

[See attached]

After recording return document to:

State of Washington Department of Transportation Real Estate Services Office PO Box 47338 Olympia, WA 98504-7338

PLEASE MAKE NO MARK IN THE MARGIN SPACE - RESERVED FOR COUNTY AUDITOR'S USI

Document Title: Quitclaim Deed

Reference Number of Related Documents:

Grantor(s): State of Washington, Department of Transportation Grantee(s): Port of Seattle, a Washington municipal corporation Legal Description: Ptn NW ¼ SE ¼ & SW ¼ NE ½ 32 23 04

Additional Legal Description is on Page of Document

Assessor's Tax Parcel Number: IC 1-17-07993

QUITCLAIM DEED

SR 509 SR 99 TO S. 188TH ST. VIC.

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF WASHINGTON, Grantor, per the terms of the Property Exchange Agreement dated, hereby conveys and quitclaims unto the PORT OF SEATTLE, a municipal corporation, Grantee, all right, title, and interest under the jurisdiction of the Department of Transportation, in and to the following described real property, and any after acquired interest therein, situated in King County, in the State of Washington:

That portion of the hereinafter described Tract "X" lying within the following described tract of land:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) DMW 36+43.29 on the DMW line survey of SR 509, SR 99 to S. 188th St. Vic. and 68 feet Southeasterly therefrom; thence Northwesterly, parallel with said line survey, to a point opposite HES DMW 36+10; thence Northwesterly to a point opposite HES 883+24 on the SR 509 line survey of said highway and 378 feet Southeasterly therefrom; thence Northerly to a point opposite HES 885+48 on said SR 509 line survey and 344.76 feet Southeasterly therefrom; thence Southeasterly to the point of beginning.

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IC No. 1-17-07993

QUITCLAIM DEED		
Tract X:		
That portion of the Northwest Quarthe Northeast Quarter, all in Section County, Washington, lying within the under recording number 720309027	n 32, Township 23 North, Rang hat certain parcel as deeded to	ge 4 East, W.M, King
The Grantor herein reserves all right potential easements of access, light, 188 th St. Vic., and the lands herein of	, view and air) to, from and bet	
Subject to all existing encumbra any.	nnces, including easements, res	trictions and reservations, if
The specific details concerning entitled SR 509, SR 99 TO S. 188 TH Secretary of Transportation at Olym 2004.	ST. VIC. now of record and o	on file in the Office of the
The grantee as part consideration and anti-discrimination requirement		
The lands herein described are n pursuant to the provisions of RCW	Carrier III. The print has been also as the contract of the co	ourposes and are conveyed
Dated at Olympia, Washington, this	day of	, 2008.
	STATE OF WASHINGTON	Littue revent out the nationing light thank t
	By:	
	Paula J. Hammond, P.E. Secretary of Transportation	
APPROVED AS TO FORM:		
By:	agricomos de messantino el	
Assistant Attorney General RES-411	Page 2 of 4 Pages	IC No. 1-17-07993

PLEASE MAKE NO MARK IN THE MARGIN SPACE - RESERVED FOR COUNTY AUDITOR'S USE ONLY.

QUITCLAIM D	EED		The last I This
REVIEWED AS	ГО FORM:		
Ву:			
RFS-411	Page 3 of 4 Page	•c 1 <i>C</i>	'No 1_17_07993

QUITCLAIM DEED		
STATE OF WASHINGTON) : ss.	description is by the
County of Thurston)	
On this day of	d executed the foregoing inst ntary act and deed of said Sta	ation, Washington State rument, acknowledged said ate of Washington, for the
GIVEN under my hand and	d official seal the day and yea	ar last above written.
	Notary (print name)	
	Notary Public in and for tresiding at	he State of Washington,
	My Appointment expires	
PES_411	Page 4 of 4 Pages	IC No. 1, 17, 07002

EXHIBIT 4 TO MEMO

Exhibit 4 – Golf Course-Related Lease

Of 6.16 acres (attaching marked-up right-of-way plan sheets and aerial depiction of Premises)

[See attached]

Revised 4/2009

AA-01-12499 IC 1-17-08407 Parcel 1-16827 SR 509, SR 99 to S. 188th St. Vic.

GROUND LEASE

The WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, hereinafter called "STATE," and serving in the capacity of Landlord pursuant to RCW 47.12.120 does hereby lease, demise and let unto The PORT OF SEATTLE, a Washington Municipal Corporation, hereinafter called "PORT," that certain property located in King County, State of Washington, and described below.

RECITALS

- A. Pursuant to that certain land exchange agreement between the STATE and the PORT entitled *Property Exchange Agreement by and between the Port of Seattle and the Washington State Department of Transportation* (Exchange Agreement), the PORT will have conveyed nine parcels to the STATE in exchange for fee title conveyances of three parcels and rent credit for three airspace leases. Among the nine parcels that the PORT will have conveyed to the STATE is Parcel 1-16827, comprising 4.37 acres in the vicinity of Tyee Golf Course at 18th Ave. S. and S. 200th St. in SeaTac, Washington.
- B. Pursuant to the Exchange Agreement, the STATE and PORT have agreed that upon conveyance of Parcel 1-16827, the STATE would lease back said parcel to the PORT along with an additional 1.79 acres of STATE-owned land located adjacent to Parcel 1-16827, together comprising the **Leased Premises**. The Leased Premises is further described and depicted in **Exhibit A**, which is incorporated here by reference.
- C. The Leased Premises represents 6.16 acres of the total 117.5 acres that comprise the Tyee Golf Course.
- D. The PORT has authority to enter into this Lease pursuant to 53.08.140.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY AGREED THAT:

1. PREMISES. The STATE does hereby lease to the PORT, and the PORT does hereby lease from the STATE Parcel 1-16827 together with an additional 1.79 acres of STATE-owned land located adjacent to Parcel 1-16827 in the vicinity of the Tyee Golf Course at 18th Ave. S. and S. 200th St. in SeaTac, Washington, for a total of 6.16 acres, as further described and depicted in Exhibit A, attached hereto and by this reference incorporated herein (Leased Premises).

2. TERM.

- A. The term of this Lease shall be Twenty (20) years, commencing on the Recording Date.
- B. Recording Date means the date that the conveyance document for Parcel 1-16827 is recorded at the King County Recorder's Office. The parties shall, within five (5) business days of the Recording Date, complete and initial the following:

The Recording date is:					, 2009.
3					
	Initials:	STATE		PORT	

3. RENEWAL. This Lease may be renewed by the PORT for Two (2) additional Ten (10) year periods (Renewal Periods); Provided that; (A) the PORT is not in default and has not been in default during the term of this Lease; (B) there is no alternative public need for the Premises; (C) PORT's continued use under this Lease does not impair the safety or operation of the STATE's highway or facility, as solely determined by the STATE; and (D) the terms and conditions of this Lease conform to then existing state policies or practices, laws, regulations and contracts, or provided the PORT is willing to amend this Lease to bring it into compliance with such policies, practices, laws, regulations, and contracts. The Renewal Periods shall be on the same terms and conditions as set forth herein, except as modified by any changes in policies, practices, laws, regulations or contracts and as reflected in a written amendment signed by both parties. The PORT shall give notice of its intent to renew this Lease for each Renewal Period at least Ninety (90) calendar days, but not more than Six (6) months, prior to the expiration of this Lease, or any renewal thereof.

4. RENT.

A. The PORT covenants and agrees to pay rent for the Leased Premises to the STATE on or before the 1st day of the second calendar month (due date) during the entire term of this Lease. For example, which is provided for illustrative purposes only, the PORT shall pay rent for the month of May on or before July 1st of that same year. The monthly rental rate PORT shall pay STATE shall be equal to 5.24 percent (5.24%) of Gross Revenues received by PORT from the PORT's Concessionaire for operation of the Tyee Valley Golf Course, subject to

adjustment as hereinafter provided. Rent shall be payable at the address designated under **Section 4.D**. Provided, that PORT shall receive only monetary compensation from their concessionaire and such compensation shall be based on fair market value of the concession.

- B. "Gross Revenues" as used in this Lease shall mean the total sum in dollars of the total selling price of any service, experience, or merchandise sold from any business conducted in or from the areas of the Tyee Valley Golf Course leased to Concessionaire, excluding, however, the following: 1) any sales taxes, shipping or finance charges, cabaret or other excise taxes which are chargeable against the customer or patron by the Concessionaire; 2) returns of merchandise for credit adjustments or allowances for claimed defect and refunds on sales; and 3) articles sold at no profit and for the customer or patron's accommodation.
- C. The percentage applied to Gross Revenues to determine Rent shall be calculated by dividing the number of acres subject to this Lease by the total number of acres leased to the PORT's current or future Concessionaires, Subtenants, or Licensees for operation as a golf course. In the event that the total number of acres leased to future Concessionaires, Subtenants, or Licenses for operation as a golf course increases or decreases, the percentage applied to Gross Revenues shall accordingly decrease or increase.
- D. All payments are to be made payable to the STATE, on or before the above due date and mailed or delivered to the Washington State Department of Transportation:

DEPARTMENT OF TRANSPORTATION (Mailing Address)
Attn.: Property Management Section Manager
P. O. Box 47339
Olympia, WA 98504-7339

DEPARTMENT OF TRANSPORTATION (Physical Address)
Attn.: Property Management Section Manager
243 Israel Road, S.E., Suite 101
Tumwater, WA 98501

5. CHARGE FOR LATE PAYMENT, NSF CHECKS.

A. If any sums payable to STATE under this Lease are not received by the Fifth (5th) day following its due date, PORT shall pay STATE, in addition to the amount due, for the cost of collecting and handling such payment, an amount equal to the greater of One Hundred and no/100 Dollars (\$100.00) or Five Percent (5%) of the delinquent amount. In addition, all delinquent sums payable by PORT to STATE and not paid within Five (5) days of the due date shall, at STATE's option, bear interest at the rate of Twelve Percent (12%) per annum, or the highest rate of interest allowable by law, whichever is greater; provided that if the highest rate allowable by law is less than Twelve Percent (12%), interest charged hereunder shall not exceed

that amount. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment. Also there shall be a charge for any check returned uncollectable in accordance with WAC 468-20-900. STATE and PORT agree that such charges represent a fair and reasonable estimate of the costs incurred by STATE by reason of late payments and uncollectable checks.

- B. The STATE's acceptance of late payment charges and/or any portion of the overdue payment shall in no event constitute an accord and satisfaction, compromise of such payment, or a waiver of PORT's default with respect to such overdue payment, nor prevent the STATE from exercising any other rights and remedies granted in this Lease.
- C. When a delinquency exists, any payments received will be applied first to the late payment charge and late payment fees, next to delinquent rent, and any balance remaining to the current month's rent and Leasehold Excise Tax, if applicable.

6. TERMINATION BY STATE.

- A. WSDOT may terminate this Lease, without penalty or further liability as follows:
- (1) Upon not less than five (5) calendar days prior written notice to PORT, if PORT fails to cure a default for payment of amounts due under this Lease within that five (5) day period.
- (2) Upon not less than thirty (30) calendar days prior written notice to PORT, if PORT defaults other than non-payment of rent, and fails to cure such default within that thirty (30) day period, or such longer period, as may be reasonably determined by the STATE, if PORT is diligently working to cure the default;
- (3) Immediately, upon written notice, if STATE is required by court order, by legislative action, or by a governmental agency having jurisdiction to take some action, which would effectively prohibit PORT's use of the Leased Premises;
- (4) Immediately, upon written notice, if a receiver is appointed to take possession of PORT's assets, the PORT makes a general assignment for the benefit of creditors, or the PORT becomes insolvent or takes or suffers action under the Bankruptcy Act;
- (5) Immediately if an emergency exists and STATE determines that it is in the best interest of STATE to terminate.
- (6) Upon not less than one hundred eighty (180) calendar days prior written notice to PORT for any reason.

- B. Waiver or acceptance of any default of the terms of this Lease by STATE shall not operate as a release of the PORT's responsibility for any prior or subsequent default.
- C. If PORT defaults on any provision in this Lease, such as, but not limited to, the timely payment of rent, three (3) times within a twelve (12) month period, the third default shall be deemed "non-curable" and this Lease may be terminated by STATE on not less than thirty (30) calendar days prior written notice.
- 7. **TERMINATION BY PORT.** PORT may terminate this Lease without penalty or further liability as follows:
- A. Upon not less than one hundred eighty (180) calendar days prior written notice to STATE for any reason;
- B. Immediately, upon written notice, if in PORT's judgment the Leased Premises is destroyed or damaged so as to substantially and adversely affect PORT's authorized use of the Leased Premises.
- C. Upon not less than thirty (30) calendar days prior written notice, if STATE defaults and fails to cure such default within that thirty (30) day period, or such longer period, as may be reasonably determined by PORT, if STATE is diligently working to cure the default.
- 8. UTILITIES/ASSESSEMENTS. The PORT agrees to promptly pay all bills for utilities or other services supplied to the Leased Premises in addition to the above rent. All assessments and charges not specifically assumed by STATE herein are the obligation of and payable by the PORT.
- 9. NONAPPLICABILITY OF RELOCATION ASSISTANCE. The PORT acknowledges that this Lease does not at any time entitle the PORT to assistance under the Uniform Relocation and Real Property Acquisition Policy (Ch. 8.26 RCW).

10. REPORTING REQUIREMENTS AND RECORDS.

- A. Income Report. PORT shall submit to STATE an accurate monthly income report of the income received from the Leased Premises for the prior month. Said income report shall detail all levels of Gross Revenue received from the Concessionaires, Subtenants, or Licensees.
- B. Material Default. Failure or refusal by the PORT to submit accurate and complete reports promptly shall constitute a material breach of this Lease, and a material default. In the event of such default, all rights of the PORT under this Lease shall terminate if the default is not cured within Thirty (30) calendar days, as provided in **Section 6.A** (2)above, and the STATE may seek other remedies to which it has recourse.

- C. Records. PORT shall maintain proper books and records in accordance with Generally Accepted Accounting Principles (GAAP) and in such detail as is necessary for proper financial management to support and document any Gross Revenue collected, and all income and expenses relating to the Leased Premises. PORT shall, upon request, promptly make said records available for inspection by the STATE, the Federal Highway Administration (FHWA), the Washington State Auditor, or any of their respective agents, or representatives. Such records shall be made available in Seattle, Washington for inspection and audit at all reasonable times during the term of this Lease and for six (6) years after final payment hereunder; provided, if any litigation, claim or audit is started before expiration of this six (6) year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.
- D. The STATE reserves for itself and FHWA the right, upon request, to inspect and audit accounting ledgers, which record the income and expenses from the concession operations occurring on the Leased Premises. The STATE and/or FHWA may extract there from data which records operating expenses and profits and/or losses.

11. USE OF LEASED PREMISES.

- A. The PORT's use of the Premises is limited to golf course operation and maintenance of a golf course in the condition existing at the time of execution of this Lease.
- B. In using the Leased Premises, the PORT shall comply with all policies and regulations, including, but not limited to Chapter 47.42 RCW, et seq. and WAC 468-66 et seq., heretofore adopted or hereafter promulgated by the STATE relative to the location, operation, and maintenance of improvements, if any, located on the Leased Premises. Furthermore, in using the Leased Premises, it is expressly agreed that PORT shall (1) comply with all applicable federal, state and local laws, ordinances, and regulations, including environmental requirements that are in force or which may hereafter be in force, and (2) secure all necessary permits and licenses for the uses of the Leased Premises authorized in this Lease. Direct access to ramps or traveled lanes of limited access highways is not permitted. All grading and construction plans and any changes thereof are subject to approval by the STATE. PORT shall not commit or allow to be committed any waste upon the Leased Premises or any public or private nuisance.
- 12. SIGNS, DISPLAY LIGHTS, ADVERTISING MATERIALS. The PORT is not permitted to install signs, display lights, or advertising media/materials on the Premises.
- 13. FENCES. Any STATE-owned fences in place at the time of execution of this Lease or relocated to separate the Leased Premises from the traveled roadway on limited access highways will be maintained by the STATE for the duration of the Lease. Nothing is to be attached to the STATE's fence without the STATE's prior written approval. If any fence is damaged as a result of the PORT's activities, the PORT will immediately repair such damage at

its cost and to the STATE's satisfaction. Any fencing installed by the PORT must be approved in advance and in writing by the STATE.

- 14. CONDITION OF THE PROPERTY. The STATE and PORT acknowledge that they have jointly examined the Leased Premises and the PORT accepts said Leased Premises in its present condition as of the date this Lease is executed.
- 15. MAINTENANCE. The PORT shall perform or cause to be performed at its expense all maintenance of the Leased Premises that will include, but not be limited to, keeping the Leased Premises in good condition, both as to safety and appearance, to the satisfaction of the STATE.

16. ENVIRONMENTAL REQUIREMENTS.

- A. PORT represents, warrants and agrees that it will conduct its activities on and off the Leased Premises in compliance with all applicable environmental laws. As used in this Lease, Environmental Laws means all federal, state and local environmental laws, rules, regulations, ordinances, judicial or administrative decrees, orders, decisions, authorizations or permits, including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et. seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11001, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq., the Oil Pollution Control Act, 33 U.S.C. § 2701, et seq., and Washington or any other comparable local, state, or federal statute or ordinance pertaining to the environment or natural resources and all regulations pertaining thereto, including all amendments and /or revisions to said laws and regulations.
- B. Toxic or hazardous substances are not allowed on the Leased Premises without the express written permission of the STATE and under such terms and conditions as may be specified by the STATE. For the purposes of this Lease, "Hazardous Substances," shall include all those substances identified as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, et seq., and the Washington Model Toxics Control Act, RCW 70.105D et seq., including all amendments and/or revisions to said laws and regulations, and shall include gasoline and other petroleum products. In the event such permission is granted, the disposal of such materials must be done in a legal manner by the PORT.
- C. PORT agrees to cooperate in any environmental investigations conducted by STATE staff or independent third parties where there is evidence of contamination on the Leased Premises, or where the STATE is directed to conduct such audit by an agency or agencies having jurisdiction. PORT will reimburse the STATE for the cost of such investigations, where

the need for said investigation is determined to be caused by the PORT's operations. PORT will provide the STATE with notice of any inspections of the Leased Premises, notices of violations, and orders to clean up contamination. PORT will permit the STATE to participate in all settlement or abatement discussions. In the event that the PORT fails to take remedial measures as duly directed by a state, federal, or local regulatory agency within Ninety (90) calendar days of such notice, the STATE may elect to perform such work, and the PORT covenants and agrees to reimburse the STATE for all direct and indirect costs associated with the STATE's work where those costs are determined to have resulted from the PORT's use of the Leased Premises. PORT further agrees that the use of the Leased Premises shall be such that no hazardous or objectionable smoke, fumes, vapor, odors, or discharge of any kind shall rise above the grade of the right of way.

- D. For the purposes of this Lease, "Costs" shall include, but not be limited to, all response costs, disposal fees, investigatory costs, monitoring costs, civil or criminal penalties, and attorney fees and other litigation costs incurred in complying with state or federal environmental laws, which shall include, but not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.; the Clean Water Act, 33 U.S.C. § 1251; the Clean Air Act, 42 U.S.C. § 7401; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901; and the Washington Model Toxics Control Act, Ch. 70.105D RCW, et seq., including all amendments and/or revisions to said laws and regulations.
- E. PORT agrees to defend, indemnify and hold harmless the STATE from and against any and all claims, causes of action, demands and liability including, but not limited to, any costs, liabilities, damages, expenses, assessments, penalties, fines, losses, judgments and attorneys' fees associated with the removal or remediation of any Hazardous Substances that have been released, or otherwise come to be located on the Leased Premises, including those that may have migrated from the Leased Premises through water or soil to other properties, including without limitation, the adjacent STATE property, and which are caused by or result from PORT's activities on the Leased Premises. PORT further agrees to retain, defend, indemnify and hold harmless the STATE from any and all liability arising from the offsite disposal, handling, treatment, storage, or transportation of any such Hazardous Substances removed from said Leased Premises.
- F. The provisions of this section shall survive the termination or expiration of this Lease.

17. WSDOT'S RESERVATION OF RIGHT TO MAINTAIN AND GRANT UTILITY FRANCHISES, AND PERMITS.

A. STATE reserves the right for utility franchise and permit holders to enter upon the Leased Premises to maintain, repair and enhance existing facilities and install new utilities and, for itself, to grant utility franchises and/or permits across the Leased Premises.

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Page 8 of 17

Such installation will be accomplished in such a manner as to minimize any disruption to the PORT. The franchise/permit holder will be required to restore paving, grading and other damages caused by the installation. STATE also reserves the right to withdraw portions of the Leased Premises for uses such as, but not limited to, telecommunications transmission sites, which WSDOT determines to be reasonably compatible with PORT's authorized use of the Leased Premises.

- B. The PORT will not disturb markers installed by a franchise/permit holder and will contact and provide notice to any franchise/permit holder and all owners of underground facilities prior to any excavation. PORT shall contact STATE and call the Underground Utility Locating Service, or its successor organization as part of its efforts to ascertain any and all owners of underground utility facilities and to locate the utility. The PORTTENANT shall not damage legally installed underground utilities. STATE shall comply with all applicable provisions of Ch. 19.122 RCW relating to underground facilities.
- 18. IMPROVEMENTS. STATE shall not be required to make any improvements to or perform any maintenance or repairs upon any part of the Leased Premises. No improvements may be placed upon the Leased Premises by the PORT without prior written approval of STATE. All such improvements placed upon the Leased Premises by the PORT shall be removed by the PORT at his own expense upon termination of this Lease. All improvements left upon the property after termination shall become the sole property of STATE, or if not accepted by STATE, may be removed from the Leased Premises at PORT's expense. The PORT shall reimburse STATE for all expenses incurred in such removal and disposal within thirty (30) calendar days of the date of STATE's invoice for such costs.
- 19. STATE'S RIGHT OF ENTRY AND INSPECTION. STATE, for itself, its agents and contractors, and for the FHWA, reserves the right to enter upon the Leased Premises at any time without notice to the PORT for the purpose of inspection, maintenance, construction, or reconstruction of the highway facility or any element thereof, or to perform environmental audits as provided for elsewhere in this Lease. Any loss of the use of the Leased Premises due to STATE 's exercise of such right will be compensated for solely by a pro rata reduction of rent. STATE shall in no way be responsible for any incidental or consequential damages due to such loss of use by the PORT. STATE and FHWA may from time-to-time go upon the Leased Premises for the purpose of inspecting any excavation, construction, or maintenance work being done by the PORT. Entry upon the Leased Premises for any other purpose by STATE and FHWA shall be conducted with reasonable notice to the PORT and during the hours of 8:00 a.m. to 5:00 p.m.
- 20. MAINTENANCE. The PORT shall perform or cause to be performed at PORT's expense all maintenance of the Leased Premises which will include, but not be limited to, control of noxious weeds, litter, dust, and erosion, and must keep the Leased Premises in good condition,

both as to safety and appearance, to the satisfaction of STATE. PORT must keep dust settled, and must not kill the existing cover unless the intent is to establish new growth.

21. PERSONAL PROPERTY. STATE shall not be liable in any manner for, or on account of, any loss or damage sustained to any property of whatsoever kind stored, kept, or maintained on or about the Leased Premises, except for such claims or losses that may be caused by STATE or its authorized agents or employees. Upon termination of this Lease, STATE or its agent may remove all personal property of the PORT remaining on the Leased Premises at the PORT's expense and dispose of it in any manner STATE deems appropriate. PORT agrees to reimburse STATE for the costs of such removal and disposal within thirty (30) days of the date of STATE's invoice.

22. HOLD HARMLESS/INDEMNIFICATION.

- Α. PORT, its successors or assigns, will protect, save and hold harmless STATE, its authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever by reason of the acts or omissions of the PORT, its assigns, subtenants, agents, contractors, licensees, invitees, employees or any person whomsoever arising out of or in connection with any acts or activities related to this Lease, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Leased Premises. The PORT further agrees to defend STATE, its agents or employees, in any litigation, including payment of any costs or attorney's fees, for any claims or actions commenced, arising out of, or in connection with acts or activities related to this Lease, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Leased Premises. This obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of STATE, or its authorized agents or employees; provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) STATE, its agents or employees, and (b) the PORT, its assigns, subtenants, agents, contractors, licensees, invitees, or employees, or involves those actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the PORT or PORT's assigns, subtenants, agents, contractors, licensees, invitees or employees.
- B. The indemnification provisions contained in this section shall survive the termination or expiration of this Lease.

23. INSURANCE.

A. PORT warrants that it is self-insured, and agrees to provide acceptable evidence of its self-insured status to the STATE. If insured, the PORT's insurance policy must provide liability coverage for the Leased Premises, including public liability coverage for bodily injury, property damage, and personal injury of not less than Two Million and no/100 Dollars (\$2,000,000.00) combined single limit per occurrence, with a general aggregate amount of not

less than Four Million and no/100 Dollars (\$4,000,000.00) per policy period. The PORT shall increase the policy limits at its sole cost, when and if the STATE deems it necessary due to the PORT's use of the Leased Premises.

- B. The PORT assumes all obligations for premium payment, and in the event of nonpayment, the PORT is obligated to reimburse the STATE the cost of maintaining the insurance coverage and any legal fees incurred in enforcing such reimbursement should PORT fail to pay the policy premiums.
- C. Coverage, if obtained by the PORT in compliance with this section, shall not be deemed as having relieved the PORT of any liability in excess of such coverage.
- D. In the event PORT, after commencement of this Agreement, elects to terminate its self-insured status and secure commercial liability coverage, PORT will promptly notify WSDOT, and provide a certificate of insurance from an insurer licensed to conduct business in the State of Washington, in the amounts and types as set forth in paragraph 23.A. above. Further, PORT shall provide a certificate of insurance within Ten (10) calendar days of receiving a written notice from WSDOT for an increase in the coverage amounts.
- 24. NONDISCRIMINATION. The TENANT, for itself, its successors and assigns as part of the consideration hereof, does hereby covenant and agree to comply with all civil rights and antidiscrimination requirements, including, but not limited to Chapter 49.60 RCW.

25. ASSIGNMENT.

- A. Except as other wise provided in Section 25(E), neither this Lease nor any rights created by it may be assigned, sublet, or transferred without the prior written approval of the STATE. Any such assignment shall be in writing on a form approved by the STATE and shall include an assumption of the Lease by the assignee. In determining whether to approve an assignment or sublease the STATE shall be entitled to consider the proposed assignee's or sublessee's financial condition, managerial capability, business reputation, nature of the proposed assignee's or sublessee's business, and such other factors as may reasonably bear upon the suitability of the assignee or sublessee as a tenant of the Premises or the holder of this Lease.
- B. PORT shall provide the written assignment form to the STATE at least Sixty (60) days prior to the date the PORT requires the approved form. In addition, PORT shall provide to the STATE a copy of said written assignment within Fifteen (15) days of its execution. If the PORT is a corporation, then the transfer of Forty Percent (40%) of PORT's stock is deemed an assignment for the purposes of this Lease and requires STATE approval. STATE's consent to one assignment or sublease shall not waive the requirement of obtaining STATE consent to any subsequent assignment or sublease. The PORT hereby covenants that it is acting as principal and not as an agent for any undisclosed principal.

- C. In the event the PORT assigns this Lease, sublets, or otherwise allows third party use of any portion of the Leased Premises, whether by written or verbal agreement, without the STATE's written approval, the STATE, in addition to or in lieu of terminating this Lease for default and in addition to any damages it may experience, may demand a share of any revenue generated by such unauthorized use. The STATE shall set the amount of said share and its decision shall be final and binding. The STATE may demand such share at any time during the term of this Lease. The PORT agrees to pay said share retroactively to the date the unauthorized third-party use commenced. Furthermore, such unauthorized assignment shall not relieve the PORT from all of its obligations under this Lease, including, but not limited to, the payment of rent and the maintenance of insurance. Further, PORT shall execute an assignment as provided above within Ten (10) days of the date the STATE approves the assignment.
- D. Transfer of ownership or control of the abutting property owned or controlled by the PORT to a third party may be understood to serve as an assignment of the Lease and such assignment requires the STATE's prior written approval of such assignment, which approval will not be unreasonably withheld. The PORT shall notify the STATE of the transfer within Thirty (30) days after closing or change of control in the PORT's property and request approval of the assignment of this Lease.
- E. The provisions of this Section 25(E) shall not apply to the existing Lease and Concession Agreement between the Port of Seattle and D Mark Inc. (Concessionaire), dated June 25, 2004 nor to any subsequent amendments to said Agreement nor to any other agreements with concessionaires (collectively "Agreement(s) with Concessionaire"). Said Agreement(s) with Concessionaire shall be deemed a sublease that is approved by the STATE. STATE hereby approves PORT's subletting of this Lease and Premises to its current (D Mark Inc.) and future Concessionaires necessary for the operation of the golf course as long as said agreements do not have language conflicting with this Lease and PORT provides the STATE a copy of any such agreement or amendment within thirty (30) calendar days of the execution of said agreement or amendment.
- 26. RESTORATION OF SITE. Prior to termination of this Lease, PORT agrees, if so directed by STATE, to restore the Leased Premises to its condition prior to PORT's occupancy, reasonable wear and tear excepted. This work is to be done at the PORT's expense to the satisfaction of WSDOT.
- 27. VACATION OF LEASED PREMISES. Upon termination of this Lease, the PORT shall cease its operations on and/or use of the Leased Premises. In the event the PORT fails to vacate the Leased Premises on the date of termination, the PORT shall be liable for any and all costs to STATE arising from such failure.
- 28. MODIFICATIONS. This Lease contains all the agreements and conditions made between the parties hereto pertaining to the rental of the Leased Premises herein described RES 418

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and may not be modified orally or in any other manner other than by a written agreement signed by all parties hereto. The receipt of rent by the STATE, with knowledge of any breach of this Lease by the PORT, and/or with knowledge of any default on the part of the PORT, shall not be deemed to be a waiver of any provision of this Lease. Failure on the part of STATE to enforce any covenant or provision herein contained, shall not discharge or invalidate such covenant or provision or affect the right of STATE to enforce the same in the event of any subsequent breach or default.

- 29. TOTALITY OF AGREEMENT. It is understood that no guarantees, representations, promises, or statements expressed or implied have been made by STATE except to the extent that the same are expressed in this Lease.
- 30. BINDING CONTRACT. This Lease shall not become binding upon STATE unless and until executed by the Secretary of Transportation or her duly authorized representative.
- 31. INTERPRETATION. This Lease shall be governed by and interpreted in accordance with the laws of the State of Washington. The titles to paragraphs or sections of this Lease are for convenience only, and shall have no effect on the construction or interpretation of any part hereof.
- 32. SEVERABILITY. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- 33. ATTORNEY FEES. In the event of controversy, claim, or dispute arising out of this Lease, each party shall be solely responsible for the payment of its own legal expenses, including but not limited to, attorney's fees and costs.
- 34. VENUE. PORT agrees that the venue of any action or suit concerning this Lease shall be in the Thurston County Superior Court, and all actions or suits thereon shall be brought therein, unless applicable law provides otherwise.
- 35. NOTICES. Wherever in this Lease written notices are to be given or made, they will be served, personally delivered or sent by certified or overnight mail addressed to the parties at the address listed below unless a different address has been designated in writing and delivered to the other party. The PORT agrees to accept service of process at said address; provided, that such address is located in the State of Washington. Otherwise, the PORT designates the Secretary of the State of Washington as an agent for the purpose of service of process. Such service shall be deemed personal services.

STATE:

DEPARTMENT OF TRANSPORTATION (Mailing Address)

Attn.: Property Management Section Manager

P. O. Box 47338

Olympia, WA 98504-7338

DEPARTMENT OF TRANSPORTATION (Physical Address)

Attn.: Property Management Section Manager

243 Israel Road, S.E., Suite 101

Tumwater, WA 98501

PORT:

THE PORT OF SEATTLE

Attn: Director, Aviation Business Development

Seattle Tacoma International Airport

17801 Pacific Highway South Seattle, WA 98158-0727

(206) 835-5777

PORT OF SEATTLE

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

By:		By:			
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Title:		Director, Real Estate Services			
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Date:		Dated:			
	Щ-,,, д-	36 July 8 11 4 1			
APPROVED AS TO FORM		APPROVED AS TO FORM			
By:		Ву:			
Senior Port Counsel		Assistant Att	orney General		
Date:	, 2009	Date:			

AGENCY ACKNOWLEDGMENT

	WASHINGTON)		
) ss			
COUNTY)F)		
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		and that he/she	executed the within and
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		Notary Public in and for	r the State of Washington
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8		My commission expires	

STATE AGENCY ACKNOWLEDGMENT

STATE OF WASHINGTO	N)	
) ss	•	
COUNTY OF THURSTON)	
On this	day of	, 2009 before me
		he duly appointed Director, Real Estate
Services, and that he execut	ed the within and foregoing	instrument and acknowledged the said
instrument to be the free and	l voluntary act and deed of	said State of Washington, for the uses and
purposes therein set forth, as	nd on oath states that he was	s authorized to execute said instrument.
	-	and affixed my official seal the
day of	, 200	19 .
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	(Print or ty	rpe name)
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	My commi	ssion expires

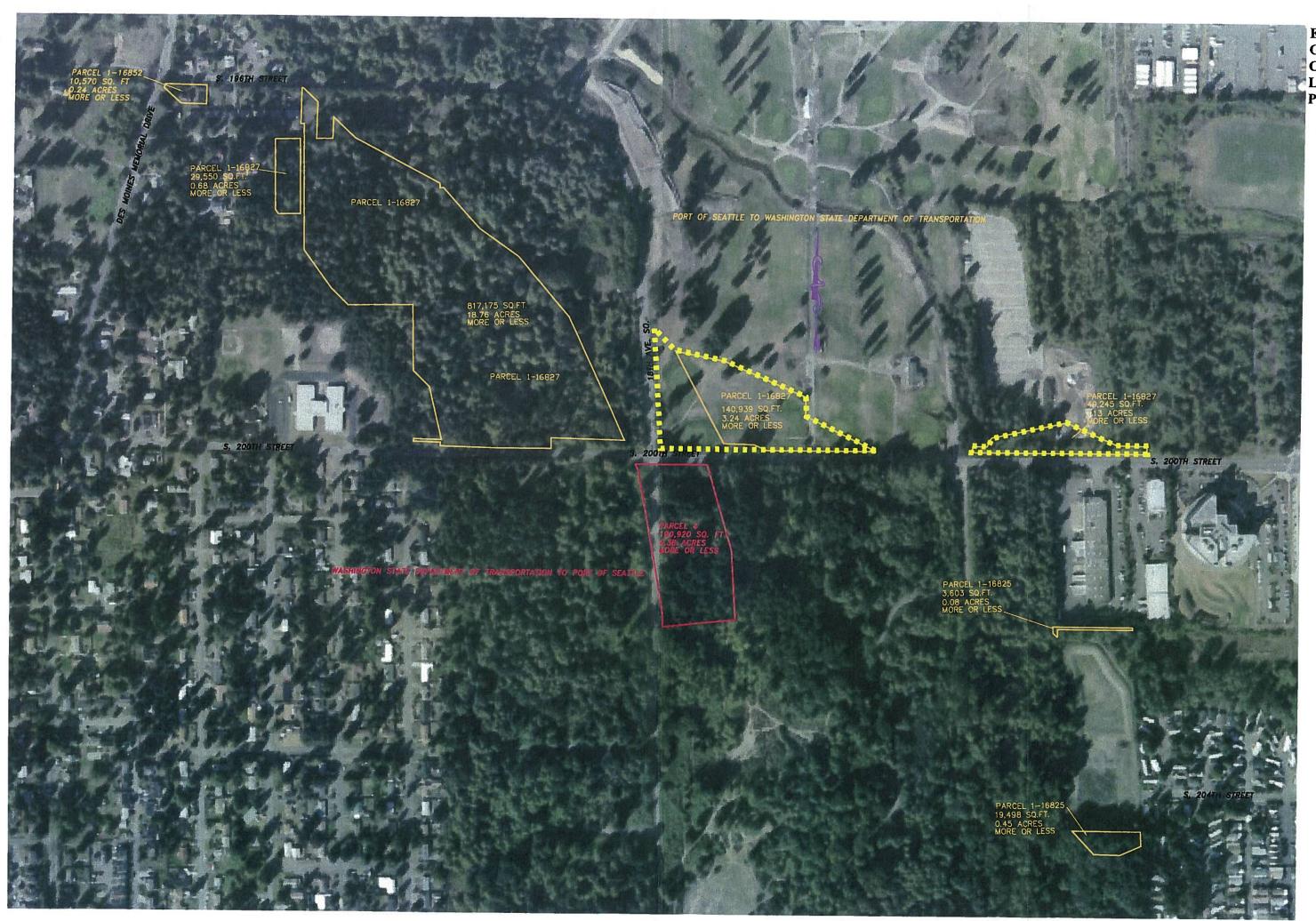
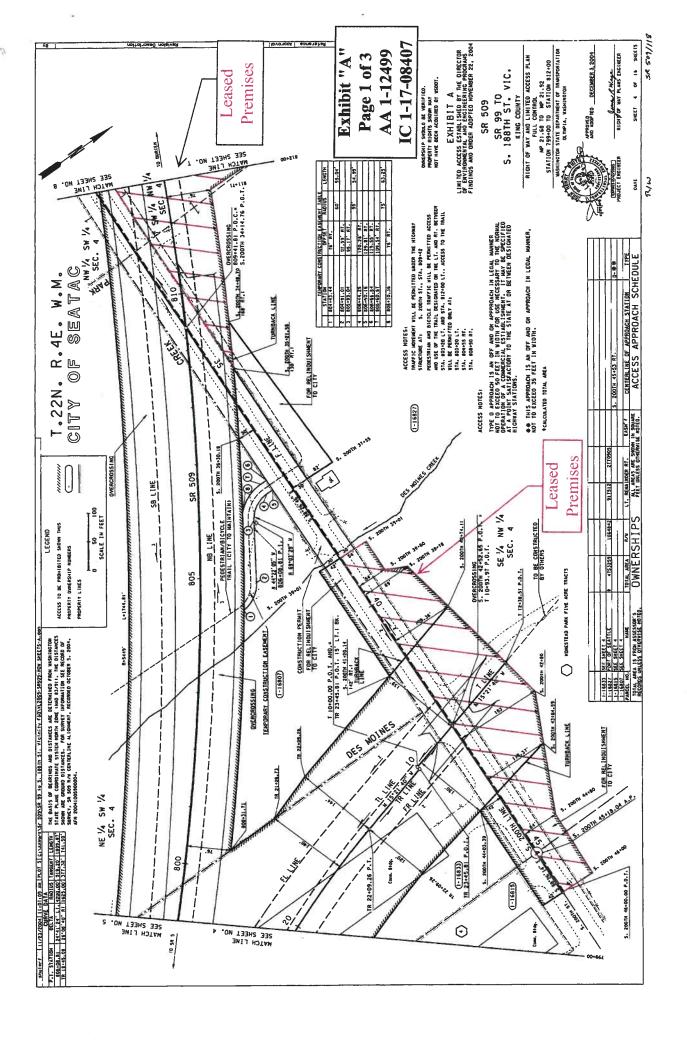


Exhibit 4
Golf
Course
Lease
Premises



Sn.509/118 RIGHT OF WAY AND LIMITED ACCESS PLAN
REDAT OF WAY AND LIMITED ACCESS PLAN
RE 21.32 TO WE 22.16
STATION 81.20-20 TO STATION 824-50
MASHIETON STATE DEABLINGT OF INASPORTATION
FOR THE PARTY OF THE PARTY EXHIBIT ACCESS ESTABLISHE OF THE DIRECTOR OF ENVIRONMENTAL MODER ADPPED ROWHER PLANS FINGLINGS AND ORDER ROWERS SES. 2004 SHEET T OF 16 SHEETS RICH FOF WAY PLANS ENGINEER APPROVED DECEMBER 3, 2004 THIS PLAN SUPERSECES SHEETS 7 THRU 9 OF 11 SMEETS OF SR 509, SR 516 TO DES MOINES WAY SOUTH, DATED DECEMBER 1, 1969, IC 1-17-08407 S. 188TH ST. VIC. Exhibit "A" OWNERSHIP SHOULG BE VERIFIED. PROPERTY RIGHTS SHOWN MAT HOT HAYE BEEN ACCUTAED BY MSDOT. **AA 1-12499** Page 2 of 3 SR 509 3/2 DATE TO BURIEN E .ON TARE SEE SHEET NO. 9 RECORD OF SUREY NB LINE 1303.06 RT. EXCESS BAY 263,113 S.F. SEATAC . × × \$130.13.73 130.82 AT. 1 850 R.4E. MATCH LINE SEE SHEET NO. B 18.5% F. 818+14-31 P.C. FOR RELINDUISHMENT TURNBACK LINE T.22N. T,617 S.F. CILL SCALE IN FEET ACCESS TO DE PROHIBITED SHOWN THUS PROPERTY DIMERSHIP NUMBERS PROPERTY LINES LEGEND | December | 11/23/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07/2004 | 11/07 (1.16821) SR 509 SW'/4 NW'/4 SEC. 4 AL AREALHORR BT. EASH'T AL AREAS AME SHOWN IN SOUARE FEET UNLESS OTHERWISE HOTEO. 815 THE BASIS OF READINGS AND DISTRICES ARE DELIBORINGD FROM MASHIGURES THE CAND DISTRICES. THE STRONG DISTRICES. THE SHAPE IN THE ORDER DISTRICTS AND THE ORDER D Premises Leased SE'/4 NW'/4 SEC. 4 1-16821 SEE SHEET 6
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STATION STATE REALISMENT OF TRANSPORTATION
WASHINGTON STATE REALISMENT OF TRANSPORTATION
OFFICE ACCEPTAGE ASSESSMENT OF TRANSPORTATION EXHIBIT A

CLIMITED ACCESS ESTABLISHED BY THE DIRECTOR
OF ENVIRONMENTAL AND ENGINEERING PROGRAMA
FINDINGS AND ORDER ADDR'ED NOVEMBER 22, 2004 CATACHT CONTROL OF THE PROPERTY AND THE RICHT OF WAY PLANS ENGINEER S. 188TH ST. VIC. IC 1-17-08407 Exhibit "A" AA 1-12499 Page 3 of 3 KING COUNTY SCALE IN FEET SR 509 OMENSHIP SHOULD BE VERIFIED. PROPERTY RIGHTS SHOWN HAT NOT MAVE BEEN ACCUIRED BY WSDOF. ACCESS TO DE PROHIBITED SMONN THUS LEGENO PROPERTY OWNERSHIP NUMBERS PROPERTY LINES TO BURBER DAIE MATCH LINE SEE SHEET NO. 11. REMAINDER RI. CEST CENTER, INC. OF APPROACH STATION TYPE.
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