

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered into as of this ____ day of _____, 2014 (the “Effective Date”), by and between the Port of Seattle, a municipal corporation of the State of Washington (“Port”), and Snohomish County, a political subdivision of the State of Washington (“County”), acting in its governmental capacity. The Port and the County are hereinafter sometimes referred to jointly as the “Parties.”

RECITALS

A. On or about December 18, 2009, the Port acquired from BNSF Railway Company (“BNSF”) pursuant to a Quit Claim Deed (the “BNSF Deed”) recorded under Snohomish County Auditor’s File No. 200912210438, real property developed as a rail corridor and commonly known as the Woodinville Subdivision.

B. Sections of the Woodinville Subdivision are improved with rail tracks and certain commercial and industrial structures and fixtures associated with rail operations (the “Improvements”). The Improvements were acquired by the Port from BNSF pursuant to a Bill of Sale (the “BNSF Bill of Sale”) executed on or about December 18, 2009. The Improvements include that certain bridge structure over the Snohomish River connecting portions of the Woodinville Subdivision (the “Snohomish River Bridge”).

C. In addition to crossing the Snohomish River, the Snohomish River Bridge crosses certain real property owned or controlled by BNSF (the “BNSF Mainline”). Concurrent with the execution of the BNSF Deed and the BNSF Bill of Sale, the Port acquired by Easement Agreement a non-exclusive perpetual easement across and above the BNSF Mainline (the “Bridge Easement”).

D. The BNSF Deed, among other things, obligates BNSF to pay the Port and/or King County the costs to investigate, remediate, respond to or otherwise cure any hazardous substance releases or violations of environmental law to the extent such hazardous substance releases or violations of environmental law (i) occurred as a result of the operations of BNSF, its agents, employees, invitees or contractors, or its corporate predecessors and their agents, employees, invitees or contractors, and (ii) have been ordered to be cured by an applicable regulatory agency; provided however, that BNSF need only pay for such costs as are necessary to bring the Woodinville Subdivision up to the standards for a freight railway or the standards that the regulatory agency would apply for other affected properties (the “BNSF Remediation Obligation”).

E. In the BNSF Deed, BNSF reserved for itself an exclusive easement for freight rail purposes over a portion of the Woodinville Subdivision (the “Freight Easement”). BNSF thereafter conveyed the Freight Easement to GNP Rly, Inc., a Washington corporation

(“GNP”), by Quit Claim Deed executed on or about December 18, 2009, and recorded under Snohomish County Auditor’s File No. 200912210439.

F. On or about December 18, 2009, the Port entered into an Operations and Maintenance Agreement between Port of Seattle and GNP Rly, Inc. (the “O&M Agreement”). The O&M Agreement sets forth the rights, obligations, terms and conditions as between the Port and GNP with respect to GNP’s use of the Woodinville Subdivision for freight rail operations. Concurrent with the execution of the O&M Agreement, pursuant to an Assignment of Easement Agreement for Snohomish Bridge, the Port also assigned all of its right, title and interest in the Bridge Easement to GNP.

G. On or about December 8, 2012, through an involuntary bankruptcy proceeding, the assets of GNP, including the right to operate under the Freight Easement, the O&M Agreement, and the assigned Bridge Easement, were conveyed to Eastside Community Rail, LLC, a Washington limited liability company (“Eastside Community Rail”). Eastside Community Rail assumed all rights and obligations of GNP under the O&M Agreement with the Port and the assigned Bridge Easement.

H. The Woodinville Subdivision is subject to an easement recorded on December 21, 2010, under Snohomish County Auditor’s File No. 201012211039 in favor of Puget Sound Energy (the “PSE Easement”), as amended by amendment recorded on February 12, 2013, under Snohomish County Auditor’s File No. 201302120664.

I. By Real Estate Purchase and Sale Agreement dated February 8, 2013, King County, a political subdivision of the State of Washington, contracted to purchase from the Port (i) a fee interest over a portion of the Woodinville Subdivision located in King County, and (ii) a trail easement over a portion of the Woodinville Subdivision located partially in King County and partially in Snohomish County, which easement was recorded on February 13, 2013, under Snohomish County Auditor’s No. 201302130771 (the “King County Easement”).

J. The Woodinville Subdivision is further subject to other rights and interests granted to third parties pursuant to unrecorded third party leases, licenses, contracts, permits or other agreements for the use and/or occupancy of portions of the Woodinville Subdivision as further defined in Section 9.1 (“Third Party Leases, Licenses and Contracts”).

K. The County desires to acquire from the Port, and the Port desires to sell to the County, pursuant to Chapter 39.33 of the Revised Code of Washington (Intergovernmental Property Disposition Act) and the terms and conditions described below, that portion of the Woodinville Subdivision located within Snohomish County, along with the Snohomish River Bridge and other Improvements located along that portion of the Woodinville Subdivision lying within Snohomish County, (collectively referred to hereafter as the “Property”) for the purposes of developing a regional trail and other public uses and transportation uses. The Property is legally described on Exhibit A to this Agreement. A diagram map showing the approximate location of the Property is attached to this Agreement as Exhibit B. The County

also desires to acquire assignment of the Port's rights under the Bridge Easement.

AGREEMENT

NOW, THEREFORE, in consideration of the respective agreements set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Purchase and Sale of the Property. The Port shall sell and convey to the County, and the County shall purchase from the Port, subject to the terms and conditions set forth below: (i) all of the Port's right, title and interest in and to the Property, as defined in Recital K above and including the real property, all Improvements, the Snohomish River Bridge, and the Bridge Easement, and all other rights, privileges and easements appurtenant to the Property; and (ii) all of the Port's right, title and interest in and to all Third Party Leases, Licenses and Contracts, as defined in Section 9.1 below, associated with the Property as of the date of closing.

2. Purchase Price. The purchase price for the Property shall be Five Million and 00/100 Dollars (\$5,000,000.00) (the "Purchase Price"). The Purchase Price shall be paid in cash at closing, by wire transfer or other immediately available funds.

3. Earnest Money. No earnest money deposit shall be made or required.

4. Title Insurance.

4.1 Preliminary Commitment. Within ten (10) days from the Effective Date, the Port, at its sole cost, shall provide the County with a preliminary commitment for an ALTA owner's standard coverage policy of title insurance covering the Property (the "Preliminary Commitment"), issued by Chicago Title Insurance Company (the "Title Company"), together with complete legible copies of all documents referenced in the Preliminary Commitment.

4.2 Permitted Exceptions. At the closing of the transaction contemplated by this Agreement, title to the Property is to be free of encumbrances or defects, except for the following (each, a "Permitted Exception," and, collectively, the "Permitted Exceptions"): (i) the general exceptions contained in the title policy; (ii) the Freight Easement; (iii) the PSE Easement; (iv) the King County Easement; (v) any special exceptions shown on the Preliminary Commitment that are accepted by the County pursuant to Section 4.3 below; and (vi) any Third Party Leases, Licenses and Contracts, as defined in Section 9.1 below, which are accepted by the County pursuant to Section 4.3 below. Should any new or additional encumbrances on title to the Property be discovered prior to closing, the County shall have the right to object to the same, using the procedures specified in Section 4.3 below.

4.3 Title Review. The County shall, within thirty (30) days after receiving the Preliminary Commitment, deliver written notice to the Port regarding any

objections the County may have to matters shown on or referenced in the Preliminary Commitment or identified in Exhibit C relating to Third Party Leases, Licenses and Contracts, as defined in Section 9.1 below (the "Title Objection Notice"). Any exception, encumbrance or other matter to which the County does not timely object shall be a "Permitted Exception." The Port shall have ten (10) days from the date on which the Port receives the County's Title Objection Notice to deliver written notice to the County stating whether or not the Port will, prior to closing, remove or otherwise cure some or all of the matters described in the County's Title Objection Notice. Should the Port fail to timely respond to the County's Title Objection Notice, the Port shall be deemed to have refused to remove or cure all of the matters described in the County's Title Objection Notice. Should the Port refuse to remove or cure any of the matters objected to in the County's Title Objection Notice, the County must elect one of the following: (i) to accept the defects or encumbrances on title that the Port refuses to remove or cure, in which case such defects or encumbrances shall become Permitted Exceptions, and proceed with the transaction contemplated by this Agreement; or (ii) to terminate this Agreement. The County shall provide the Port with written notice of its decision within thirty (30) days of receiving the Port's response to the County's Title Objection Notice, or, in the event the Port failed to timely respond to the County's Title Objection Notice, within thirty (30) days of the date on which the Port's response to the County's Title Objection Notice was due. Should the County fail to deliver written notice of the County's decision to the Port within the time period specified above, the County shall be deemed to have elected to accept this Agreement. In the event the County elects to terminate this Agreement pursuant to this Section 4.3, all rights and obligations of the Port and the County under this Agreement shall terminate and be of no further force or effect.

4.4 Title Insurance Policy. The Port shall deliver to the County, as soon as reasonably possible after the Closing Date or Outside Closing Date, at the Port's sole cost and expense, an ALTA owner's standard coverage form title insurance policy in favor of the County, insuring the County's title in and to the Property in the amount of the full Purchase Price, subject only to the standard form printed exceptions and the Permitted Exceptions (the "Title Policy"). The County may, at its own expense, obtain endorsements to the Title Policy.

5. Due Diligence.

5.1 County's Due Diligence. The County shall have one hundred twenty (120) days from the Effective Date in which it may, but need not, perform due diligence investigations (the "Due Diligence Period"). During the Due Diligence Period, the County and its employees, agents and/or contractors may enter onto the Property and undertake such surveys, studies and tests of the soils, air and water on, in or under the Property as the County may deem desirable all subject, however, to the rights of Eastside Community Rail to operate trains pursuant to the Freight Easement. In exercising the rights provided by this Section 5.1, the County shall reasonably coordinate its entries onto the Property with the Port and with Eastside Community Rail, should such coordination be needed for any of the activities the County desires to undertake. Upon completion of any testing, the County shall restore the

Property to substantially the same condition as existed prior to the test. The County shall defend, indemnify and hold harmless the Port from and against all liability, cost, damage and expense (including, but not limited to, attorneys' fees) in connection with all claims, suits and actions of any kind made or brought against the Port, its officers, agents or employees by any person or entity as a result of or on account of actual or alleged injuries or damages to persons, entities or property received or sustained, in any way arising out of, in connection with, or as a result of the acts or omissions of the County, its officers, agents or employees, in exercising its rights under the right of entry granted herein. The County's obligations under this Section 5.1 shall survive the termination of this Agreement.

5.2 Reports, Studies and Other Materials. Within thirty (30) days of the Effective Date, the Port shall, at its expense, deliver to the County copies of all material information in the Port's possession concerning the physical condition of the Property, including: soil, air or groundwater tests; engineering inspections, studies or reports; environmental studies, records, audits or reports; notices from and/or correspondence with government entities; court orders and/or consent decrees; maps; plans; permits; as-builts operating agreements and records; leases; contract; surveys; and any other documents or materials relevant to the County's proposed acquisition of the Property (collectively, the "Reports"). The Port makes no representations or warranties with respect to the accuracy or completeness, methodology of preparation or otherwise concerning the contents of such reports.

5.3 Right to Terminate. At any time during the Due Diligence Period, the County may elect to terminate this Agreement if, in its sole discretion, the County determines from the results of its due diligence investigations and/or any of the Reports produced by the Port that (i) a condition exists on the Property that materially impairs the County's ability to develop and/or maintain a regional trail and other public uses and transportation uses, or (ii) environmental conditions exist on the Property that create a level of risk unacceptable to the County. Alternatively, and subject to approval of the Parties' respective legislative bodies, the Parties may renegotiate this Agreement based on the results of the due diligence investigation and as provided in Section 22.7. If the County elects to terminate this Agreement pursuant to this Section 5.3, the County must deliver written notice to the Port prior to the expiration of the Due Diligence Period and provide the Port with copies of all reports obtained by the County during its due diligence efforts. Upon the Port's receipt of such notice, this Agreement shall immediately terminate and be of no further force or effect.

6. Conveyance of Title.

Upon the closing of the transaction contemplated by this Agreement, the Port shall deliver to the County a Quit Claim Deed for the Property, in the form attached to this Agreement as Exhibit D (the "Deed"), subject only to the following: (i) the Permitted Exceptions; and (ii) the lien of any real estate taxes for the current year that are not yet due and payable. In addition, upon the closing of the transaction contemplated by this Agreement, the Port shall deliver to the County (a) a Bill of Sale for the Improvements, including the

Snohomish River Bridge, in the form attached to this Agreement as Exhibit E, and (b) an Easement Transfer and Bill of Sale for the Bridge Easement, in the form attached to this Agreement as Exhibit F.

7. Condition of the Property.

7.1 Disclaimer of Warranties. Subject to the Port's express representations, warranties, covenants and obligations under this Agreement, **THE COUNTY IS NOT RELYING ON, AND HEREBY WAIVES WARRANTY OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER REPRESENTATION OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER FROM THE PORT WITH RESPECT TO ANY MATTERS CONCERNING THE PROPERTY** including, but not limited to the physical condition of the Property; zoning status; tax consequences of this transaction; utilities; operating history or projections or valuation; compliance by the Property with Environmental Laws, as defined in Section 14 below, or other laws, statutes, ordinances, decrees, regulations and other requirements applicable to the Property; the presence of any Hazardous Substances, as defined in Section 14 below, wetlands, asbestos, lead, lead-based paint or other lead containing structures, urea formaldehyde, or other environmentally sensitive building materials in, on, or under the Property; the condition or existence of any of the above ground or underground structures or improvements, including tanks and transformers in, on or under the Property; the condition of title to the Property, and the Third Party Leases, Licenses, Contracts, permits, orders, or other agreements, affecting the Property.

7.2 No Reliance by County. The County represents and warrants to the Port that except for the Port's express representations, warranties, covenants and obligations under this Agreement, the exhibits hereto and the BNSF Remediation Obligation, the County has not relied and will not rely on, and the Port is not liable for or bound by, any warranties, guaranties, statements, representations or information pertaining to the Property or relating thereto made or furnished by the Port, any agent or contractor of the Port, or any real estate broker or agent representing or purporting to represent the Port, to whomever made or give, directly or indirectly, orally or in writing.

7.3 Survival. Notwithstanding any provision of this Agreement to the contrary, the provisions of this Section 7 shall survive the closing of the transaction contemplated herein and the delivery of the Deed to the County. The County and the Port acknowledge that their willingness to enter into this Agreement reflects that the Property is being conveyed subject to the provisions of this Section 7.

8. Partial Assignment and Assumption of O&M Agreement.

8.1 Active Rail Service. The County acknowledges that as of the Effective Date of this Agreement, the Property is not "railbanked" (as defined and described in Section 8(d) of the National Trails System Act, also known as the "Rails to Trails Act," 16

USC §1247(d) and 49 CFR §1152.29) and is presently subject to active freight rail operations pursuant to the O&M Agreement as described in Recital F. The County further acknowledges that as of the Effective Date of this Agreement, excursion rail operations on the Property are not an active use and require Port consent under the terms of the O&M Agreement.

8.2 Partial Assignment of O&M Agreement. Upon the closing of the transaction contemplated by this Agreement, the Port shall assign to the County, by means of an assignment agreement substantially in the form attached to this Agreement as Exhibit G (the “Partial Assignment and Assumption of Operations and Maintenance Agreement”), the Port’s right, title and interest in the O&M Agreement to the extent the O&M Agreement affects the Property. The Port shall retain all its right, title and interest in the O&M Agreement to the extent the O&M Agreement affects other areas of the Woodinville Subdivision that do not include the Property.

9. Assignment and Assumption of Third Party Leases, Licenses and Contracts.

9.1 Existence of Third Party Leases, Licenses and Contracts. The Property is currently encumbered by multiple unrecorded third party leases, licenses, contracts, permits or other agreements as more specifically identified in Exhibit C (the “Third Party Leases, Licenses and Contracts”).

9.2 Assignment of Third Party Leases, Licenses and Contracts. Upon the closing of the transaction contemplated by this Agreement, the Port shall assign all of its right, title and interest in the Third Party Leases, Licenses and Contracts affecting the Property to the County by means of an assignment agreement substantially in the form attached to this Agreement as Exhibit H (the “Assignment and Assumption of Third Party Leases, Licenses and Contracts”).

10. Transfer of Bridge Easement.

10.1 Existence and Necessity of Bridge Easement. The Port acknowledges that in order to develop, operate and maintain a regional trail and other public uses and transportation uses along the Property, the County must acquire a right, title or interest in the Bridge Easement that was previously assigned to GNP and is now held by Eastside Community Rail.

10.2 Partial Rescission of Assignment. Upon the closing of the transaction contemplated by this Agreement, the Port shall deliver to the County a copy of a duly executed and acknowledged Partial Rescission of Assignment of Easement Agreement for Snohomish Bridge (the “Rescission Agreement”), in a form to be negotiated between the Port, the County, and Eastside Community Rail, and executed by the Port and Eastside Community Rail.

10.3 Transfer of Bridge Easement. Upon the closing of the transaction contemplated by this Agreement, the Port shall transfer to the County all of its remaining right, title and interest in the Bridge Easement by means of easement transfer and bill of sale in the form attached to this Agreement as Exhibit F (the “Easement Transfer and Bill of Sale”).

11. Surface Transportation Board. The County shall apply for an exemption or seek a ruling of non-jurisdiction from the Surface Transportation Board as may be necessary to complete the transaction contemplated by this Agreement. The Port shall reasonably cooperate with the County in connection with any hearings or filings necessary to obtain the exemption or jurisdictional ruling. In the event that the Surface Transportation Board does not approve the exemption or issue a ruling of non-jurisdiction prior to the Closing Date or Outside Closing Date, either party may extend the Closing Date for an additional six months by delivering notice to the other party prior to or on the Closing Date or Outside Closing Date, provided, however, that in no case shall the Closing Date be extended beyond December 31, 2014, absent written agreement of the parties to a further extension. Upon termination of this Agreement pursuant to this Section 11, this Agreement shall immediately terminate and be of no further force or effect.

12. Covenants, Representations and Warranties of the Port. The Port hereby makes the following covenants, representations and warranties to the County, which covenants, representations and warranties shall be deemed made by the Port to the County as of the Effective Date and again as of the Closing Date:

(i) The Port is a municipal corporation of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington, has all requisite power and authority to execute and deliver this Agreement and to carry out its obligations under this Agreement and the transactions contemplated hereby;

(ii) From the Effective Date to the Closing Date, the Port will notify the County of each event of which the Port becomes aware is affecting the Property or any part thereof, promptly upon learning of the occurrence of such event;

(iii) There is no litigation, action, proceeding or investigation pending or threatened which pertains to the Property or the Port’s ownership thereof, other than a lawsuit filed in King County Superior Court under Cause No. 10-2-25591-5 SEA challenging the authority of the Port to purchase portions of the Woodinville Subdivision in that certain case captioned Lane, et al v. the Port of Seattle et. al.. If, at any time subsequent to closing, a final judicial decree in Lane nullifies, changes or alters all or any portion of the Port’s acquisition of interests in the Property (1) such action shall not be a breach of the covenants, representations and warranties of the Port, and (2) upon thirty (30) days written notice from the County, the Port shall deliver to the County the amount of the Purchase Price paid by the County to the Port at the time of the County’s notice (the “Full Reimbursement”), PROVIDED, HOWEVER, that if the Lane action nullifies only a portion of the Port’s acquisition of interests in the Property, the County shall employ an appraiser to value the

portion of the property rights affected by such action as of the date of closing, which value shall be used to reduce the Full Reimbursement to the County (the "Adjusted Reimbursement"). Upon thirty (30) days written notice from the County, the Port shall deliver the Adjusted Reimbursement amount to the County. The Port and the County shall share equally in the cost of the appraisal. These obligations under this Subsection 12(iii) shall survive closing.

(iv) To the best of the Port's knowledge, neither the whole nor any portion of the Property is subject to temporary requisition or use by any governmental authority or has been condemned or taken in any proceeding similar to a condemnation proceeding, nor is any such proceeding contemplated;

(v) The Port has not received any written notice of, and the Port has no knowledge of, any written notice from any governmental authority alleging any uncured existing violation of any applicable governmental laws, statutes, ordinances, rules, codes, regulations or orders, including Environmental Laws, affecting the Property;

(vi) The Port has no knowledge, nor has the Port received written notice, of any default or breach by the Port under any covenants, conditions, restrictions, rights of way, easements, leases, licenses or contracts affecting the Property or any portion thereof;

(vii) From the Effective Date to the Closing Date, the Port will not grant or create any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option to purchase or other right which would affect the Property prior to or after closing without the County's written consent first having been obtained;

In the event any of the covenants, representations or warranties contained in this Section 12 become untrue prior to the date of closing as a result of occurrences or information received by the Port subsequent to the Effective Date of this Agreement, the Port shall promptly notify the County, in writing, and, within ten (10) days after receiving such notice, the County may elect to (i) waive any objections and proceed with Closing, or (ii) terminate this Agreement by delivering written notice of termination to the Port. The covenants and representations made by the Port in this Section 12 shall survive the closing of the transaction contemplated by this Agreement and shall not merge into the Deed.

13. Covenants, Representations and Warranties of the County. The County hereby makes the following covenants, representations and warranties to the Port, which covenants, representations and warranties shall be deemed made by the County to the Port as of the Effective Date and again as of the Closing Date:

(i) The County is a political subdivision of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington, has all requisite power and authority to execute and deliver this Agreement and to carry out its obligations under this Agreement and the transactions contemplated hereby;

(ii) From the Effective Date to the Closing Date, the County will timely perform all of its monetary and non-monetary obligations required by the terms of this Agreement to be performed by the County; and

(iii) There is no litigation, action, proceeding or investigation pending or threatened against the County that could prevent or impair the County's obligations hereunder.

In the event any of the covenants, representations or warranties contained in this Section 13 become untrue prior to the date of closing as a result of occurrences or information received by the County subsequent to the Effective Date of this Agreement, the County shall promptly notify the Port, in writing, and, within ten (10) days after receiving such notice, the Port may elect to (i) waive any objections and proceed with Closing, or (ii) terminate this Agreement by delivering written notice of termination to the County. The covenants and representations made by the County in this Section 13 shall survive the closing of the transaction contemplated by this Agreement and shall not merge into the Deed.

14. Hazardous Substances.

14.1 Definition of Environmental Law. The term "Environmental Law" means any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health or the environment, including without limitation the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Toxic Substances Control Act, the Model Toxics Control Act, the Water Pollution Control Act, laws concerning above ground or underground storage tanks, and any similar or comparable state or local law.

14.2 Definition of Hazardous Substance. The term "Hazardous Substance" means any hazardous, toxic, radioactive or infectious substance, material or waste as defined, listed or regulated under any Environmental Law, and includes without limitation petroleum oil and any of its fractions.

14.3 Release from Liability. The County acknowledges that the Property may contain Hazardous Substances, and that Hazardous Substances released onto the Property may have migrated onto neighboring properties at times prior to the Effective Date. The Port acknowledges that the County is not in possession or control of the Property as of the Effective Date. Except as otherwise provided in this Section 14 and Section 7, the County waives, releases and discharges forever the Port from any and all present or future claims or demands and any and all damages, losses, injuries, liabilities, causes of action (including without limitation, causes of action in tort), costs and expenses (including without limitation fines, penalties and judgments and attorney's fees) of any and every kind or character, known or unknown (collectively "Losses") that the County might have asserted against the Port arising from or in any way related to environmental conditions in, at, on, under or originating from the Property or the alleged presence, use, storage, generation, manufacture, transport,

release, leak, spill, disposal or other handling of any Hazardous Substances in, on or under the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or by order of or agreement with any governmental authority, or that is necessary or otherwise is reasonable under the circumstances, (b) Losses for injury or death of any person, and (c) Losses arising under any Environmental Law enacted after the Effective Date. Nothing in this Agreement shall be construed to waive or discharge any rights or claims the County may hold under the Environmental Laws, agreements or deeds, including the BNSF Remediation Obligation, to seek indemnity or contribution from BNSF or other parties other than the Port for Losses arising from or in any way related to environmental conditions on the Property.

14.4 Indemnification by the County. The BNSF Remediation Obligation obligates BNSF, in specified situations, to investigate, remediate, respond to or otherwise cure (collectively, “Remediate” or “Remediation”) certain environmental conditions related to releases of Hazardous Substances or the violation of any Environmental Law. Effective upon the closing of the transaction contemplated by this Agreement, and pursuant to the BNSF Deed and the Amendment to Assignment of BNSF Remediation Obligation described in Section 14.5 below, the Port assigns to the County all rights and obligations it holds to the BNSF Remediation Obligation in so far as those rights and obligations pertain to the Property. Thereafter, as between the County and the Port, the County will be responsible for all costs of Remediation of Hazardous Substances released on or from the Property or violations of any Environmental Law relating to the Property except to the extent (i) caused by or resulting from the acts of Port or its officers, employees, agents or contractors, or (ii) materially exacerbated by the acts of the Port or its officers, employees, agents or contractors so as to release BNSF from or reduce its liability under the BNSF Remediation Obligation. The County further agrees to indemnify and defend the Port against any and all Losses, as defined in Section 14.3 above, that the Port sustains as a result of claims by third parties, including but not limited to BNSF and federal, state and local regulatory agencies for damages or remediation costs related to environmental conditions in, at, on, under or originating from the Property, except that the County shall have no duty to indemnify or defend the Port for Losses sustained as a result of claims (i) attributable to the operations of GNP and/or Eastside Community Rail, and (ii) that arose during any period of time in which there was a lapse in the insurance required of GNP, Eastside Community Rail and/or Ballard Terminal Railroad Company LLC (subcontractor to Eastside Community Rail) by the O&M Agreement. The Port agrees that in the event the County is required to Remediate Hazardous Substances released on or from the Property, the Port shall cooperate with the County to obtain reimbursement of costs of Remediation from BNSF as provided in the BNSF Remediation Obligation found in the BNSF Deed.

14.5 Amendment to Assignment of BNSF Remediation Obligation. Upon the closing of the transaction contemplated by this Agreement, the Port shall deliver to the County a copy of a duly executed and acknowledged Amendment to Assignment of Rights and Obligations as to BNSF Remediation Obligation (the “Amendment to Assignment Agreement”), in a form to be negotiated between the Port, the County, and King County, and

executed by the Port and King County. The Amendment to Assignment Agreement shall clarify that the Port continues to hold an interest in the BNSF Remediation Obligation to the extent it applies to those portions of the Woodinville Subdivision that remain in the Port's ownership, and that the Port is free to transfer its interest to its assigns and successors-in-interest.

14.6 Survival. The provisions of this Section 14 shall survive the closing of the transaction contemplated by this Agreement and shall not merge into the Deed. The County and the Port acknowledge that their willingness to enter into this Agreement reflects that the Property is being conveyed subject to the provisions of this Section 14.

15. Indemnification.

15.1 Immunity Under Applicable Law. Nothing in this Section 15 shall limit the ability of the Port, the County or both of them to avail themselves of the protection offered by any applicable law affording immunity to the Port or the County, including, to the extent applicable, RCW 4.24.210, or any successor statute.

15.2 Indemnification by Port. Subject to and without in any way limiting the provisions of Section 7 and Section 14 of this Agreement, the Port shall indemnify, defend and hold the County, its successors and assigns, harmless from and against all liabilities, suits, losses, costs, damages, claims, expenses, penalties and/or charges, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of (i) the breach of any representation, warranty or agreement of the Port set forth in this Agreement; (ii) the failure of the Port to perform any obligation required to be performed by it under this Agreement; (iii) any liabilities arising out of the ownership, maintenance and/or operation of the Property by the Port prior to closing; or (iv) any accidents, damages or injuries to persons or property from any cause occasioned in whole or in part by any acts or omissions of the Port, its agents and employees, that occur prior to closing. The Port upon notice from the County shall defend any such claim at its expense and with counsel reasonably satisfactory to the County. This indemnification is intended for the sole benefit of the County and shall not inure to the benefit of any third party.

15.3 Indemnification by County. Subject to and without in any way limiting the provisions of Section 7 and Section 14 of this Agreement, the County shall indemnify, defend and hold the Port, its successors and assigns, harmless from and against all liabilities, suits, losses, costs, damages, claims, expenses, penalties and/or charges, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of (i) the breach of any representation, warranty or agreement of the County set forth in this Agreement; (ii) the failure of the County to perform any obligation required to be performed by it under this Agreement; (iii) any liabilities arising out of the ownership, maintenance and/or operation of the Property by the County after closing; or (iv) any injuries to persons or property from any cause occasioned in whole or in part by any acts or omissions of the County, its agents and employees, that occur after closing. The County upon notice from the Port shall defend any such claim at its expense and with counsel

reasonably satisfactory to the Port. This indemnification is intended for the sole benefit of the Port and shall not inure to the benefit of any third party.

15.4 Waiver of Immunity. Solely to give full force and effect to the indemnities contained herein and not for the benefit of any third party, each Party specifically and expressly waives any immunity it may have under Washington State Industrial Act, RCW Title 51, and acknowledges that this waiver was mutually negotiated by the parties herein. This provision shall not be interpreted or construed as a waiver of any party's right to assert such immunity, defense or protection directly against any of its own employees. In no event shall either party's indemnification obligations under this Agreement be limited to the extent of any insurance available to or provided by the obligated party.

15.5 Survival. The provisions of this Section 15 shall survive the closing of the transaction contemplated by this Agreement and shall not merge into the Deed.

16. Closing.

16.1 Closing Date. The closing of the transaction contemplated by this Agreement (the "Closing") shall occur through the escrow department of the Title Company (the "Escrow Agent") on or about May 30, 2014 (the "Closing Date"); provided that in no event shall the Closing occur later than June 27, 2014 (the "Outside Closing Date"). Except as provided in Section 11, if the transaction fails to close by the Outside Closing Date, either party may terminate this Agreement by delivering written notice of termination to the other party. Alternatively, the Parties may further extend the Closing Date by amending this Agreement as provided in Section 22.7 below.

16.2 Escrow Deposits by Port. On or before the Closing Date, the Port shall deliver the following to the Escrow Agent:

(i) The duly executed and acknowledged Deed, in the form attached to this Agreement as Exhibit D;

(ii) An executed real estate excise tax affidavit for the Property, in the form required by Washington law;

(iii) The duly executed and acknowledged Bill of Sale, in the form attached to this Agreement as Exhibit E;

(iv) The duly executed and acknowledged Easement Transfer and Bill of Sale, in the form attached to this Agreement as Exhibit F;

(v) Two (2) executed and acknowledged counterpart originals of a Partial Assignment and Assumption of Operations and Maintenance Agreement, in the form attached to this Agreement as Exhibit G;

(vi) Two (2) executed and acknowledged counterpart originals of an

Assignment and Assumption of Third Party Leases, Licenses and Contracts Agreement, in the form attached to this Agreement as Exhibit H and including an updated schedule of any Third Party Leases, Licenses and Contracts of which the Port has become aware or has entered into since the Effective Date pursuant to Section 17 below;

(vii) An original affidavit pursuant to Section 1445(b)(2) of the Federal Internal Revenue Code (the "Federal Code"), certifying that the Port is not a foreign person under the meaning of the Federal Code, in the form attached to this Agreement as Exhibit I;

(viii) A copy of a duly executed and acknowledged Partial Rescission of Assignment of Easement Agreement for Snohomish Bridge as described in Section 10.2 above;

(ix) A copy of a duly executed and acknowledged Amendment to Assignment of Rights and Obligations as to BNSF Remediation Obligation as described in Section 14.5 above;

(x) The Port's approved estimated settlement statement; and

(xi) Any other documents, instruments, records or correspondence reasonably required by the Escrow Agent to consummate the purchase of the Property in accordance with the terms of this Agreement.

16.3 Escrow Deposits by County. On or before the Closing Date, the County shall deliver the following to the Escrow Agent:

(i) The Purchase Price, in cash (United States funds);

(ii) One duly executed and acknowledged counterpart original of the Deed, in the form attached to this Agreement as Exhibit D;

(iii) An executed real estate excise tax affidavit for the Property, in the form required by Washington law;

(iv) One duly executed and acknowledged counterpart original of the Bill of Sale, in the form attached to this Agreement as Exhibit E;

(v) One duly executed and acknowledged counterpart original of the Easement Transfer and Bill of Sale, in the form attached to this Agreement as Exhibit F;

(vi) Two (2) executed and acknowledged counterpart originals of a Partial Assignment and Assumption of Operations and Maintenance Agreement, in the form attached to this Agreement as Exhibit G;

(vii) Two (2) executed and acknowledged counterpart originals of an

Assignment and Assumption of Third Party Leases, Licenses and Contracts Agreement, in the form attached to this Agreement as Exhibit H;

(viii) The County's approved estimated settlement statement; and

(ix) Any other documents, instruments, records or correspondence reasonably required by the Escrow Agent to consummate the purchase of the Property in accordance with the terms of this Agreement.

16.4 Closing Costs. Through escrow at Closing, the Port shall pay (i) the premium for the Title Policy described in Section 4 of this Agreement and (ii) one half of the Escrow Agent's escrow fee. Through escrow at Closing, the County shall pay (a) the cost of recording the Deed, (b) one half of the Escrow Agent's escrow fee, (c) the cost of any endorsements to the Title Policy requested by County. Each party shall bear its own legal fees. Property taxes for the current year, if any, will be prorated as of Closing. Water and other utilities shall be prorated as of Closing. Rents under any Third Party Leases, Licenses or Contracts burdening the Property shall be pro-rated as of closing, provided, that the requirement for proration of rents shall apply only to Third Party Leases, Licenses or Contracts with cumulative annual payments exceeding Five Hundred Dollars (\$500.00). All other costs of Closing, if any, shall be borne by the Port and the County in a manner consistent with local practice for the county in which the Property is located. Upon the request of either party, adjustments shall be made between the parties after the date of closing for the actual amount of any prorations made on the basis of estimates as of the date of closing.

17. Leases, Licenses and Contracts Affecting the Property. During the period of time between the Effective Date of this Agreement and the date of closing, the Port shall not enter into any leases, sub-leases, licenses or other contracts affecting all or any portion of the Property without the prior approval of the County. The County shall give written notice to the Port of its approval or disapproval of any such proposed contract within thirty (30) days of receiving same from the Port. Should the County fail to respond to a request for approval of a proposed contract within the specified time period, the County's approval of such contract shall be deemed given.

18. Risk of Loss. In the event of material loss of or damage to the Property prior to closing, the County may terminate this Agreement by giving written notice of termination to the Port.

19. Eminent Domain. If prior to the date for closing, title to all or any part of the Property is taken by eminent domain, the County may, by written notice to the Port, elect to cancel this Agreement prior to the date set for closing by delivering written notice of its election to the Port. In the event the County elects to terminate this Agreement pursuant to this Section 19, all rights or obligations of the Port and the County under this Agreement shall immediately terminate and be of no further force or effect. Unless this Agreement is so canceled, it shall remain in full force and effect and the Port shall assign, transfer and set

over to the County all the Port's right, title and interest in and to any awards that may be made for such taking.

20. Default and Remedies. If there is an event of default under this Agreement by either Party, the non-defaulting Party will be entitled (i) to seek specific performance of the defaulting Party's obligations under this Agreement or (ii) to terminate this Agreement by written notice to the defaulting Party and Escrow Agent. If the non-defaulting Party elects to terminate this Agreement, all documents will be immediately returned to the Party who deposited them, and neither Party will have any further rights or obligations under this Agreement, except as otherwise provided in this Agreement, other than that the defaulting Party shall pay any costs of terminating the escrow and any cancellation fee for the Preliminary Commitment.

21. Notices. All notices to be given by each Party to the other pursuant to this Agreement shall be delivered in person, by facsimile or deposited in the United States mail, properly addressed, postage fully prepaid, for delivery by certified or registered mail, return receipt requested. Notices given by personal delivery or facsimile shall be deemed effective upon receipt (provided notice by facsimile is on a business day and receipt is acknowledged); notices given by mail shall be deemed effective on the third business day after deposit. Notices may be given at the following addresses and facsimile numbers, until further notice by either party:

If to Port: Port of Seattle
Real Estate Division
PO Box 1209
Seattle, WA 98111
Attn: Managing Director Real Estate Division
Facsimile: (206) 787-3280

With a copy to: Port of Seattle Legal Department
PO Box 1209
Seattle, WA 98111
Attn: General Counsel
Facsimile: (206) 787-3205

If to the County: Snohomish County
3000 Rockefeller Avenue
Administration Building West, 6th Floor
M/S 407
Everett, WA 98201
Attn: Peter Camp
Facsimile: (425) 388-6333

With a copy to: Snohomish County Prosecuting Attorney's Office
3000 Rockefeller Avenue

Robert Drewel Building, 8th Floor
M/S 504
Everett, WA 98201
Attn: Civil Division
Facsimile: (425) 388-6333

22. Miscellaneous.

22.1 Entire Agreement. This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof and any and all prior agreements, understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect.

22.2 Governing Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of Washington. The venue of any action arising out of this Agreement shall be in the Superior Court of the State of Washington, in and for Snohomish County.

22.3 Interpretation. This Agreement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either of the parties hereto. The captions and headings in this Agreement are used only for convenience and are not intended to affect the interpretation of the provisions of this Agreement. This Agreement shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

22.4 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be found invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected thereby, but shall instead continue in full force and effect, to the extent permitted by law.

22.5 Legislative Approval. The parties' performances under this Agreement are contingent on approval of this Agreement by each party's respective legislative body and in accordance with applicable law.

22.6 Warranty of Authority. Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign this Agreement. Each person signing this Agreement also represents and warrants that no other person's signature is needed in order (i) for this Agreement to be binding on such Party, or (ii) to release the claims, demands, actions and causes of action that such Party is purporting to release.

22.7 Modification or Amendment. No amendment, change or

modification of this Agreement shall be valid, unless in writing and signed by all of the Parties hereto.

22.8 No Waiver. No term or condition of this Agreement will be deemed to have been waived or amended unless expressed in writing, and the waiver of any condition or the breach of any term will not be a waiver of any subsequent breach of the same or any other term or condition.

22.9 No Third Party Beneficiaries. This Agreement is made for the exclusive benefit of the Parties hereto. There are no third party beneficiaries to this Agreement.

22.10 No Joint Venture. Nothing contained in this Agreement shall be construed as creating any type or manner of partnership, joint venture or other joint enterprise between the parties.

22.11 No Brokers. The Port and the County each hereby represents, warrants to and agrees with the other that it has not had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee as a procuring cause of the purchase and sale contemplated by this Agreement. If any broker or finder perfects a claim for a commission or finder's fee based on any other contract, dealings or communication, the party through whom the broker or finder makes his or her claim will be responsible for that commission or fee and shall indemnify, defend and hold harmless the other party from and against any liability, cost or damages (including attorneys' fees and costs) arising out of that claim. The provisions of this Section 22.11 shall survive the Closing or earlier termination of this Agreement.

22.12 No Merger. The terms and provisions of this Agreement shall not merge into, but shall survive, the Closing of the transaction contemplated by this Agreement and the Deed to be delivered pursuant hereto.

22.13 Time of the Essence. Time is of the essence of each and every provision of this Agreement. The Parties agree that strict compliance by both of them is required with respect to any date set forth in this Agreement.

22.14 Exhibits. The following Exhibits, which are attached to this Agreement, are incorporated herein and by this reference made a part of this Agreement:

- EXHIBIT A - Legal Description of the Property
- EXHIBIT B - Diagram Map Showing Property
- EXHIBIT C - Schedule of Third Party Leases, Licenses and Contracts
- EXHIBIT D - Form of Quit Claim Deed
- EXHIBIT E - Form of Bill of Sale
- EXHIBIT F - Form of Easement Transfer and Bill of Sale

- EXHIBIT G - Form of Partial Assignment and Assumption of Operations and Maintenance Agreement
- EXHIBIT H - Form of Assignment and Assumption of Third Party Leases, Licenses and Contracts
- EXHIBIT I - Non-Foreign Person Affidavit

22.15 Computation of Time. Except where expressly provided to the contrary, as used in this Agreement, the word “day” shall mean “calendar day,” and the computation of time shall include all Saturdays, Sundays and holidays for purposes of determining time periods specified in this Agreement. If the final date of any period of time set out in any provision of this Agreement falls upon a Saturday or a Sunday or a legal holiday, then in such event, the time of such period shall be extended to the next day that is not a Saturday, Sunday or legal holiday. As used in this Agreement, the term “Business Day” shall mean a day that is not a Saturday, Sunday or a legal holiday.

22.16 Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

PORT:

The Port of Seattle, a municipal corporation of the State of Washington

By _____
Name: _____
Title: _____

Approved as to Form

Deputy General Counsel

COUNTY:

Snohomish County, a political subdivision of the State of Washington

By _____
Name: _____
Title: _____

Approved as to Form:

Deputy Prosecuting Attorney

[The remainder of this page is intentionally left blank.]

EXHIBIT A
Legal Description of Property

[TO BE INSERTED]

[The remainder of this page is intentionally left blank.]

EXHIBIT B
Diagram Map Showing Property

[See attached.]

EXHIBIT C
Schedule of Third Party Leases, Licenses and Contracts

[TO BE INSERTED]

EXHIBIT D
Form of Quit Claim Deed

Return Address:

Snohomish County Property Manager
3000 Rockefeller Avenue
Mail Stop 404
Everett, WA 98201-4046

Document Title(s) (or transactions contained therein):

1. Quit Claim Deed

Reference Number(s) of Documents assigned or released: N/A

(on page ___ of document(s))

Grantor(s) (Last name first, then first name and initials):

1. The Port of Seattle, a municipal corporation of the State of Washington

Grantee(s) (Last name first, then first name and initials):

1. Snohomish County, a political subdivision of the State of Washington

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

[TO BE INSERTED]

Assessor's Property Tax Parcel/Account Number

N/A

QUIT CLAIM DEED

The Grantor, THE PORT OF SEATTLE, a municipal corporation of the State of Washington, for and in consideration of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration paid in hand, hereby conveys and quitclaims to the Grantee, SNOHOMISH COUNTY, a political subdivision of the State of Washington, certain real property located in Snohomish County, Washington, as more fully described on Exhibit A (the "Property"), subject to matters of record, and together with any interest therein which the Grantor may hereafter acquire.

DATED _____, 2014.

THE PORT OF SEATTLE, a municipal corporation of the State of Washington

By _____
Name: _____
Title: _____

[The remainder of this page is intentionally left blank.]

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as _____ of THE PORT OF SEATTLE, a municipal corporation of the State of Washington, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that _____ was duly elected, qualified and acting as said officer or member of the municipal corporation, and that _____ was authorized to execute said instrument on behalf of said municipal corporation.

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

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at _____.
My appointment expires: _____.

**Exhibit A
to
Quit Claim Deed**

Legal Description of the Property

[The remainder of this page is intentionally left blank.]

EXHIBIT E
Form of Bill of Sale

BILL OF SALE

THIS BILL OF SALE is made this ___ day of _____, 2014, by and between the Port of Seattle, a municipal corporation of the State of Washington (the “Port”) and Snohomish County, a political subdivision of the State of Washington (the “County”).

A. The Port and the County have entered into that certain Real Estate and Purchase and Sale Agreement dated _____, 2014 (the “Agreement”), pursuant to which the Port has agreed to convey and quitclaim to the County and the County has agreed to accept certain real property located in Snohomish County, Washington, as more particularly described in the Agreement (the “Property”).

B. The Property is improved with rail tracks and certain commercial and industrial structures and fixtures associated with rail operations, including that certain bridge structure over the Snohomish River connecting portions of the Property (the “Improvements”).

C. Pursuant to the terms of the Agreement, the Port has executed and the County has acknowledged that certain Quit Claim Deed dated of even date herewith pursuant to which the Port has conveyed and quitclaimed and the County has accepted the Property.

D. In accordance with the terms of the Agreement, the Parties are entering into this Bill of Sale for the transfer and conveyance of the Improvements.

NOW, THEREFORE, for and in consideration of the above recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Port does by these presents convey, quitclaim and deliver unto the County all of its right, title, and interest, if any, in and to any personal property located on the Property together with that certain bridge structure over the Snohomish River connecting portions of the Property (the “Improvements”).

TO HAVE AND TO HOLD the Improvements unto the County, its successors and assigns, forever.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Port and the County have executed this Bill of Sale as of the day and year first above written.

PORT:

The Port of Seattle,
a municipal corporation of the State of
Washington

COUNTY:

Snohomish County,
a political subdivision of the State of
Washington

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

[The remainder of this page is intentionally left blank.]

EXHIBIT F
Form of Easement Transfer and Bill of Sale

Return Address:

Snohomish County Property Manager
3000 Rockefeller Avenue
Mail Stop 404
Everett, WA 98201-4046

Document Title(s) (or transactions contained therein):

1. Easement Transfer and Bill of Sale

Reference Number(s) of Documents assigned or released: N/A

(on page ___ of documents(s))

Grantor(s) (Last name first, then first name and initials):

1. The Port of Seattle, a municipal corporation of the State of Washington

Grantee(s) (Last name first, then first name and initials):

1. Snohomish County, a political subdivision of the State of Washington

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

[TO BE INSERTED]

Assessor's Property Tax Parcel/Account Number

N/A

EASEMENT TRANSFER AND BILL OF SALE

THIS EASEMENT TRANSFER AND BILL OF SALE (this “Transfer Document”) is made this ___ day of _____, 2014, by and between the Port of Seattle, a municipal corporation of the State of Washington (the “Port”), and Snohomish County, a political subdivision of the State of Washington (the “County”), acting in its governmental capacity.

A. The Port and the County have entered into that certain Real Estate and Purchase and Sale Agreement dated _____, 2014 (the “Agreement”), pursuant to which the Port has agreed to convey and quitclaim to the County and the County has agreed to accept certain real property located in Snohomish County, Washington, as more particularly described in the Agreement (the “Property”).

B. The Property is improved with rail tracks and certain commercial and industrial structures and fixtures associated with rail operations, including that certain bridge structure over the Snohomish River connecting portions of the Property (the “Snohomish River Bridge”).

C. In addition to crossing the Snohomish River, the Snohomish River Bridge crosses certain real property owned or controlled by BNSF (the “BNSF Mainline”). On or about December 18, 2009, the Port acquired by Easement Agreement a non-exclusive perpetual easement across and above the BNSF Mainline (the “Bridge Easement”).

D. Pursuant to the terms of the Agreement, the Port has executed and the County has acknowledged that certain Quit Claim Deed dated of even date herewith pursuant to which the Port has conveyed and quitclaimed and the County has accepted the Property.

E. Pursuant to the terms of the Agreement, the Port has executed and the County has acknowledged that certain Bill of Sale dated of even date herewith pursuant to which the Port has conveyed and quitclaimed and the County has accepted the Snohomish River Bridge.

F. In accordance with the terms of the Agreement, the Parties are entering into this Bill of Sale for the transfer and conveyance of the Bridge Easement.

NOW, THEREFORE, for and in consideration of the above recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Port conveys and quitclaims to the County all of its right, title and interest in and to that certain Bridge Easement crossing the BNSF Mainline as legally described in the attached Exhibit A, and the County assumes all of the Port’s responsibilities and obligations under the Bridge Easement.

IN WITNESS WHEREOF, the Port and the County have executed this Transfer Document as of the day and year first above written.

PORT:

The Port of Seattle
a municipal corporation of the State of
Washington

COUNTY:

Snohomish County,
a political subdivision of the State of
Washington

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

[The remainder of this page is intentionally left blank.]

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as the _____ of THE PORT OF SEATTLE, a municipal corporation of the State of Washington, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that ___ was duly elected, qualified and acting as said official of the municipal corporation and that ___ was authorized to execute said instrument.

GIVEN UNDER my hand and official seal hereto affixed the day and year in this certificate first above written.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at _____.
My appointment expires: _____.

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this ____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as the _____ of SNOHOMISH COUNTY, a political subdivision of the State of Washington, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said county for the uses and purposes therein mentioned, and on oath stated that ___ was duly elected, qualified and acting as said official of the county and that ___ was authorized to execute said instrument.

GIVEN UNDER my hand and official seal hereto affixed the day and year in this certificate first above written.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at _____.
My appointment expires: _____.

Exhibit A
Legal Description of Bridge Easement

[TO BE INSERTED.]

EXHIBIT G
Form of Partial Assignment and Assumption of
Operations and Maintenance Agreement

PARTIAL ASSIGNMENT AND ASSUMPTION OF
OPERATIONS AND MAINTENANCE AGREEMENT

THIS PARTIAL ASSIGNMENT AND ASSUMPTION OF OPERATIONS AND MAINTENANCE AGREEMENT (this “Assignment”) is executed on this ____ day of _____, 2014, by and between the Port of Seattle, a municipal corporation of the State of Washington (“Assignor”), and Snohomish County, a political subdivision of the State of Washington (“Assignee”).

RECITALS

A. Assignor and Assignee are parties to that certain Real Estate Purchase and Sale Agreement dated as of _____, 2014 (the “Agreement”), pursuant to which Assignor has agreed to sell and Assignee has agreed to buy the real property legally described in Exhibit A of this Assignment (the “Property”).

B. Assignor is a party to the Operations and Maintenance Agreement Between Port of Seattle and GNP Rly, Inc. (the “O&M Agreement”), which sets forth the rights, obligations, terms and conditions for freight rail operations over the Woodinville Subdivision. Attached hereto as Schedule 1 and incorporated herein by this reference is a true and correct copy of the O&M Agreement.

C. Pursuant to the Agreement, Assignee wishes to succeed Assignor to all right, title and interest in and to the O&M Agreement so far as it applies to the Property, and Assignor wishes to retain all right, title and interest in and to the O&M Agreement so far as it applies to the remainder of the Woodinville Subdivision.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and conditions contained in this Assignment, the parties agree as follows:

1. Partial Assignment of O&M Agreement. Assignor hereby assigns and transfers to Assignee all of Assignor’s right, title and interest in and to the O&M Agreement to the extent that the O&M Agreement affects and applies to rail operations over the Property. The Assignor shall retain all right, title and interest in the O&M Agreement to the extent it affects and applies to other real property and improvements outside the Property.

2. Partial Assumption of O&M Agreement. To the extent assigned as set forth above, Assignee hereby assumes all of Assignor’s duties and obligations under the

O&M Agreement arising and accruing from and after the date of this Assignment, and Assignee further succeeds to the interests of Assignor under the O&M Agreement.

3. Indemnification.

3.1 Indemnification by Assignor. Assignor agrees to fully, completely and unconditionally indemnify and hold Assignee harmless from and against all claims, losses, expenses, liabilities, damages, including without limitation, interest and penalties, attorneys' fees, and all amounts paid in settlement of any claim, that may be asserted against Assignee, or which Assignee may incur or suffer and that arise under the O&M Agreement (i) prior to the date of closing of the transaction contemplated in the Agreement, or (ii) to the extent the O&M Agreement affects and applies to real property and improvements outside the Property.

3.2 Indemnification by Assignee. Assignee agrees to fully, completely and unconditionally indemnify and hold Assignor harmless from and against all claims, losses, expenses, liabilities, damages, including without limitation, interest and penalties, attorneys' fees, and all amounts paid in settlement of any claim, that may be asserted against Assignor, or which Assignor may incur or suffer and that arise under the O&M Agreement (i) after the date of closing of the transaction contemplated in the Agreement, and (ii) to the extent the O&M Agreement affects and applies to the Property.

4. Binding Effect. This Assignment shall be binding on and inure to the benefit of the Assignor, Assignee and their respective successors in interest and assigns.

5. Governing Law. This Assignment shall be construed and enforced in accordance with the laws of the State of Washington. Venue for any action regarding this Assignment shall be the Superior Court in and for Snohomish County.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment the day and year first above written.

ASSIGNOR:

The Port of Seattle, municipal corporation of the State of Washington

By _____
Name: _____
Title: _____

ASSIGNEE:

SNOHOMISH COUNTY, a political subdivision of the State of Washington

By _____
Name: _____
Title: _____

[The remainder of this page is intentionally left blank.]

STATE OF WASHINGTON)
) ss.
 COUNTY OF KING)

On this ____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as _____ of THE PORT OF SEATTLE, a municipal corporation of the State of Washington, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that _____ was duly elected, qualified and acting as said officer or member of the municipal corporation, and that _____ was authorized to execute said instrument on behalf of said municipal corporation.

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

 (Signature of Notary)

 (Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
 of Washington, residing at _____.
 My appointment expires: _____.

STATE OF WASHINGTON)
) ss.
 COUNTY OF SNOHOMISH)

On this ____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as _____ of SNOHOMISH COUNTY, the political subdivision of the State of Washington that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that _____ was duly elected, qualified and acting as said officer or member of the county, and that _____ was authorized to execute said instrument on behalf of said county.

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

 (Signature of Notary)

 (Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
 of Washington, residing at _____.
 My appointment expires: _____.

Exhibit A
Legal Description of the Property

[TO BE INSERTED.]

Schedule 1
to
Partial Assignment and Assumption of Operations and Maintenance Agreement
Operations and Maintenance Agreement Between Port of Seattle and GNP Rly, Inc.

[TO BE INSERTED]

EXHIBIT H
Form of Assignment and Assumption of
Third Party Leases, Licenses and Contracts

ASSIGNMENT AND ASSUMPTION OF
THIRD PARTY LEASES, LICENSES AND CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF THIRD PARTY LEASES, LICENSES AND CONTRACTS (this "Assignment") is executed on this ____ day of _____, 2014, by and between the Port of Seattle, a municipal corporation of the State of Washington ("Assignor"), and Snohomish County, a political subdivision of the State of Washington ("Assignee").

RECITALS

A. Assignor and Assignee are parties to that certain Real Estate Purchase and Sale Agreement dated as of _____, 2014 (the "Agreement"), pursuant to which Assignor has agreed to sell and Assignee has agreed to buy the real property legally described in Exhibit A of the Agreement (the "Property").

B. Assignor is a party to the Third Party Leases, Licenses and Contracts as defined and described in the Agreement and in the attached Schedule 1.

C. Pursuant to the Agreement, Assignor wishes to assign, and Assignee wishes to assume, all of Assignor's right, title and interest in and to the Third Party Leases, Licenses and Contracts.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and conditions contained in this Assignment, the parties agree as follows:

1. Assignment of Third Party Leases, Licenses and Contracts. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title and interest in and to the Third Party Leases, Licenses and Contracts identified in Schedule 1, attached hereto and incorporated herein by this reference. If after the date of this Assignment the Parties discover any additional Third Party Leases, Licenses and Contracts encumbering the Property, each shall reasonably cooperate with the other to assign such agreements consistent with the terms of the Agreement and this Assignment.

2. Assumption of Third Party Leases, Licenses and Contracts. To the extent assigned as set forth above, Assignee hereby assumes all of Assignor's duties and obligations under the Third Party Leases, Licenses and Contracts arising and accruing from and after the date of this Assignment, and Assignee further succeeds to the interests of Assignor under the

Third Party Leases, Licenses and Contracts.

3. Indemnification.

3.1 Indemnification by Assignor. Assignor agrees to fully, completely and unconditionally indemnify and hold Assignee harmless from and against all claims, losses, expenses, liabilities, damages, including without limitation, interest and penalties, attorneys' fees, and all amounts paid in settlement of any claim, that may be asserted against Assignee, or which Assignee may incur or suffer and that arise under a Third Party Lease, License or Contract prior to the date of closing of the transaction contemplated in the Agreement.

3.2 Indemnification by Assignee. Assignee agrees to fully, completely and unconditionally indemnify and hold Assignor harmless from and against all claims, losses, expenses, liabilities, damages, including without limitation, interest and penalties, attorneys' fees, and all amounts paid in settlement of any claim, that may be asserted against Assignor, or which Assignor may incur or suffer and that arise under a Third Party Lease, License or Contract after the date of closing of the transaction contemplated in the Agreement.

4. Binding Effect. This Assignment shall be binding on and inure to the benefit of the Assignor, Assignee and their respective successors in interest and assigns.

5. Governing Law. This Assignment shall be construed and enforced in accordance with the laws of the State of Washington. Venue for any action regarding this Assignment shall be the Superior Court in and for Snohomish County.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment the day and year first above written.

ASSIGNOR:

The Port of Seattle, municipal corporation of the State of Washington

By _____
Name: _____
Title: _____

ASSIGNEE:

SNOHOMISH COUNTY, a political subdivision of the State of Washington

By _____
Name: _____
Title: _____

[The remainder of this page is intentionally left blank.]

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as _____ of THE PORT OF SEATTLE, a municipal corporation of the State of Washington, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that _____ was duly elected, qualified and acting as said officer or member of the municipal corporation, and that _____ was authorized to execute said instrument on behalf of said municipal corporation.

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

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at _____.
My appointment expires: _____.

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this ____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the person who signed as _____ of SNOHOMISH COUNTY, the political subdivision of the State of Washington that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that _____ was duly elected, qualified and acting as said officer or member of the county, and that _____ was authorized to execute said instrument on behalf of said county.

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

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at _____.
My appointment expires: _____.

Schedule 1
to
Assignment and Assumption of Third Party Leases, Licenses and Contracts

Schedule of Third Party Leases, Licenses and Contracts

[TO BE INSERTED]

EXHIBIT I
Form of Non-Foreign Person Affidavit

NON-FOREIGN PERSON AFFIDAVIT

Under Section 1445 of the Internal Revenue Code of 1986, as amended (the “U.S. Code”), a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform SNOHOMISH COUNTY, a political subdivision of the State of Washington, (the “Transferee”), that withholding of tax will not be required upon the transfer to Transferee by THE PORT OF SEATTLE, a municipal corporation of the State of Washington (the “Transferor”), of that certain real property located in the State of Washington and more particularly described in Schedule 1 attached hereto (the “Property”), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate, as those terms are defined in the U.S. Code and the Income Tax Regulations promulgated thereunder;
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii) of the Income Tax Regulations; and
3. Transferor’s U.S. employer identification number is _____.

Transferor understands that this Certification may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment, or both.

Transferor understands that Transferee is relying on this Certificate in determining whether withholding is or will be required in connection with the transfer of the Property by Transferor to Transferee, and that Transferee may face liabilities if any statement contained in this certificate is false.

Transferor hereby indemnifies Transferee, and agrees to hold Transferee harmless, from any liability or cost which such Transferee may incur as a result of: (i) the Transferor’s failure to pay any U.S. Federal Income tax which Transferor is required to pay under applicable federal law or (ii) any false or misleading statement contained herein. Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge declare that I have authority to sign this document on behalf of Transferor.

[The remainder of this page is intentionally left blank.]

DATED _____, 2014.

TRANSFEROR:

THE PORT OF SEATTLE, a municipal corporation of
the State of Washington

By _____
Name: _____
Title: _____

[The remainder of this page is intentionally left blank.]

**Schedule 1
to
Non-Foreign Person Affidavit**

Legal Description of the Property Being Transferred

[TO BE INSERTED]