

REAL ESTATE PURCHASE AND SALE AGREEMENT
Woodinville North Subdivision Rail Line
(Within Woodinville Corporate Limits and Bothell Corporate Limits)

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this “Agreement”) is 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 the City of Woodinville, a municipal corporation of the State of Washington (“City”), acting in its governmental capacity. The Port and the City 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 King County Auditor’s File No. 20091218001536, real property developed as a rail corridor and commonly known as the Woodinville Subdivision.

B. Sections of the Woodinville Subdivision are improved with rail tracts 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.

C. 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”).

D. 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.

E. 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.

F. On or about December 8, 2012, through an involuntary bankruptcy proceeding, the assets of GNP, including the right to operate under the Freight Easement and the O&M Agreement, 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.

G. The City desires to acquire from the Port, and the Port desires to sell to the City, pursuant to Chapter 39.33 of the Revised Code of Washington (Intergovernmental Property Disposition Act) and the terms and conditions described below, all that portion of the Woodinville Subdivision located within the City or the City of Bothell and any of the Improvements located within and along that portion of the Woodinville Subdivision lying within the City or the City of Bothell other than the Ancillary Property (collectively referred to hereafter as the "Property"). 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.

H. The Property is subject to an easement recorded on December 21, 2010, under King County Auditor's File No. 201012211000998 in favor of Puget Sound Energy (the "PSE Easement"), as amended by amendment recorded on February 12, 2013, under King County Auditor's File No. 20130212002422.

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 that does not include the Property, and (ii) a trail easement over a portion of the Woodinville Subdivision, including all or a portion of the Property, which easement was recorded on February 13, 2013, under King County Auditor's No. 2013021300164 (the "King County Easement").

J. The Property 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 O&M Agreement in subsection 12.12 contemplates the transfer to third parties of one or more parcels of the Woodinville Subdivision for purposes other than rail operations and trail use, and provides that any such transfers be deemed removed from the "Corridor" (as defined in the O & M Agreement) or from the "Port Property" (as defined in the O & M Agreement) as applicable. The City has identified certain portions of the Corridor that it believes qualify under the provisions of Section 12.12 of the O & M Agreement (the "Ancillary Property"). The Ancillary Property is being transferred to the City by the Port simultaneously with this transaction and will be described in a separate Purchase and Sale Agreement.

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 City, and the City 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 G above and including the real property, all Improvements, 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 (the "Purchase Price") shall be paid in cash at closing, by wire transfer or other immediate available funds. The Purchase Price, along with the purchase price for the Ancillary Property pursuant to that Ancillary Property Purchase and Sale Agreement between the parties of even date herewith (the "Ancillary Property Agreement") is One Million One Hundred Thousand Dollars (\$1,100,000.00) in the aggregate. The Port and the City agree to amend the Agreement prior to closing to include the specific Purchase Price for the Property.

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

4. Title Insurance.

4.1 Preliminary Commitment. Within twenty (20) days from the Effective Date, the Port, at its sole cost, shall provide the City with a preliminary commitment for an ALTA owner's standard coverage policy of title insurance covering the Property (the "Preliminary Commitment"), issued by the Chicago Title Insurance Company (the "Title Company"), together with complete legible copies of all documents referenced in the Preliminary Commitment. The initial Preliminary Commitment shall be issued to include both the Property and the Ancillary Property. At the City's request, such commitment and the title policies to be issued shall be bifurcated upon determination of the metes and bounds of the Ancillary Property as provided in Section 4.4 below.

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 King County Easement; (iv) the PSE Easement; (v) any special exceptions shown on the Preliminary Commitment that are accepted by the City 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 City pursuant to Section 4.3 below. Should any new or additional encumbrances on title to the Property be discovered prior to closing, the City shall have the right to object to the same, using the procedures specified in Section 4.3 below. The Port acknowledges that the City may seek to negotiate modifications to some or all of the above Permitted Exceptions during the Due Diligence Period described in Section 5 below.

4.3 Title Review. The City shall, within thirty (30) days after receiving the Preliminary Commitment, deliver written notice to the Port regarding any objections the City 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 City 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 City’s Title Objection Notice to deliver written notice of the City stating whether or not the Port will, prior to closing, remove or otherwise cure some or all of the matters described in the City’s Title Objection Notice. Should the Port fail to timely respond to the City’s Title Objection Notice, the Port shall be deemed to have refused to remove or cure all of the matters described in the City’s Title Objection Notice. Should the Port refuse to remove or cure any of the matters objected to in the City’s Title Objection Notice, the City 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 City shall provide the Port with written notice of its decision within thirty (30) days of receiving the Port’s response to the City’s Title Objection Notice. Should the City fail to deliver written notice of the City’s decision to the Port within the time period specified above, the City shall be deemed to have elected to terminate this Agreement. In the event the City elects to terminate this Agreement pursuant to this Section 4.3, all rights and obligations of the Port and the City under this Agreement shall terminate and be of no further force or effect. It is contemplated that City may obtain a survey of some or all of the Property during its Due Diligence Period (as defined below) as described in Section 4.4 below. In the event such survey or any supplement to the Preliminary Commitment results in additional exceptions to title, the same process shall apply pursuant to the Section 4.3 except the City’s notice period shall be ten (10) days rather than thirty (30) days.

4.4 Survey of Ancillary Property. During the Due Diligence Period, it is contemplated that the City will survey the metes and bounds of the Ancillary Property for purposes of further defining the Ancillary Property and excluding it from this Agreement. The Port and the City agree to amend the legal description hereunder as necessary to accommodate such exclusion. Such survey shall be at City expense.

4.5 Title Insurance Policy. At Closing, the Port shall deliver to the City the Title Company’s irrevocable commitments to issue the Title Policy (as defined below). The Port shall deliver to the City, 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 City, insuring the City’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 City may, at its own expense, obtain endorsements to the Title Policy.

5. Due Diligence.

5.1 City’s Due Diligence. The City shall have one hundred twenty (120) days from the date the Port provides the City with the reports and materials in its possession as required under Section 5.2 below, in which it may, but need not, perform due diligence investigations (the “Due Diligence Period”). During the Due Diligence Period, the City and its

employees, agents and/or contractors may enter into the Property and undertake such surveys, studies and tests of the soils, air and water on, in or under the Property, and such other investigations of the Property, as the City 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 City 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 desires to undertake. Upon completion of any testing, the City shall restore the Property to substantially the same condition as existed prior to the test. The City 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 City, its officers, agents or employees, in exercising its rights under the right of entry granted herein. The City'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 City 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 City'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. The Port will also at its expense, deliver to the City copies of all Third Party Leases, Licenses and Contracts (as defined in Section 9.1) and such other agreements as may impact the Property, including all outdoor advertising agreements for the Property, if any.

5.3 Right to Terminate. At any time during the Due Diligence Period, the City may in elect to terminate this Agreement if, in its sole discretion, the City 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 or an easement, encumbrance or other property right granted to a third party by the Port or other predecessor in title exists, that materially impairs the City's ability to develop and/or maintain street, other transportation, park and other public uses and improvements, or (ii) environmental conditions exist on the Property that create a level of risk unacceptable to the City. 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 as provided in Section 21.7. If the City elects to terminate this Agreement pursuant to this Section 5.3, the City must deliver written notice to the Port prior to the expiration of the Due Diligence Period and must provide the Port with copies of all reports obtained by the City 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 City a Quit Claim Deed for the Property, in the form

attached to this Agreement as Exhibit D (the “Deed”), subject only to the Permitted Exceptions. In addition, upon the closing of the transaction contemplated by this Agreement, the Port shall deliver to the City a Bill of Sale for the Improvements, in the form attached to this Agreement as Exhibit E.

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 CITY 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 13 below, or other laws, statutes, ordinances, or decrees, regulations and other requirements applicable to the Property; the presence of any Hazardous Substances, as defined in Section 13 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 City. The City 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 City 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 City. The City 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 City 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 Systems 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 E. As of the Effective Date of this Agreement, Excursion Rail Service (as defined in the O & M Agreement) on the Property is not an active use and was

not commenced in a timely manner by GNP Rly., Inc., the original “TPO” under 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 City, by means of an assignment agreement substantially in the form attached to this Agreement as Exhibit F (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. This partial assignment of the O&M Agreement includes the right to enforce any breaches by the “TPO” under the O & M Agreement that may have accrued with regard to the Property or the Ancillary Property prior to Closing. The Port, its assigns, transferees, or other successors in interest, 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 or the Ancillary 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”). The parties agree to amend Exhibit C as needed once the legal description of the Property is amended in accordance with Section 4.4.

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 City by means of an assignment agreement substantially in the form attached to this Agreement as Exhibit G (the “Assignment and Assumption of Third Party Leases, Licenses and Contracts”).

10. Surface Transportation Board. The City 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. In addition, the City will file with the Surface Transportation Board seeking a determination that the City will not become a common carrier as a result of its acquisition of the Property subject to the freight easement. The Port shall reasonably cooperate with the City in connection with any hearings or filings necessary to obtain the determination exemption or jurisdictional ruling. In the event that the Surface Transportation Board does not approve of the determination, 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 March 31, 2015, absent written agreement of the parties to a further extension. The City shall also have the option of terminating this Agreement if the Surface Transportation Board does not provide approval by the Closing Date or any extension thereof. Upon termination of this Agreement pursuant to this Section 10, this Agreement shall immediately terminate without penalty to the City and be of no further force and effect.

11. Covenants, Representations and Warranties of the Port. The Port hereby makes the following covenants, representations and warranties to the City, which covenants, representations and warranties shall be deemed made by the Port to the City 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 City 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 the letter dated February 18, 2014, from Eastside Community Rail to Joe McWilliams, Managing Director Real Estate Division, previously provided to the City by the Port.

(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) To the best of the Port's knowledge, there is no claim of adverse possession being made to any portion of the Property by any third party nor does the Port have knowledge of existing facts which would enable any third party to successfully assert such a claim;

(vi) 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;

(vii) 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;

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

In the event any of the covenants, representations or warranties contained in this Section 11 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 City, in writing, and, within ten (10) days after receiving such notice, the City may elect to (i) 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 11

shall survive the closing of the transaction contemplated by this Agreement and shall not merge into the Deed.

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

(i) The City 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 City will timely perform all of its monetary and non-monetary obligations required by the terms of this Agreement to be performed by the City; and

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

In the event any of the covenants, representations or warranties contained in Section 12 become untrue prior to the date of closing as a result of occurrences or information received by the City subsequent to the Effective Date of this Agreement, the City 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 City. The covenants and representations made by the City in this Section 12 shall survive the closing of the transaction contemplated by this Agreement and shall not merge into the Deed.

13. Hazardous Substances.

13.1 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.

13.2 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.

13.3 Release from Liability. The City 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 City is not in possession or control of the Property as of the Effective

Date. Except as otherwise provided in this Section 13 and Section 7, the City 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 City 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 City 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. Nothing herein shall be deemed to be an assumption by the City of any existing liability of the Port under the Environmental Laws caused by resulting from or materially exacerbated by the acts of the Port or its officers, employees, agents, or contractors.

13.4 Indemnification by the City. 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 Clarification to Assignment of BNSF Remediation Obligation described in Section 13.5 below, the Port assigns to the City 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 City and the Port, the City 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 the 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 City shall have no duty to indemnify or defend the Port for Losses sustained as a result of claims (A) attributable to the operations of GNP and/or Eastside Community Rail, and (B) 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 City is required to Remediate Hazardous Substances released on or from the Property, the Port shall cooperate with the City to obtain reimbursement of costs of Remediation from BNSF as provided in the BNSF Remediation Obligation found in the BNSF Deed. The City's obligations under this Section 13 do not include any losses for which the Port is required to provide indemnification under Section 14.

13.5 Clarification to Assignment of BNSF Remediation Obligation. Upon the closing of the transaction contemplated by this Agreement, the Port shall deliver to the City a

copy of a letter executed by the Port and King County clarifying the intent of the Port and King County regarding the allocation of rights and obligations as to BNSF Remediation Obligation (the “Clarification to Assignment Agreement”), in a form negotiated between the Port, the City, and King County. The Clarification to Assignment Agreement shall clarify that the BNSF Remediation Obligation was allocated to King County only insofar as such obligations and rights apply to the section of the Woodinville Subdivision purchased by King County in fee, as described in Recital I, and not to the King County Easement.

13.6 Survival. The provisions of this Section 13 shall survive the closing of the transaction contemplated by this Agreement and shall not merge into the Deed. The City 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 13.

14. Indemnification.

14.1 Immunity Under Applicable Law. Nothing in this Section 14 shall limit the ability of the Port, the City or both of them to avail themselves of the protection offered by any applicable law affording immunity to the Port or the City, including, to the extent applicable, RCW 4.24.210, or any successor statute.

14.2 Indemnification by Port. Subject to and without in any way limiting the provisions of Section 7 and Section 13 of this Agreement, the Port shall indemnify, defend and hold the City, 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 City shall defend any such claim at its expense and with counsel reasonably satisfactory to the City. This indemnification is intended for the sole benefit of the City and shall not inure to the benefit of any third party.

14.3 Indemnification by City. Subject to and without in any way limiting the provisions of Section 7 and Section 13 of this Agreement, the City 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 City set forth in this Agreement; (ii) the failure of the City 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 City 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 City, its agents and employees, that occur after closing. The City 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.

14.4 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.

14.5 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.

15. Conditions Precedent; Closing.

15.1 City's Conditions Precedent to Closing. The City's obligation to close the transaction hereunder shall be subject to the City's right of termination pursuant to Sections 5.3 and 10, and the satisfaction by the Port or waiver in writing by the City of the following conditions precedent to the City's obligation to close:

- (i) Each of the representations and warranties of the Port hereunder shall be true and true and correct and the Port will not be in breach of such representations and warranties as of Closing.
- (ii) The Port shall not be in breach of any covenant made hereunder,
- (iii) The Port shall have delivered to escrow each of the deliveries described in Section 15.4 below.
- (iv) Neither the City nor the Port have been made the subject of, or threatened with, litigation by any third party in connection with the Property or the City's intended use of the Property.
- (v) The Port has made all deliveries to escrow and has otherwise satisfied all conditions precedent to the City closing under the Ancillary Property Purchase Agreement and is prepared to simultaneously close both transactions.

15.2 Port's Conditions Precedent to Closing. The Port's obligation to close the transaction hereunder shall be subject to the satisfaction by the City or waiver in writing by the Port of the following conditions precedent to the Port's obligation to close:

- (i) Each of the representations and warranties of the City hereunder shall be true and true and correct and the City will not be in breach of such representations and warranties as of Closing.
- (ii) The City shall not be in breach of any covenant made hereunder,
- (iii) The City shall have delivered to escrow each of the deliveries described in Section 15.5 below.

(iv) Neither the City nor the Port have been made the subject of, or threatened with, litigation by any third party in connection with the Property or the City's intended use of the Property.

(v) The City has made all deliveries to escrow and has otherwise satisfied all conditions precedent to the Port closing under the Ancillary Property Purchase Agreement and is prepared to simultaneously close both transactions.

15.3 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 October 15, 2014 (the "Closing Date") unless the parties mutually agree to the an earlier closing date; provided that in no event (except as provided in Section 10) shall the Closing occur later than thirty (30) days after the end of the Due Diligence Period (the "Outside Closing Date"). Except as provided in Section 10, 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 21.7 below.

15.4 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) 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 F;

(v) 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 G 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 16 below;

(vi) 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 H;

(vii) A copy of a duly executed and acknowledged Clarification to Assignment of Rights and Obligations as to BNSF Remediation Obligation as described in Section 13.5 above;

- (viii) The Port's approved estimated settlement statement;
- (ix) An irrevocable commitment by the Title Company to issue the Title Policy in form satisfactory to the City; and
- (x) 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.

15.5 Escrow Deposits by City. On or before the Closing Date, the City 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) 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 F;
- (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 G;
- (vii) The City's approved estimated settlement statement;
- (viii) 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.

15.6 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 City 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 the City. Each party shall bear its own legal fees. Property taxes for the current year, if any, will be pro-rated as of Closing. Water and other utilities shall be pro-rated 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 pro-ration 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 City 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 pro-rations made on the basis of estimates as of the date of closing.

16. 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 City. The City 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 City fail to respond to a request for approval of a proposed contract within the specified time period, the City's approval of such contract shall be deemed given.

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

18. Eminent Domain. If prior to the date for closing, title to all or any part of the Property is taken by eminent domain, the City 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 City elects to terminate this Agreement pursuant to this Section 18, all rights or obligations of the Port and the City under this Agreement shall immediately terminate and be of no further force and 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 City all the Port's right, title and interest in and to any awards that may be made for such taking.

19. 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.

20. Notices. All notices to be given by each Party to the other pursuant to this Agreement shall be delivered in person, by facsimile, nationally recognized overnight courier services 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 or overnight courier 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 the 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 City: City of Woodinville
17301 133rd AVE NE
Woodinville, WA 98072
Attn: Richard Leahy
Facsimile: (206) 489-2705

With a copy to: Greg A. Rubstello, Esq.
Ogden Murphy Wallace, PLLC
901 5th Avenue, Suite 3500
Seattle, WA 98164-2008
Facsimile: (206) 447-0215

21. Miscellaneous.

21.1 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.

21.2 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 King County.

21.3 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.

21.4 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.

21.5 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.

21.6 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 the 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.

21.7 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.

21.8 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.

21.9 No Third Party Beneficiaries. This Agreement is made for the exclusive benefit of the Parties hereto. There are not third party beneficiaries to this Agreement.

21.10 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.

21.11 No Brokers. The Port and the City hereby represent 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 21.11 shall survive the Closing or earlier termination of this Agreement.

21.12 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.

21.13 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.

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

{DE1166435.DOCX;3/00046.170015/ }

REAL ESTATE PURCHASE AND SALE AGREEMENT

- EXHIBIT A - Legal Description of the Property
- EXHIBIT B - Diagram Map Showing the 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 Partial Assignment and Assumption of Operations and Maintenance Agreement
- EXHIBIT G - Form of Assignment and Assumption of Third Party Leases, Licenses and Contracts
- EXHIBIT H - Non-Foreign Person Affidavit

21.15 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 the 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 on 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.

21.16 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.

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

PORT:

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

By: _____

Name: _____

Title: _____

CITY:

City of Woodinville, a municipal corporation of the State of Washington

By: _____

Name: _____

Title: _____

Approved as to Form:

City Attorney

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

Woodinville to King County Line

All that portion of BNSF Railway Company's (formerly Northern Pacific Railway Company) Snohomish to Woodinville, Washington Branch Line right of way, varying in width on each side of said Railway Company's Main Track centerline, as now located and constructed upon, over and across King County, Washington, more particularly described as follows, to-wit:

That portion of that certain 100.0 foot wide Branch Line right of way, being 50.0 feet on each side of said Main Track centerline, as now located and constructed, upon, over and across the Lots 2, 3, the S $\frac{1}{2}$ N $\frac{1}{2}$, and the E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 3, the NW $\frac{1}{4}$ Section 10, all in Township 26 North, Range 5 East, W.M., bounded on the North by the North line of said Section 3, said line also being the North line of King County, Washington, and bounded on the West by the West line of said NW $\frac{1}{4}$ Section 10, **EXCEPTING THEREFROM**, that portion lying Easterly of a line parallel with and distant 20 feet Easterly from, measured at right angles to said Railway Company's Main Track centerline as now located and constructed, bounded on the North by the South line of 8th Street, according to the recorded plat of Bear Creek Addition to Day City, Washington, and bounded on the South by a line perpendicular to said Railway Company's Main Track centerline distant 450.0 feet Southerly from the North line of said E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 3, as measured along said Main Track centerline; also,

A 100 foot wide strip of land being that portion of that certain 100.0 foot wide strip of land described in deed dated June 8, 1887 from Ira Woodin and Susan Woodin to Seattle and West Coast Railway, recorded June 14, 1887 in Book 42 of Deeds, Page 410, records of King County, Washington, that portion of that certain 100.0 foot wide strip of land described in deed dated July 26, 1890 from Ira Woodin and Susan Woodin to Seattle and West Coast Railway, recorded November 10, 1890 in Book 112 of Deeds, Page 556, records of King County, Washington, and that certain 100.0 foot wide strip of land described in deed dated June 14, 1887 from Mary B. Jaderholm to Seattle and West Coast Railway, recorded June 14, 1887 in Book 41 of Deeds, Page 385, records of King County, Washington, lying in Section 9, and bounded on the West by a line drawn radially to said Railway Company's Main Track centerline, distant 1867.0 feet Easterly of the West line of said Section 9, also being the Easterly boundary of that certain Tract VIII described in deed dated December 19, 1985 from Burlington Northern Railroad Company to King County, recorded in the records of King County, Washington as Instrument No. 198512191094, **EXCEPTING THEREFROM**, that certain tract of land described in Deed dated June 29, 1999 from The Burlington Northern and Santa Fe Railway Company to ANT, LLC recorded May 22, 2000 as Document No. 20000522001158, records of King County, Washington, **ALSO EXCEPTING THEREFROM**, that portion of that certain tract of land described in deed dated November 17, 1998 from The Burlington Northern and Santa Fe Railway Company to Tjossem Properties IV, LLC and Tjossem Properties V, LLC, recorded December 23, 1998 as Instrument No. 9812240021, which lies within said 100.0 foot strip of land; also,

That certain 0.32 acre tract of land described in deed dated July 24, 1903 from Frank A. Woodin and Anna Woodin to Northern Pacific Railway Company recorded July 30, 1903 in Book 370 of Deeds, Page 89, records of King County, Washington, said 0.32 acre tract being described in said deed for reference as follows:

“All that portion of the Southeast quarter of the Northeast quarter (SE/4 of NE/4) of Section Nine (9), Township Twenty-six (26) North, Range Five (5) East, W.M., described by metes and bounds as follows: Beginning at the point where the southeasterly line of the present right of way of the Northern Pacific Railway intersects the south line of the said Southeast quarter of the Northeast quarter (SE/4 of NE/4) and running thence east along the south line of said Southeast quarter of the Northeast quarter (SE/4 of NE/4) a distance of 190 feet, more or less, to a point which is 50 feet distant from, when measured at right angles to, the center line of the proposed Seattle Belt Line Branch of the Northern Pacific Railway as the same is now located, staked out and to be constructed over and across said Government subdivision; thence running northeasterly and parallel with and 50 feet distant from said center line of the Seattle Belt Line Branch distant 400 feet, more or less, to a point in the southeasterly line of the present right of way of Northern Pacific Railway, thence southwesterly along said right of way line to point of beginning containing 0.32 acres, more or less.”; also,

That portion of that certain 100 foot wide strip of land lying in the N/2 of the SE/4 of Section 9, Township 26 North, Range 5 East, W.M., being that certain 1.91 acre tract of land described in deed dated May 19, 1903 from Mary B. Hansen and Anders Hansen to Northern Pacific Railway Company recorded May 28, 1903 in Volume 361 of Deeds, Page 48, records of King County, Washington and that certain 0.92 acre tract of land described in deed dated July 1, 1903 from A. J. Milton and Anna Milton to Northern Pacific Railway Company recorded July 10, 1903 in Volume 363 of Deeds, Page 211, records of King County, Washington, said 100 foot wide strip being described as follows:

“A 100 foot wide strip of land being 50.0 feet on each side of said Railway Company’s Seattle Belt Line Main Track centerline as originally located and constructed, upon, over and across said N/2 of the SE/4 of Section 9, bounded Northerly and Southerly by the North and South lines of said N/2 of the SE/4 of Section 9.”;

EXCEPTING THEREFROM, that portion lying Southerly of the Northeasterly boundary of that certain 100 foot wide tract of land described in deed dated May 4, 1887 from Mary B. Jaderholm to Seattle Lake Shore and Eastern Railway Company, recorded May 5, 1887 in Volume 40 of Deeds, Page 288, records of said County; also,

That certain 0.03 acre triangular tract of land described in deed stated June 4, 1923 from Mary B. Hansen and A. Hansen to Northern Pacific Railway Company recorded June 8, 1923 in Volume 1192 of Deeds, Page 539, records of King County, Washington, said 0.03 acre tract being described in said deed for reference as follows:

“That certain triangular portion of the northeast quarter of southeast quarter (NE¼ of SE¼) of section nine (9) in township twenty-six (26) north of range five (5) east of the Willamette Meridian, lying easterly of and between the rights of way of the Northern Pacific Railway Company for its Snoqualmie Branch and its Lake Washington Belt Line and westerly of a line parallel with and distant twenty-five (25) feet easterly, measured at right angles from the center line of the proposed wye track connection between said branch lines as the same is now located,

staked out and to be constructed over and across said premises, containing three hundredths (0.03) acres, more or less.”; also,

That portion of that certain 100.0 foot wide Branch Line right of way, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across that portion the N½SE¼ of Section 9, Township 26 North, Range 5 East, W.M., King County, Washington, lying Northerly of the Southwesterly boundary of that certain 100 foot wide tract of land described in deed dated June 14, 1887 from Mary B. Jaderholm to Seattle and West Coast Railway, recorded June 14, 1887 in Volume 41 of Deeds, Page 385, records of said County.

EXHIBIT "B"

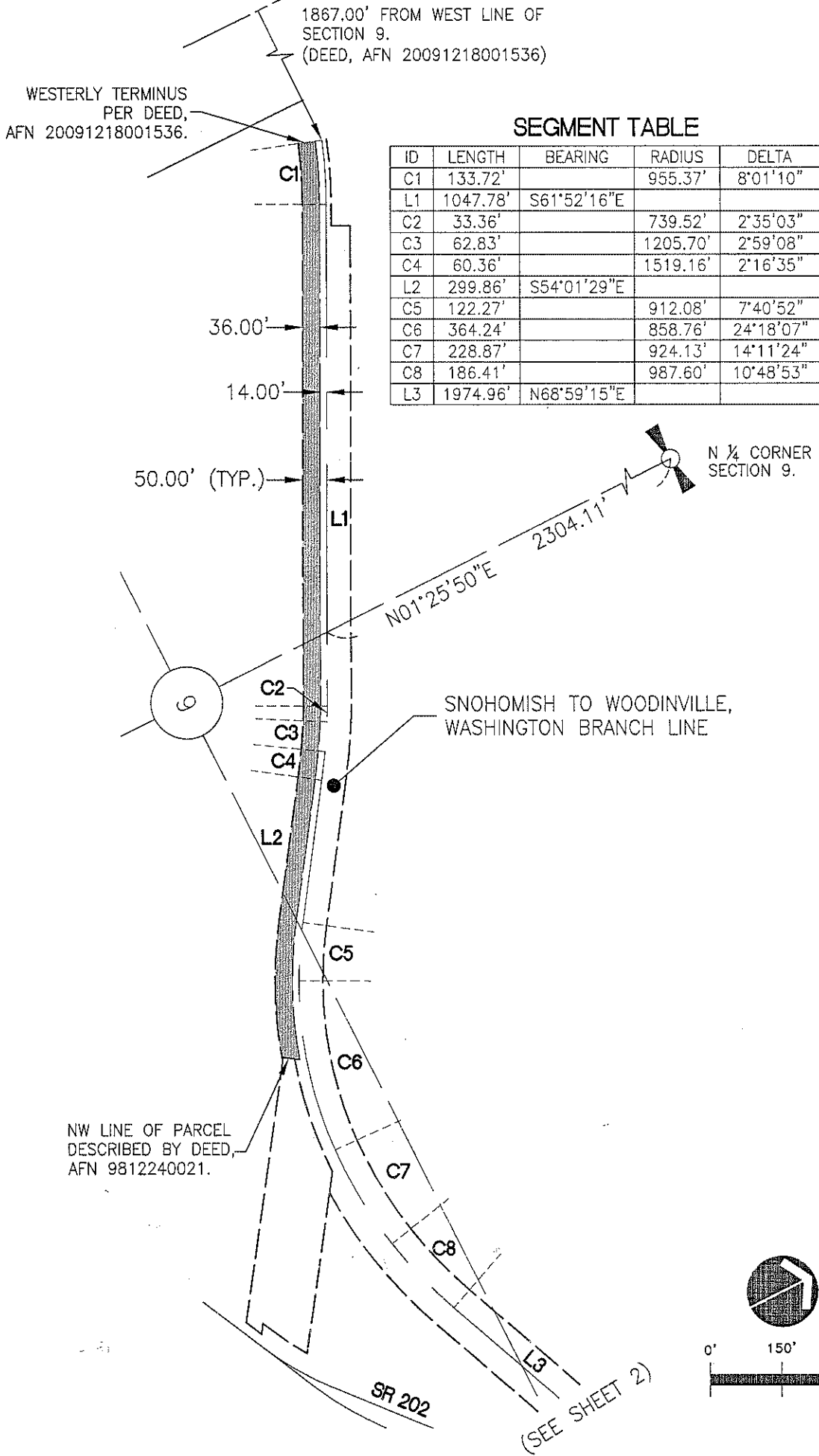


EXHIBIT "B"
WOODINVILLE NORTH SUBDIVISION RAIL LINE
EASEMENT EXHIBIT

Portion of Sec.09,T.26N.,R.05E.,W.M.
King County, Washington



10230 NE Points Drive
Suite 400
Phone: (425) 822-4446
FAX: (425) 827-9677
Internet: WWW.otak.COM

HammiGlobal Partner

EXHIBIT "B"

SEGMENT TABLE

ID	LENGTH	BEARING	RADIUS	DELTA
L3	1974.96'	N68°59'15"E		
C9	142.20'		3419.30'	2°22'58"
C10	248.21'		2598.85'	5°28'20"
C11	776.60'		2891.21'	15°23'24"
L8	11.26'	S67°03'30"W		
C24	128.26'		875.09'	8°23'51"
C25	70.57'		1451.00'	2°47'11"
C26	86.26'		697.37'	7°05'15"
C27	162.33'		921.22'	10°05'47"
L9	147.32'	S38°41'26"W		
C28	221.09'		1466.70'	8°38'12"
C29	116.48'		1364.46'	4°53'29"
C30	204.00'		1516.46'	7°42'27"

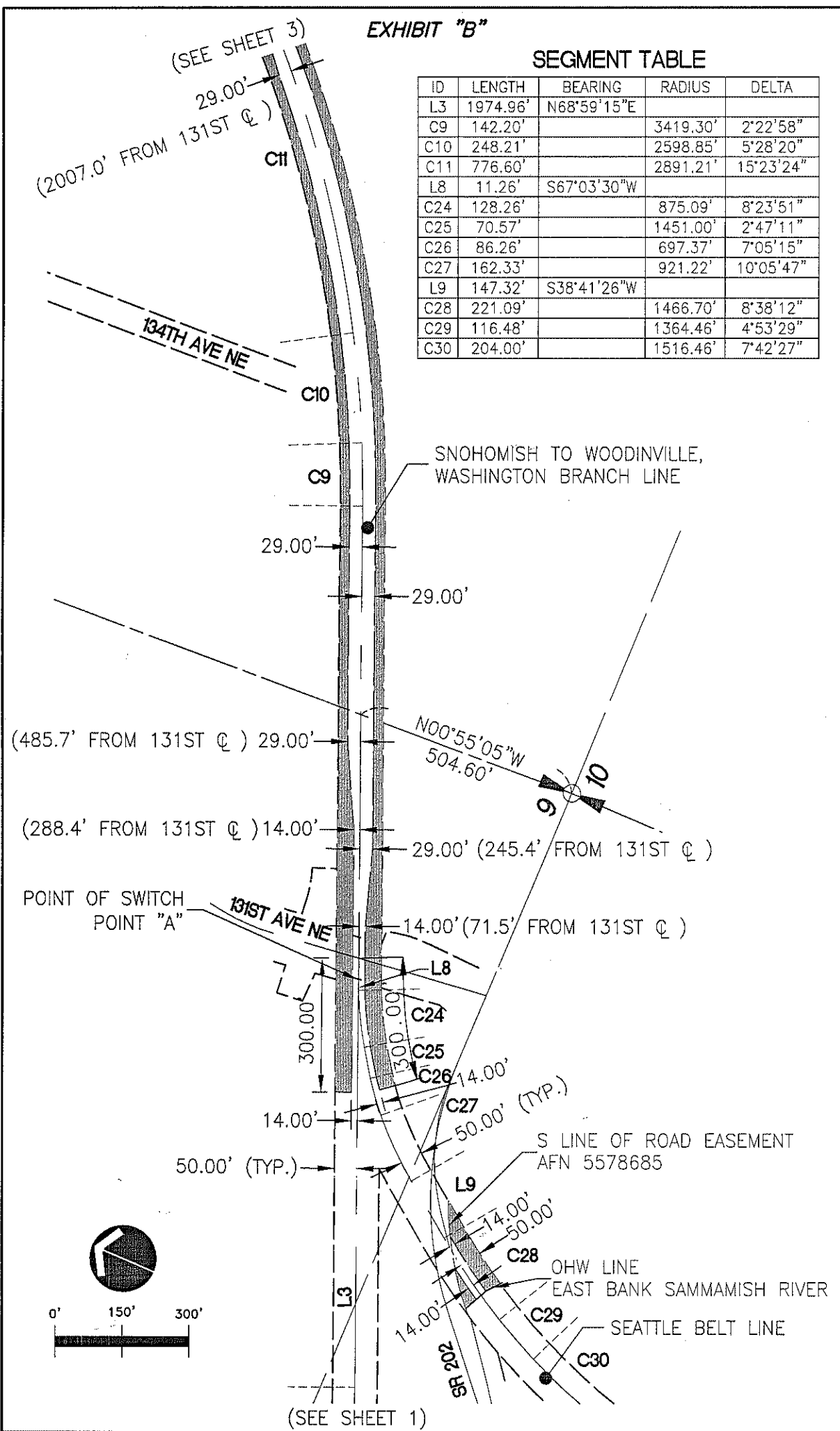


EXHIBIT "B"
WOODINVILLE NORTH SUBDIVISION RAIL LINE
EASEMENT EXHIBIT

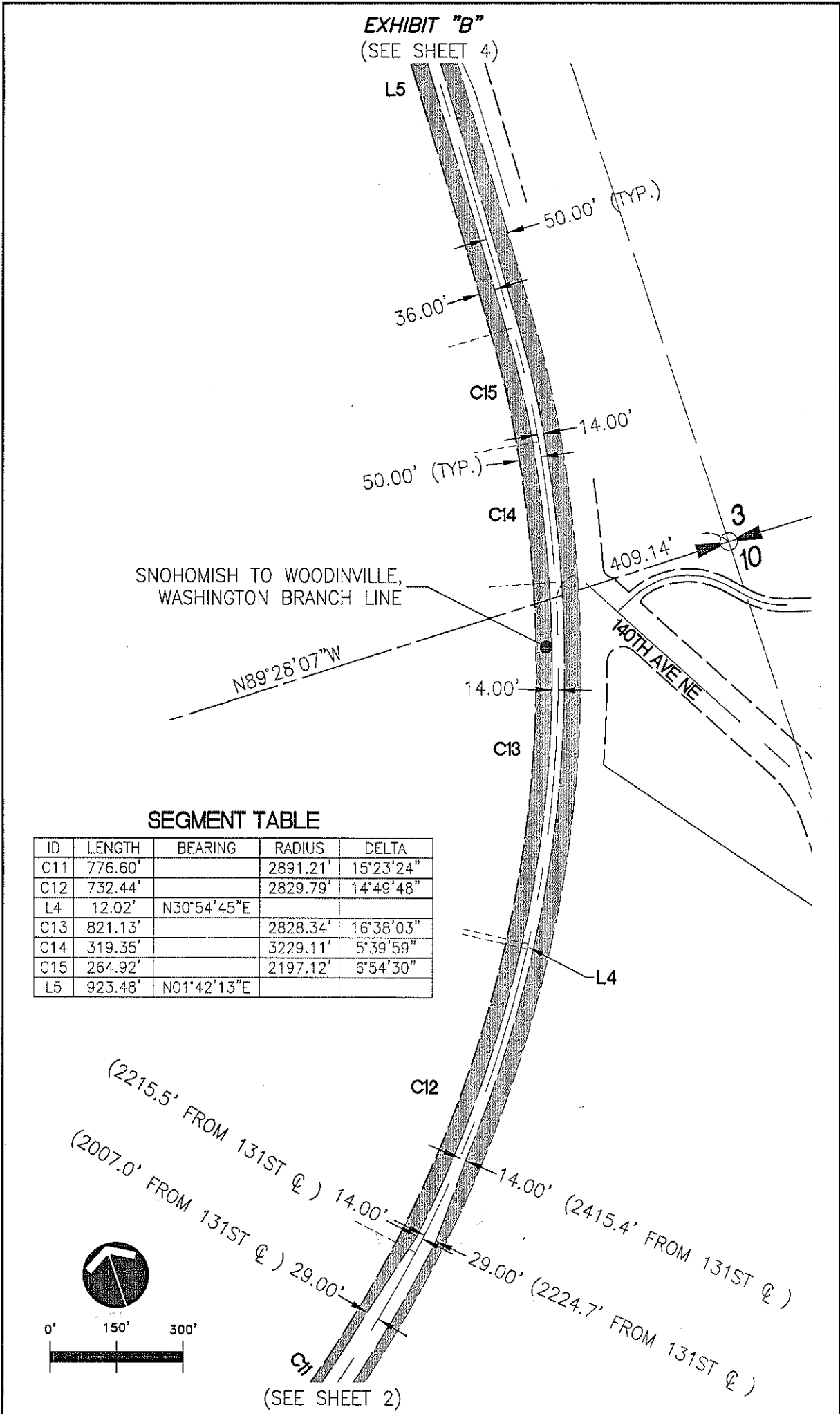
Portions of Sec.09 & 10, T.26N., R.05E., W.M.
King County, Washington



10230 NE Points Drive
Suite 400
Phone: (425) 822-4446
FAX: (425) 827-9577
Internet: WWW.Otak.COM

HermitGlobal Partner

EXHIBIT "B"
(SEE SHEET 4)



SEGMENT TABLE

ID	LENGTH	BEARING	RADIUS	DELTA
C11	776.60'		2891.21'	15°23'24"
C12	732.44'		2829.79'	14°49'48"
L4	12.02'	N30°54'45"E		
C13	821.13'		2828.34'	16°38'03"
C14	319.35'		3229.11'	5°39'59"
C15	264.92'		2197.12'	6°54'30"
L5	923.48'	N01°42'13"E		

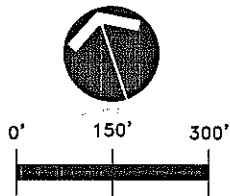


EXHIBIT "B"
WOODINVILLE NORTH SUBDIVISION RAIL LINE
EASEMENT EXHIBIT

Portions of Sec.03 & 10, T.26N., R.05E., W.M.
King County, Washington



10230 NE Points Drive
Suite 400

Phone: (425) 822-4446
FAX: (425) 827-9577
Internet: WWW.otak.COM

HammiGlobal Partner

EXHIBIT "B" (SEE SHEET 5)

SEGMENT TABLE

ID	LENGTH	BEARING	RADIUS	DELTA
L5	923.48'	N01°42'13"E		
C16	104.28'		4234.62'	1°24'39"
C17	83.34'		3618.03'	1°19'11"
C18	98.76'		4713.31'	1°12'02"
L6	2263.77'	N05°38'05"E		
C19	171.49'		1492.99'	6°34'52"

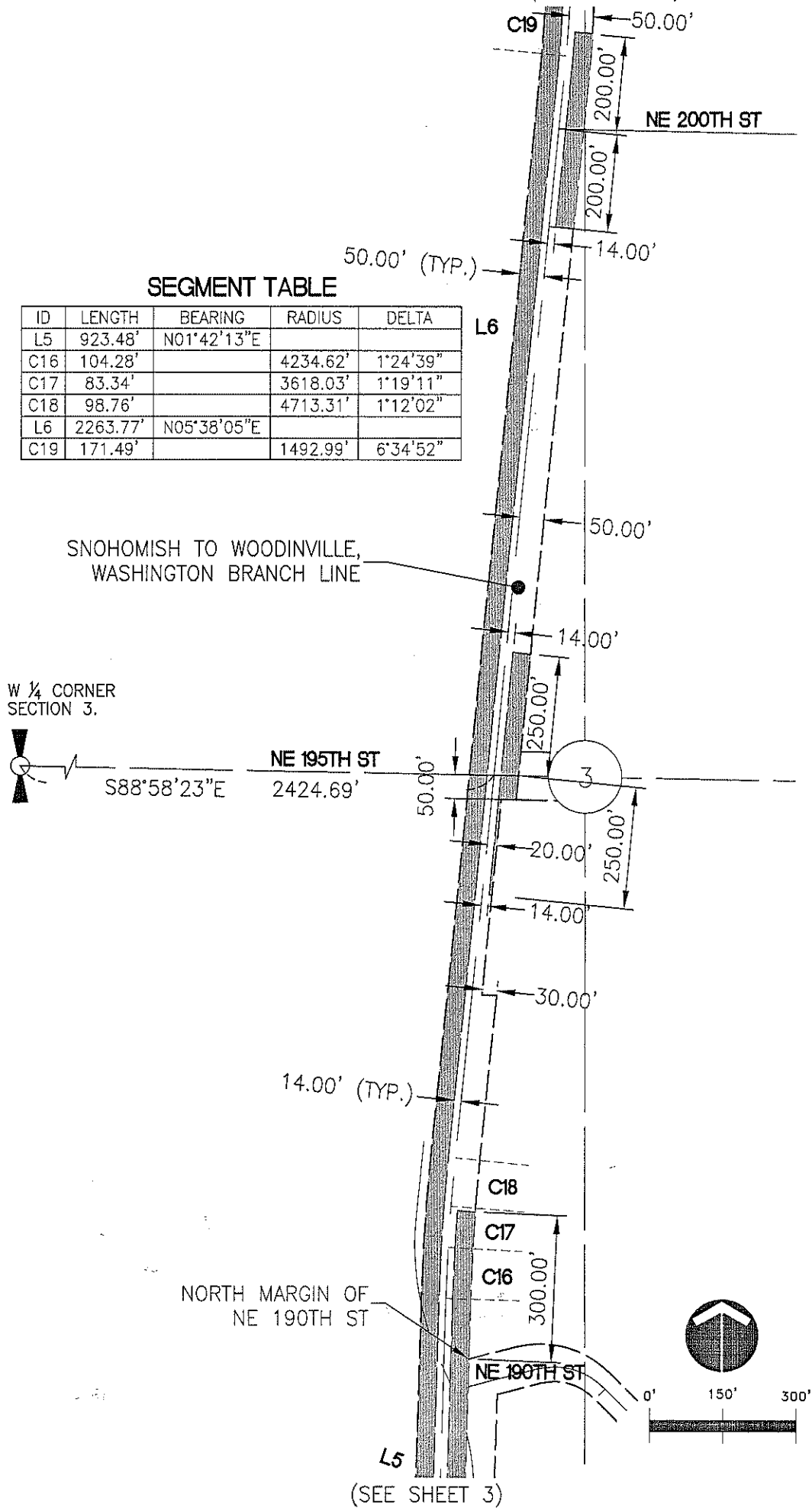


EXHIBIT "B"
WOODINVILLE NORTH SUBDIVISION RAIL LINE
EASEMENT EXHIBIT

Portions of Sec.03,T.26N.,R.05E.,W.M.
 King County, Washington



10230 NE Points Drive
 Suite 400
 Phone: (425) 822-4448
 FAX: (425) 827-8577
 Internet: WWW.Otak.COM

HammiGlobal Partner

EXHIBIT "B"

SEGMENT TABLE

ID	LENGTH	BEARING	RADIUS	DELTA
C19	171.49'		1492.99'	6°34'52"
C20	58.63'		820.00'	4°05'47"
C21	171.49'		1492.99'	6°34'52"
L7	188.41'	N11°37'26"W		
C22	146.37'		1409.78'	5°56'55"
C23	489.67'		940.62'	29°49'38"

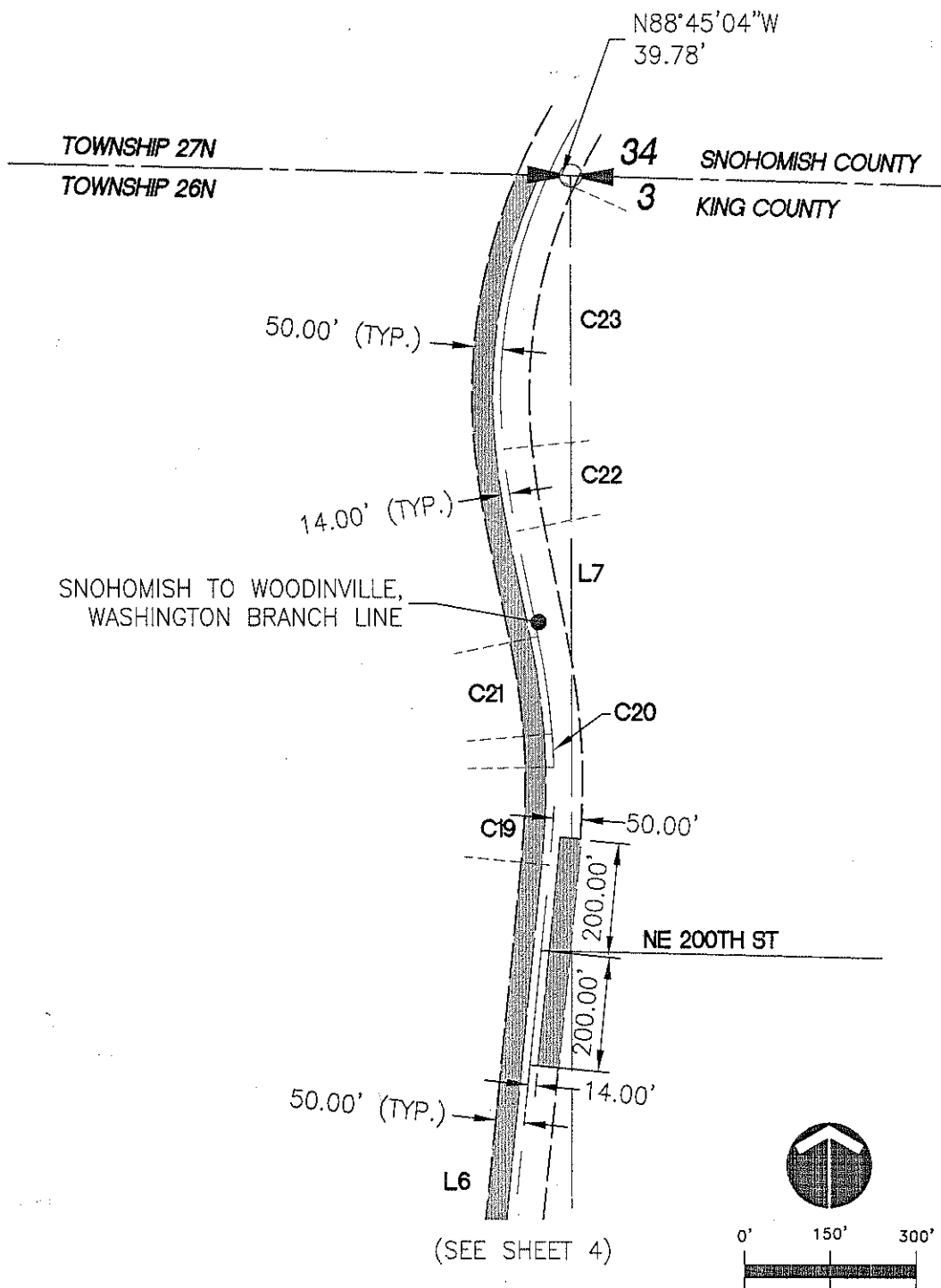


EXHIBIT "B"
WOODINVILLE NORTH SUBDIVISION RAIL LINE
EASEMENT EXHIBIT

Portions of Sec.03,T.26N.,R.05E.,W.M.
King County, Washington



10230 NE Points Drive
Suite 400
Phone: (425) 822-4446
FAX: (425) 827-8577
Internet: WWW.Olak.COM

HammiGlobal Partner

(SHEET 5 OF 5)

EXHIBIT C

Type	Contract No.	Contractor(s)	Description	Location	Date	LS/MP	MP
			Woodinville MP 23.8-MP 26.37				
PORT	2286	WOODINVILLE LANDING, LLC.	DRIVEWAY, PARKING & LANDSCAPING	WA-WOODINVILLE	4/1/2012		23.8
PRPW	LC-00246261	GENERAL TELEPHONE COMPANY OF THE NO	PHONE CABLE XING SS 7+15	WA-WOODINVILLE	2/16/1984		23.92
PRPL	PX-90016251	GTE NORTHWEST INC	TWO FOUR INCH PVC CARRIER PIPES, SURVEY STATION 6+78.5, MP. 23.95, LINE SEGMENT 0403	WA-WOODINVILLE	10/15/1990		23.95
PRPC	CX-88016011	HOLLISTER, DALE F.	2 PRIVATE AT-GRADE CROSSINGS, KING COUNTY	WA-WOODINVILLE	4/15/1988	MP. 24.02	24.02
PRPC	CX-88016012	ALLIED INVESTMENT CORP.	PRIVATE AT-GRADE CROSSING, KING COUNTY	WA-WOODINVILLE	4/15/1988	MP. 24.02	24.02
PRPC	BF-00013663	CALWEST INDUSTRIAL PROPERTIES, LLC.; CALWEST INDUSTRIAL HOLDINGS, LLC.	TWO 40 FOOT ASPHALT PAVED PRIVATE ROAD CROSSINGS; CANCELS CX #88016060;	WA-WOODINVILLE	2/29/2000	LS. 403, MP. 24.14	24.14
PRPC	CX-89016031	UNDERWOOD 122	M&O PRIVATE ROAD CROSSING, SURVEY STATION 1240+18, MP. 24.14	WA-WOODINVILLE	7/3/1989		24.14
PRPC	CX-90016097	CRAFTSMEN SIGNS	M&O OF PRIVATE ROAD CROSSING, SURVEY STATION 1240+19, MP. 24.14, LINE SEGMENT 403	WA-WOODINVILLE	11/15/1990		24.14
PRPL	PX-92016071	BOTHELL CITY OF	12 INCH WATER LINE CROSSING, SURVEY STATION 2443+36, MP. 24.22, LINE SEGMENT 0403	WA-WOODINVILLE	5/1/1992		24.22
PRPC	BF-00013659	CALWEST INDUSTRIAL PROPERTIES, LLC.; CALWEST INDUSTRIAL HOLDINGS, LLC.	40 FOOT ASPHALT PAVED PRIVATE ROAD CROSSING, 2 SLOPE AREAS, 10 FOOT & 20 FOOT ROADWAY; CANCELS CX #87016030;	WA-WOODINVILLE	2/29/2000	LS. 403, MP. 24.44	24.44
PRPL	PX-86016008	TJOSSEM, ROBERT P. & SILVERNALE, G. J.; SPIEKER-HOSFORD-JEFFERSON NO. 166; CALWEST INDUSTRIAL PROPERTIES, LLC.	8 INCH CMP STORM DRAINAGE PIPELINE, KING COUNTY; CANCELS LC #235148	WA-WOODINVILLE	2/3/1986	LS. 403, MP. 24.44	24.44
PRPW	PX-88016052	GTE NORTHWEST, INC.	UGD TELEPHONE WIRE LINE, KING COUNTY	WA-WOODINVILLE	6/15/1988	MP. 24.44	24.44
PRPW	PX-88016120	SPIEKER-HOSFORD-JEFFERSON NO. 166; CALWEST INDUSTRIAL PROPERTIES, LLC.	UGD ELECTRIC WIRE LINE, KING COUNTY	WA-WOODINVILLE	10/31/1988	MP. 24.44	24.44
PRPW	BF-00012260	VISTA TELEVISION CABLE, INC.	UGD FIBER OPTIC TV CABLE; LS. 403, MP. 24.46;	WA-WOODINVILLE	11/2/1999		24.46
PRPW	BF-00015504	VISTA TELEVISION CABLE, INC.	UGD FIBER OPTIC WIRE LINE; LS. 403, MP. 24.46;	WA-WOODINVILLE	8/29/2000		24.46

GVHB	NP-00017126	WASHINGTON, STATE OF	TEMPORARY AND PERMANENT CHANGES IN TRACKS; RECONSTRUCTION OF BRIDGE NO. 24.1;	WA-WOODINVILLE	10/3/1962	MP. 24+3549	24.67
PRPL	LC-212716	KING COUNTY WATER DISTRICT 104	3 SEWER PIPELINES, KING COUNTY, MP. 0+900, MP. 24+2616, MP. 24.7	WA-WOODINVILLE	11/19/1973	LS. 403	24.7
PRPW	PX-92016213	GTE NORTHWEST INC	TELEPHONE CABLE, SURVEY STATION 1274+00, MP. 24.78, LINE SEGMENT 0403	WA-WOODINVILLE	11/16/1992		24.78
PRPC	CX-86016046	VINTAGE AUTO PARTS INC	M&O PRIVATE ROAD CROSSING, MP. 24.9	WA-WOODINVILLE	6/16/1986	MP. 24.9	24.9
IDIT	NP-00019067	GEORGIA PACIFIC CORP		WA-WOODINVILLE	9/5/1969		24.9
PRPC	NP-83580	HORTON, WALLACE	PRIVATE CROSSING NEAR MP. 25	WA-WOODINVILLE	2/12/1958		25
GVXS	BF-00023097	WOODINVILLE, CITY OF	INSTALL ADVANCE PRE-EMPTION TO NE 178TH PLACE;	WA-WOODINVILLE	9/12/2002	LS. 403, MP. 25.13	25.13
PORT	2102	Comcast of Washington IV	Communication Line or Television Cable	WA-WOODINVILLE	7/19/2011		25.14
GVXS	BN-00040969	WOODINVILLE, CITY OF	REHAB CROSSING & INSTALL AFLS CANTILEVER/GATES AT NE 138TH AVENUE, KING COUNTY	WA-WOODINVILLE	11/1/1996	LS. 0403, MP. 25.16	25.16
PRPL	PX-96021075	WOODINVILLE WATER DISTRICT	SANITARY SEWER PIPELINE, KING COUNTY	WA-WOODINVILLE	5/21/1996	LS. 403, MP. 25.16	25.16
PRPW	LC-00237525	GENERAL TELEPHONE CO. OF THE NORTHWEST, INC.	TELEPHONE CABLE, MP. 25+980, SS. 1295+20;	WA-WOODINVILLE	5/16/1981		25.19
PRPL	NP-78267	ROSE, ALBERT	1.5 INCH WATER PIPELINE	WA-WOODINVILLE	9/15/1954		25.53
PRPW	BF-00009524	PACIFIC FIBER LINK, LLC.	UGD FIBER OPTIC CABLE, LS. 403, MP. 25.63;	WA-WOODINVILLE	11/2/1998		25.63
GVXS	BN-00032460	KING, COUNTY OF	WIDEN & IMPROVE NE 190TH STREET & WOODINVILLE-SNOHOMISH ROAD CROSSING, REMOVE CONCRETE CROSSING, PLACE RUBBER CROSSING, GRANT EASEMENT; KING COUNTY;	WA-WOODINVILLE	7/24/1991	LS. 403, MP. 25.63	25.63
GVXS	BN-00032462	KING, COUNTY OF	INSTALL AFLS/GATES, NE 190TH ST. & WOODINVILLE SNOHOMISH RD.;	WA-WOODINVILLE	3/26/1991	LS. 403, MP. 25.63	25.63
PRPW	LC-00213163	GENERAL TELEPHONE COMPANY OF THE NO	PHONE CABLE XING MP 25+3341 FT	WA-WOODINVILLE	2/16/1974		25.63
PRPW	PX-91016015	GTE NORTHWEST, INC.	SIX TELEPHONE CABLES, SURVEY STATION 1319+62, MP. 25.64, LINE SEGMENT 0403	WA-WOODINVILLE	2/1/1991		25.64
GVXS	NP-00013950	WASHINGTON, STATE OF	INSTALL AFLS AT STATE SECONDARY HWY. 1-A GRADE CROSSING;	WA-WOODINVILLE	2/4/1952	MP. 25+3407	25.65
	PX-92013113		LS. 403, MP. 25.65	WA-WOODINVILLE			25.65
PRPL	LC-00226480	KING COUNTY WATER DISTRICT 104	SEWER PIPELINE MP 25+4140	WA-WOODINVILLE	10/1/1977		25.78

PRPL	LC-00236565	DYAD CONSTRUCTION, INC.	12 INCH STORM SEWER PIPELINE;	WA-WOODINVILLE	1/1/1981		25.78
PRPC	LC-00221825	DYAD CONSTRUCTION INC	PRIVATE ROAD CROSSING, SS. 1329+08, MP. 25.83, LS. 403, CANCELS LC #219549;	WA-WOODINVILLE	1/1/1976		25.83
GVXS	BN-00027951	KING, COUNTY OF	CONSTRUCT CROSSING & INSTALL SIGNALS, 195TH ST.; KING COUNTY;	WA-WOODINVILLE	10/20/1989	LS. 0403, MP. 25.86	25.86
PRPL	LC-00230683	KING COUNTY WATER DISTRICT NO. 104	10 INCH WATER PIPELINE, MP. 25+4560;	WA-WOODINVILLE	2/1/1979		25.86
PRPW	BF-00027122	NORTHSHORE SCHOOL DISTRICT	OVERHEAD FIBER OPTIC LINE - ONE CONDUCTOR; KING COUNTY	WA-WOODINVILLE	9/18/2003	LS. 0403, MP. 25.87	25.87
PRPW	LC-00211140	GENERAL TELEPHONE COMPANY OF THE NO	PHONE WIRE XING MP 25+4596 FT	WA-WOODINVILLE	7/16/1973		25.87
PRPW	NP-82209	WEST COAST TELEPHONE CO.	TELEPHONE WIRELINE CROSSING	WA-WOODINVILLE	4/3/1957		25.99
PRPC	NP-00019219	WESTERN SAWDUST PRODUCTS INC. NKA BASSETT WESTERN, INC.	PRIVATE CROSSING, MP. 26; CONVERTED TO A PUBLIC CROSSING & CANCELLED, DOT NO. 091808P, CONNECTS NE 144TH & 200TH STREETS	WA-WOODINVILLE	3/15/1968		26
	RW-93016260		LS. 403, MP. 26.01	WA-WOODINVILLE			26.01
GVHB	BN-00001739	KING, COUNTY OF	ESTABLISHMENT PUBLIC CROSSING @ NORTHEASE 200TH STREET ON BLACK RIVER TO SUMAS LINE: KING COUNTY	WA-WOODINVILLE	3/16/1972	MP. 26+581	26.11
GVXS	BN-00024524	KING, COUNTY OF	INSTALLATION OF SIGNALS, NE 200TH STREET;	WA-WOODINVILLE	2/18/1987	MP. 26.11	26.11
PRPW	LC-00214937	GENERAL TELEPHONE COMPANY OF THE NO	PHONE CABLE XING MP 26+601 FT	WA-WOODINVILLE	8/16/1974		26.11
PRPW	LC-00239667	GENERAL TELEPHONE CO. OF THE NORTHWEST, INC.	OHD TELEPHONE CABLE, MP. 26+601, SS. 1344+77;	WA-WOODINVILLE	12/16/1981		26.11
GVXS	BF-00018880	WOODINVILLE, CITY OF	INSTALL INTERTIE TO THE NE 200TH STREET CROSSING;	WA-WOODINVILLE	8/31/2001	LS. 403, MP. 26.12	26.12
PRPL	LC-00242575	WATER DISTRICT NO. 104	8.51 INCH WATER PIPELINE, SS. 1345+05, MP. 26+629;	WA-WOODINVILLE	10/19/1982		26.12
PRPW	PX-93016191	GTE NORTHWEST, INC.	UGD COMMUNICATION WIRE LINE, KING COUNTY	WA-WOODINVILLE	8/9/1993	LS. 403, MP. 26.12	26.12
PRPW	LC-00210838	GENERAL TELEPHONE COMPANY OF THE NO	PHONE CABLE XING MP 26+1229 FT	WA-WOODINVILLE	6/16/1973		26.23
PRPC	NP-00097880	KIEWIT PETER SONS CO		WA-WOODINVILLE	12/5/1966		26.27
PRGN	BF-00041211	UNDERWOOD GARTLAND 9 LLC	TEMPORARY OCCUPANCY FOR RE-GRADING, SNOHOMISH COUNTY	WA-WOODINVILLE	7/14/2006	LS. 403, MP. 26.36	26.36

GVXS	BN-00022774	WASHINGTON, STATE OF	INSTALL AFLS;	WA-WOODINVILLE	8/22/1985	MP. 23.81, MP. 23.97	23.81- 23.97
PRGN	BF-00045055	WOODINVILLE, CITY OF	TEMPORARY OCCUPANCY FOR GEOTECHNICAL ASSESSMENTS, KING COUNTY	WA-WOODINVILLE	4/11/2007	LS. 0403, MP. 23.97 & MP. 24.42	23.97, 24.42
PMLO	PX-88016065	SPIEKER HOSFORD JEFFERSON NO. 166 MUNICIPALITY OF METROPOLITA SEATTLE	SLOPE & BEAUTIFICATION OF OUTER 10 FEET OF NORTH RIGHT-OF-WAY, SS. 44+00 TO SS. 51+72, KING COUNTY	WA-WOODINVILLE	6/15/1988	MP. 24.21 TO MP. 24.36	24.21- 24.36
GVGN	BN-00001221		ROAD SLOPES & DRAINAGE, MP. 24+2734 & 24+2975;	WA-WOODINVILLE	9/20/1971		24.52, 24.56
GVGN	BN-00019503	WASHINGTON, STATE OF	EASEMENT TO IMPROVE 139TH AVENUE NE;	WA-WOODINVILLE	12/28/1984	LS. 0405, MP. 25.74 TO MP. 26.01	25.74- 26.01
PRPL	NP-00091837	WOODINVILLE WATER DISTRICT	SIX INCH WATER PIPE	WA-WOODINVILLE			
PORT	2470	EASTSIDE COMMUNITY RAIL, LLC	OPERATIONS AND MAINTENANCE AGREEMENT	WA-WOODINVILLE	12/18/2009		
PORT	1872	TW TELECOM OF WASHINGTON, LLC	Communication Line or Television Cable	WA-WOODINVILLE	8/13/2010		25.86
BN	08-36181	NORTHSHORE SCHOOL DISTRICT	OVERHEAD FIBER OPTIC LINE	WA-WOODINVILLE	11/18/2008		25.63
BN	08-35839	NORTHSHORE SCHOOL DISTRICT	OVERHEAD FIBER OPTIC LINE	WA-WOODINVILLE	11/18/2008		24.69
PMLO	BN-00039138	STARCOM SERVICE CORP.	FIBER OPTIC TRANSMISSION SYSTEM	WA-VARIOUS	12/10/1992		
PMLO	PX-90016053	NETWORK REAL ESTATE SERVICES	STRIP OF LAND FOR BEAUTIFICATION PURPOSES, KING COUNTY	WA-WOODINVILLE	2/15/1990	LS. 0404, MP. 26.38 TO MP. 26.19	26.19- 26.38
PRPL	NP-00095295	OLYMPIC PIPE LINE CO		WA-WOODINVILLE			
PRPW	NP-81434	WEST COAST TELEPHONE CO.	OHD TELEPHONE WIRELINE, KING COUNTY	WA-WOODINVILLE	8/15/1956		
PRPW	LC-00233401	GENERAL TELEPHONE CO. OF THE NORTHWEST	TWO PHONE CABLES, SS. 1318+67 & SS. 2+99;	WA-WOODINVILLE	1/1/1980		
		FILE NOT FOUND LOCATION UNKNOWN					
		PARTIAL					
		UNASSIGNED					

EXHIBIT D
Form of Quit Claim Deed

Return Address:

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

1. Quit Claim Deed

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

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

1. City of Woodinville, a municipal corporation 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, 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, CITY OF WOODINVILLE, a municipal corporation 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 _____, 20__.

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 _____, 20____, 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

[See attached.]

DRAFT

DRAFT

EXHIBIT E
Form of Bill of Sale

BILL OF SALE

THIS BILL OF SALE is made this ___ day of _____, 20___, by and between the Port of Seattle, a municipal corporation of the State of Washington (the “Port”) and the City of Woodinville, a municipal corporation of the State of Washington (the “City”).

A. The Port and the City have entered into that certain Real Estate and Purchase and Sale Agreement dated _____, 20___ (the “Agreement”), pursuant to which the Port has agreed to convey and quitclaim to the City and the City has agreed to accept certain real property located in King County, Washington, as more particularly described in the Agreement (the “Property”).

B. The Property is improved with personal property consisting of rail tracks and certain commercial and industrial structures and fixtures associated with rail operations (the “Improvements”).

C. Pursuant to the terms of the Agreement, the Port has executed and the City has acknowledged that certain Quit Claim Deed dated of even date herewith pursuant to which the Port has conveyed and quitclaimed and the City 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 City all of its right, title, and interest, if any, in and to any Improvements located on the Property.

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

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

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

PORT:

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

CITY:

City of Woodinville,
a municipal corporation of the State of
Washington

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

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

DRAFT

DRAFT

EXHIBIT F
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 _____, 20____, by and between the Port of Seattle, a municipal corporation of the State of Washington ("Assignor"), and the City of Woodinville, a municipal corporation 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 _____, 20____ (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 Eastside Community Rail LLC, successor in interest to 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.

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.

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 that remain under Port ownership.

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 King 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:

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

By _____
Name: _____
Title: _____

ASSIGNEE:

City of Woodinville, 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 _____, 20__, 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: _____.

Exhibit A
Legal Description of the Property

[See attached.]

DRAFT

Schedule 1
to
Partial Assignment and Assumption of Operations and Maintenance Agreement

[See attached.]

DRAFT

DRAFT

EXHIBIT G
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 _____, 20__, by and between the Port of Seattle, a municipal corporation of the State of Washington ("Assignor"), and the City of Woodinville, a municipal corporation 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 _____, 20__ (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 King 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:

PORT OF SEATTLE, municipal corporation of the State of Washington

By _____
Name: _____
Title: _____

ASSIGNEE:

CITY OF WOODINVILLE, a municipal corporation of the State of Washington

By _____
Name: _____
Title: _____

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

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

Schedule of Third Party Leases, Licenses and Contracts

[See attached.]

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EXHIBIT H
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 the CITY OF WOODINVILLE, a municipal corporation 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 _____, 20__.

TRANSFEROR:

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

By _____
Name: _____
Title: _____

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

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

Legal Description of the Property Being Transferred

[See attached.]

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