Item No. 4d\_Attach2 Date of Meeting: June 9, 2015

## EASEMENT FOR PIPELINE

| This        | easeme | nt is | made as | of this | s      | day     | of      |           |             | , 2015      |
|-------------|--------|-------|---------|---------|--------|---------|---------|-----------|-------------|-------------|
| between the | PORT ( | OF SE | ATTLE,  | a Wash  | ington | munic   | ipal co | rporation | ("Grantor"  | herein) and |
| WESTWAY     | FEED   | PROD  | OUCTS,  | INC., a | Delav  | vare li | imited  | liability | corporation | ("Grantee"  |
| herein).    |        |       |         |         |        |         |         |           |             |             |

Grantor, for adequate consideration, the receipt of which is hereby acknowledged, and the further consideration of the performance of the covenants and agreements by Grantee, as set out and expressed below, does hereby grant to Grantee, and its successors and assignees, a non-exclusive access easement (the "Easement") across, over, under, and though the area depicted on *Exhibit A* hereto.

This Easement is subject to the provisions of the Port Management Agreement ("PMA") signed by the Grantor and the Washington State Department of Natural Resources to the extent the Easement is on land owned by the State of Washington. A copy of the PMA is attached as *Exhibit B*.

This Easement is granted subject to and conditioned upon the following terms, conditions, and covenants which Grantee hereby promises to faithfully and fully observe and perform.

- 1) **Term.** The term for the Easement will expire on September 30, 2028.
- 2) Use and Activities. Grantee shall use this Easement for the purpose of operating, maintaining, removing, repairing, replacing, and using a molasses pipeline ("Pipeline") with all connections above ground and underground, and with appurtenances thereto. No aboveground facilities will be allowed within the proposed Easement area.
  - i. Grantee shall exercise its rights under this paragraph to minimize and avoid interference with the Port and/or its tenants' use of the Easement. Grantee shall at all times conduct its activities on the Easement so as not to cause waste, interfere with, obstruct or endanger the Port and/or its tenant's operations or facilities and shall not permit any licensee, operator, invitee, or others to do otherwise.
  - ii. In the event that Grantee's operations cause damage to the Easement, Grantee shall restore such property to the standards that are in place as of the date of the completion of the improvements.
  - iii. Grantee is hereby granted the right to ingress to and egress from the property described in *Exhibit A* hereto and Grantee shall at all times have reasonable access. Grantee will make arrangements for routine access to the container terminal (property shown in *Exhibit A*) with the Port's container terminal tenant, currently SSA Terminals, LLC and SSA Containers, Inc. ("Tenant"), and will comply with the Tenant's security and safety requirements.

- iv. The Port or its Tenant shall at all times have the right to occupy the Easement area, or any part thereof, PROVIDED, HOWEVER, that the exercise of such rights shall not unreasonably interfere with Grantee's operation of the Pipeline.
- v. Grantee shall at all times exercise its rights under this paragraph in accordance with the requirements of all applicable statutes, orders, rules and regulations of any public authority having jurisdiction. Grantee shall protect, defend, indemnify and hold the Port, its officers, employees and agents harmless from and against any and all liability, claims, damages, losses, and expenses (including, but not limited to, attorneys' consultants' fees and other expenses of litigation and arbitration) arising out of, or connected with Grantee's activities for the Easement, other than those resulting from the sole negligence of the Port or other tenants of the Port. For the purpose of this indemnification provision, Grantee shall be deemed and construed to mean and include its agents, contractors, subcontractors, and/or any third persons acting on or for Grantee's behalf at any time occupying or present on the Easement.
- 3) Maintenance. Grantee shall, at its sole cost and expense, maintain the Pipeline within the Easement area, together with all alterations, equipment and installations in good order, condition and repair at all times. Grantee shall make all repairs and replacements (ordinary as well as extraordinary, foreseen and unforeseen) which may be necessary or required so that at all times the Pipeline is in good order, condition and repair.
- 4) Indemnification. Grantor and Grantee hereby mutually indemnify and hold each other harmless against all losses and liabilities arising out of or relating to the activities of Grantor and Grantee or their officers, employees, agents, contractors, licensees, invitees, or guests on the Burdened Property. Furthermore, Grantor and Grantee shall each separately indemnify and hold the Grantor and its officers, employees, contractors and agents harmless against all losses and liabilities arising out of or relating to Grantor's own and Grantee's own activities or the activities of their officers, employees, agents, contractors, licensees, invitees, or guests on the Burdened Property.
- 5) Insurance. Grantee shall obtain and keep in force a commercial general liability policy of insurance, written on ISO Form CG 00 01 10 01 (or equivalent), that protects Grantee, and the Port as an additional insured using ISO Form 20 26 (either 11 85 or 07 04 revision) or equivalent, against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the access, tenancy, use, occupancy or maintenance of the Easement and all areas appurtenant thereto. Such insurance shall be on occurrence basis providing single limit coverage in an amount not less than five million dollars (\$5,000,000) per occurrence. The Port's insurance shall be primary or non-contributory to any insurance the Port carries and the Grantee's policy shall include a waiver of the transfer of the rights of recovery in favor of the Port. The Port shall be submitted upon Easement inception and annually thereafter, a copy of the additional insured endorsement that validates the Port has been added as an additional insured. The insurance shall remain continuously in effect at all times throughout the duration of Easement.

- 6) Successors and Assigns. This Easement, and the covenants and agreements contained in this Easement shall inure to the benefit of and be binding and obligatory upon the heirs, executors, administrators, assigns, lessees and invitees of the Grantor and Grantee.
- 7) Abandonment of Easement. In the event the lease agreement dated July 23, 1996 between Grantor and Grantee terminates, this Easement shall terminate effective upon such ending date of the lease agreement. If any portion of this Easement terminated, Grantee, at its sole expense and at the sole discretion of the Grantor, will remove or abandon in place any and all improvements installed by Grantee from the Easement areas in accordance with the then current applicable laws and regulations and in accordance with requirements of Grantor.
- **8) Notices.** All notices hereunder shall be in writing and shall be delivered personally, by certified or registered mail, by facsimile or by a recognized overnight courier addressed as follows:

To Grantor:

Port of Seattle Attention: Property Manager P.O. Box 1209 2711 Alaskan Way Seattle, Washington 98111

To Grantee: ##Company## ##Attention## ##Address##

9) Compliance with Laws and Rules. Grantee shall at all times exercise its rights herein in accordance with the requirements of all applicable statutes, orders, rules and regulations of any public authority having jurisdiction. If Grantee is in violation of any applicable laws or regulation or Grantee's operation or presence of the Pipeline and related facilities makes the Easement area not comply with applicable laws or regulations, Grantee will promptly take such action as is necessary to mitigate and correct the violation. If Grantee fails to act in a prudent and prompt manner, the Port has the right, but not the obligation, to act as the Port deems necessary to ensure compliance or mitigate the violation. All costs and expenses incurred by the Port Ii connection with any such actions will be payable by Grantee upon presentation of an invoice.

IN WITNESS WHEREOF, each party to this Easement has caused it to be executed on the dated indicated below.

| GRANTOR:   | GRANTEE:   |
|--|--|
| By:  | By:  |
| Its:   | Its:   |
| STATE OF WASHINGTON )  |  |
| COUNTY OF KING ) ss  |  |
| On this day of   |  |
| instrument to be the free and volunt mentioned, and on oath stated that s/he | ion that executed the within and foregoing instrument, and acknowledged said tary act and deed of said corporation, for the uses and purposes therein was authorized to execute said instrument.  reunto set my hand and affixed my official seal the day and year first above         |
|  | (Signature)  |
|  | (Print Name) Notary Public, in and for the State of Washington, residing at My Commission expires:   |
| STATE OF WASHINGTON )  |  |
| COUNTY OF KING ) ss  |  |
| as Grantee, and acknowledged said ins  | , 20 before me personally appeared of the of the, the individual/entity that executed the within and foregoing instrument trument to be the free and voluntary act and deed of said individual/entity, for ed, and on oath stated that s/he was authorized to execute said instrument. |
|  | ereunto set my hand and affixed my official seal the day and year first above  |
|  | (Signature)  |
|  | (Print Name) Notary Public, in and for the State of Washington, residing at My Commission expires:   |

