CHARLES H. MONTANGE
ATTORNEY AT LAW
426 NW 162ND STREET
SEATTLE, WASHINGTON 98177

(206) 546-1936
FAX: (206) 546-3739

246071

ENTERED
Office of Proceedings
July 12, 2018
Part of
Public Record

12 July 2018-amended

e-filing

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20024

Re: STB Docket F.D. 35730
Ballard Terminal Railroad Co. LLC -
Lease & Op. Exemption -
Eastside Community Rail LLC

Petition to Revoke Fee Waiver Applicable and Requested

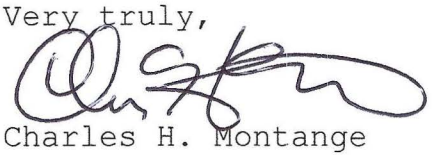
Dear Ms. Brown:

Enclosed for filing please find a petition to revoke the exemption in the above proceeding ab initio per 49 C.F.R. 1150.32(c) and other applicable authorities. The petition is on behalf of Snohomish County (a political subdivision of the State of Washington) which is fee-exempt. The County hereby requests waiver of any fee pursuant to 49 CFR 1002.2(e)(1) because it is a political subdivision and unit of local government of the State of Washington. This petition incorporates the Petition to Revoke tendered today for filing on behalf of Snohomish County in STB Docket F.D. 35692 and is likewise supported by the Declaration by Thomas P. Stowe and twenty-one (21) associated exhibits filed separately in that proceeding. Copies of the F.D. 35692 Petition and the Stowe Declaration and Exhibits are being filed separately in this proceeding with the request that they be linked to the Petition to Revoke in this proceeding.

Thank you for your assistance in this matter.

FILING FEE WAIVED

Very truly,



Charles H. Montange
Counsel for Snohomish County (WA)

Encls.

cc. Counsel of Record (w/encl) per cert of service

BEFORE THE SURFACE TRANSPORTATION BOARD

Ballard Terminal Railroad Company, LLC	)	
-- Lease Exemption --	)	F.D. 35730
Eastside Community Rail, LLC	)	

PETITION TO REVOKE

Snohomish County ("County") (a political subdivision of the State of Washington) petitions to revoke ab initio the lease and operation exemption granted to Ballard Terminal Railroad Company, Inc. ("BTRC") relating to the northern or "freight" segment (MP 23.8 in Woodinville to MP 38.25 in Snohomish) of the so-called "Eastside Corridor" in Snohomish and King Counties, Washington, in the decision served April 18, 2013 in Finance Docket ("FD") 35730. For the reasons stated below, BTRC's notice of exemption for the lease and operation exemption was based on materially false and misleading information. It must therefore be revoked ab initio. 49 C.F.R. 1150.32(c).

Argument

The lease exemption obtained by BTRC in F.D. 35730 is based on a notice of exemption filed April 2, 2013, verified by Byron Cole as General Manager of BTRC. The notice of exemption states at p. 3, first paragraph, that BTRC is seeking an exemption to lease and to operate a "line of railroad of Eastside Community Rail, LLC" ("ECR"). It further states that ECR "acquired a permanent freight operating easement on the Line" from the bankrupt GNP RLY, Inc., pursuant to the authorization from this

Board in F.D. 35692. On pp. 2-3 of its notice, BTRC represents that it "will lease and operate [ECR's] rail line between MP 23.8 in Woodinville, Washington and milepost 38.25 in Snohomish, Washington."

In sum, BTRC represents that ECR actually owned a line of railroad, namely that at issue in F.D. 35692, and more specifically a "permanent freight operating easement." ECR purported to lease the line to BTRC pursuant to a written agreement dated April 23, 2013. Thomas Stowe Declaration Exhibit 20 at pp 395 et seq. But as demonstrated in Snohomish County's Petition to Revoke as filed in F.D. 35692 (filed separately in support, and incorporated herein, at pp. 8-14) and as corroborated by the Declaration of Thomas Stowe and exhibits thereto (also filed separately in support and incorporated herein), ECR did not and could not own any line of railroad between MP 23.8 (Woodinville) and MP 38.25 (Snohomish) as of April 2013 because Douglas Engle as CFO of GNP deeded that property in January 2011 to his father Earl Engle and to his wife Joanne Engle. The deed was recorded in Snohomish Country (and King County). Earl Engle and Joanne Engle are the current title holders of the easement (if it still exists), and at all points subsequent to January 2011, they were the owners of the easement (to the extent it continues to exist). ECR's sole claim to ownership arose after GNP had conveyed the easement to

Earl Engle and Joanne Engle. In particular, ECR's sole claim to ownership arises from a bankruptcy proceeding involving GNP initiated after GNP had deeded away the property in question. ECR literally has never owned the line, because GNP did not own the line for purposes of conveying same to ECR at any time relevant to ECR, or BTRC.

BTRC thus profoundly misrepresents the ownership of the line. Literally, the party (ECR) from whom BTRC purported to lease the line had no interest in the line to lease. Party A, if a trespasser on a property, cannot lease a property to Party B. Party B gains no rights beyond those held by Party A, which rights here are non-existent. BTRC's erroneous and false misrepresentation that ECR owned the line is thus clearly a material misrepresentation that renders an exemption (such as a lease and operating exemption) under 49 C.F.R. Part 1150 false and misleading, and thus void ab initio.[1]

---

[1] See, e.g., Rail Switching Services, Inc. - Op. Ex. -- Pemiscot County Port Authority ("Rail Switching"), F.D. 35685, served Jan. 8, 2013, slip op. at p.4. Accord, 49 C.F.R. 1150.32(c). In addition, "failure to disclose material information can render a notice misleading by omission, and therefore void ab initio." Rail Switching, supra, citing U.S. Rail Corp. - Lease & Operation Exemption - Shannon G., a N.J. LLC ("US Rail"), FD 35402, slip op. at 3-4, served Oct. 8, 2008. "Material means the transaction would not have otherwise qualified for an exemption." Rail Switching, supra, slip at 4, citing Berkshire Scenic Ry. Museum, Inc. v. ICC, 52 F.3d 378, 381 (1st Cir. 1995). If a party bases its notice of exemption on a representation of ownership, then it has to have ownership or it has to be dealing with a party that has ownership. For example, an alleged

As shown in the Petition to Revoke filed in F.D. 35692, Snohomish County now owns the Port's interests in the line insofar as relevant here. Since ERC is a trespasser without any property interest on the County's property, BTRC is a trespasser without any property interest as well. Stowe Declaration para 15.

To the extent relevant, Snohomish County hereby incorporates all other facts and arguments set forth in its Petition to Revoke and the Declaration of Thomas Stowe filed in F.D. 35692. For example, and by way of context, BTRC has indicated that its rail operations are not generating sufficient revenue for track maintenance, ERC has issued similar warnings, the County in fact has therefore engaged in some priority bridge repairs for safety and liability reasons, and BTRC is otherwise belated and deficient in the performance of obligations which it

---

government-owned line is not eligible for a modified certificate of public convenience and necessity under Part 1150 where easement extinctions and reversions have already occurred destroying the property interest of the alleged government-owner. Black Hills Transportation, Inc. d/b/a Deadwood, Black Hills & Western Railroad - Modified Rail Certificate ("Black Hills"), F.D. 34924, served Jan. 27, 2010. Likewise, the Board has explained that it is materially false and misleading for a party to claim in its verified notice that it has an agreement to operate a line on behalf of its owners when it has none at all with an actual owner. San Francisco Bay Railroad-Mare Island - Operation Exemption - California Northern Railroad ("Mare Island"), F.D. 35304, slip op. 3-4, served Dec. 6, 2010.

assumed pursuant to the applicable Operations and Maintenance Agreement. See generally Pet. Revoke in F.D.35692 at pp. 14-16.

Conclusion

For the reasons stated above, BTRC's authorization under Part 1150 to lease and to operate the freight segment of the Eastside Corridor is void ab initio. This Board should enter an order so declaring.

Respectfully submitted,

Charles H. Montange
426 NW 162nd St.
Seattle, WA 98177
(206) 546-1936
Fax: -3739
c.montange@frontier.com
Attorney for Snohomish County

Certificate of Service

The undersigned certifies service of the foregoing inclusive of all exhibits on all parties of record (or their representatives) in F.D. 35730 by placing a copy in the U.S. Mail (or other express service), next business day delivery, on July 12, 2018, including specifically:

Myles Tobin, Esq.
Fletcher & Sippel
29 North Wacker Drive, Suite 920
Chicago, IL 60606-2875 (for BTRC)

Edward Fishman, Esq.
Nossaman Llp
1666 K Street, N.W., Suite 500
Washington, D.C. 20006 (for Port of Seattle)

BEFORE THE SURFACE TRANSPORTATION BOARD

Ballard Terminal Railroad Company, LLC	)	
-- Lease Exemption --	)	F.D. 35730
Eastside Community Rail, LLC	)	

PETITION TO REVOKE

Copy of Petition to Revoke filed in F.D. 35692

In Support of and Incorporated in Petition to Revoke Herein

Charles H. Montange
426 NW 162nd St.
Seattle, WA 98177
(206) 546-1936
Fax: -3739
c.montange@frontier.com
Attorney for Snohomish County

BEFORE THE SURFACE TRANSPORTATION BOARD

Eastside Community Rail, LLC -	)	
Acquisition and Operation Exemption -	)	F.D. 35692
GNP RLY, Inc.	)	

PETITION TO REVOKE

Snohomish County ("County") (a political subdivision of the State of Washington) petitions to revoke ab initio the acquisition and operation exemption issued to Eastside Community Rail, LLC ("ECR") in the decision served November 23, 2012 in Finance Docket ("FD") 35692. For the reasons stated below, ECR's notice of exemption for the acquisition and operation was based on materially false and misleading information. This Board's authorization must therefore be revoked ab initio. 49 C.F.R. 1150.32(c).

Summary

In response to threatened rail abandonment and piecemeal sale by its then-owner, BNSF Railway, the so-called "Eastside Corridor" was originally acquired by a number of local governmental entities under the leadership of the Port of Seattle ("Port") as a multi-use public corridor in which one or more segments would be employed for freight rail, light rail,

rail with trail, tourist excursion, and/or railbanking/trail purposes.

The southern portion of the corridor (including a related segment of line between Redmond and Woodinville) almost immediately became the subject of extensive litigation before this Board between GNP Railway, Inc. ("GNP") and Ballard Terminal Railroad Company ("BTRC") on the one hand, and the Port, King County, and/or Sound Transit and various jurisdictions in King County on the other. In that litigation, GNP and subsequently BTRC (as "lessee" from or "operator" for bankrupt GNP's successor ECR) unsuccessfully sought to "reactivate" previously "railbanked" segments of the Eastside Rail Corridor that are contiguous to the northern portion of the Eastside Corridor, which is sometimes referred to as the "freight segment."[1]

---

[1] Some months after acquiring BNSF's retained freight rail easement for the "freight segment" of the Eastside Corridor (MP 23.8 to MP 38.25), GNP sought to reactivate rail service over two adjacent segments of rail-banked right-of-way totaling 9.2 miles in King County. The two segments were "part of a series of planned transactions involving BNSF, King County, the Port of Seattle (Port) and Redmond." GNP RLY - Acq. And Op Ex. - Redmond Spur and Woodinville Subdivision, F.D. 35407, served June 15, 2011, slip at 2. After extensive litigation, including a rare oral argument, this Board rejected GNP's proposed acquisition. "Based on evidence that GNP is insolvent, we cannot find that GNP is a bona fide petitioner able to reactivate freight rail service." Id. slip op at 6.

In contrast with the prior Board litigation, this petition to revoke involves solely the northern or "freight" segment. The Port originally acquired the "freight segment," defined as MP 23.8 (Woodinville) to MP 38.25 (Snohomish), subject to a retained exclusive freight rail easement held by BNSF. BNSF subsequently deeded the freight rail easement to GNP RLY, Inc. ("GNP"), subject to obligations of GNP (and its successors) to the Port (and its successors) pursuant to an Operating and Maintenance Agreement ("O&M") and a "license." Fourteen months after GNP acquired the "retained easement," creditors (evidently orchestrated by GNP's 50% owner, Douglas Engle) placed GNP into involuntary bankruptcy. In the bankruptcy proceeding, ECR (controlled by Douglas Engle) purported to acquire all the rail assets of GNP, including the so-called northern portion or

---

Prior to purporting to lease the "freight segment" of the Eastside Corridor from ERC, Ballard Terminal Railroad Company (BTRC) had been operating the segment on behalf of GNP and, subsequent to GNP's bankruptcy, ERC. On or about April 2, 2013, BTRC (as then operator of the "freight segment") petitioned the Board to reactivate freight rail service on yet another portion of previously railbanked right-of-way in the southern segment of the Eastside Corridor, this time a segment owned by Kirkland, King County, and Sound Transit (a regional light rail system). After extensive litigation, the Board rejected BTRC as a bona fide petitioner for reactivation. Ballard Terminal Railroad Co. - Acq. And Op. Exemption - Woodinville Subdivision, F.D. 35731, served Dec. 30, 2014.

"freight segment." This Board authorized the acquisition in F.D. 35692.

Under this Board's exemption procedures in 49 C.F.R. Part 1150, the Board relies on a verified notice as the basis for granting expedited authorization for acquisition and operation of a railroad. Such STB authorizations are void ab initio if the verified notice contains false or misleading information. 49 C.F.R. 1150.32(c).

In FD 35692, ECR filed a verified notice to acquire and to operate a 14.45-mile-long line of railroad known as the "freight segment" (MP 38.25 near Snohomish City to MP 23.8 near Woodinville) of the Eastside Corridor. The notice indicated that ECR was acquiring sufficient property interests from the bankrupt estate of GNP Railway, Inc. ("GNP") lawfully to operate a common carrier railroad.[2] Mr. Douglas Engle, the General Manager of ECR, verified those representations.[3]

But the representations verified by Mr. Engle for ECR and on which this Board relied were materially false and misleading. GNP did not own sufficient property interests to operate a common carrier railroad at the time of the alleged acquisition by ECR. It did not and could not own such property interests

[2] Notice in F.D. 35692 filed Nov. 7, 2012, at p. 3.
[3] Id. at 11.

because in January of 2012 -- a few days before GNP went into involuntary bankruptcy proceedings, and well before ECR purported to acquire the property interests from GNP -- Mr. Engle as Chief Financial Officer of GNP deeded GNP's freight railroad easement to Mr. Earl Engle (his father) and Ms. Joanne Engle (his wife).[4] According to the County's outside title examiner (Fidelity National Title Company) as well as the County's own research (Thomas Stowe Declaration, filed separately in support, para 4), Earl Engle and Joanne Engle remain the sole owners of this freight rail easement to this day. See, e.g., Stowe Dec. at para 2 (p.2 lines 1-5), para 5 (p.3, lines 7-10) citing Fidelity National Title Co. report attached to Stowe Dec. as Exhibit 7 (p.76 et seq). Accordingly, neither GNP nor ECR at any relevant time to F.D. 35692 had (or now has) any property interest upon which to operate the rail line in question. The Board's authorization in F.D. 35692 to ECR to acquire and to operate the freight segment of the Eastside Corridor must therefore be revoked ab initio. 49 C.F.R. 1150.32(c).

---

[4] See also GNP RLY - Acq. and Op Ex. - Redmond Spur and Woodinville Subdivision, F.D. 35407, served June 15, 2011, slip at 3 (Douglas Engle is 50% owner and former CFO of GNP); Ballard Terminal Railroad Co. - Acq. And Op. Exemption - Woodinville Subdivision, F.D. 357311, served Dec. 30, 2014, slip at 3 n.4: "[i]t is evident from the record that [BTRC] is working closely with [ECR] and its principal, Douglas Engle, who was a 50% owner of GNP before it went bankrupt." Id. slip op at 3 n.4.

Snohomish County has now succeeded to all interests of the Port in the "freight segment" in Snohomish County (specifically, approximately MP 26.38 at the County line to MP 38.25 at City of Snohomish). See Stowe Declaration para 9. Snohomish County clearly has standing and interest to seek revocation. ERC in effect is a trespasser on the County's corridor. ERC by its actions on the County's property is exposing the County to unwarranted burdens and liabilities, and is preventing sound management of the rail corridor in the public interest. This Board should void ERC's acquisition and operation authority ab initio so the County can pursue relief against this trespasser through self-help and other state law remedies.

Applicable Law

An exemption for acquisition and operation issued pursuant to 49 C.F.R. Part 1150 is based on a verified notice of exemption filed by a party seeking to become a rail carrier. An exemption is void ab initio if the notice contains false or misleading information. See, e.g., Rail Switching Services, Inc. - Op. Ex. -- Pemiscot County Port Authority ("Rail Switching"), F.D. 35685, served Jan. 8, 2013, slip op. at p.4. Accord, 49 C.F.R. 1150.32(c). In addition, "failure to disclose material information can render a notice misleading by omission, and therefore void ab initio." Rail Switching, supra,

citing U.S. Rail Corp. - Lease & Operation Exemption - Shannon G., a N.J. LLC ("US Rail"), FD 35402, slip op. at 3-4, served Oct. 8, 2008. "Material means the transaction would not have otherwise qualified for an exemption." Rail Switching, supra, slip at 4, citing Berkshire Scenic Ry. Museum, Inc. v. ICC, 52 F.3d 378, 381 (1st Cir. 1995).

It is elementary that a party seeking to acquire or to operate a rail line must have an agreement or at least a plan to reach an agreement in order to qualify for an exemption under the relevant provisions of Part 1150. Rail Switching, supra, slip at 4. Such an agreement is "material" to the transaction. Id. If a party seeking an exemption represents that it has an agreement to acquire but does not, the exemption authority is void ab initio. Metropolitan Transit Authority of Harris County, TX - Acq. Exemption - Union Pacific Railroad Co. ("Metropolitan Transit"), F.D. 35846, slip at 7, served Jan. 8, 2016. See also Utah Southern Railroad Co. LLC - Change in Operators Exemption - Iron Bull Railroad Co., LLC, F.D. 35558, slip op. 4-5, served Sept. 21, 2012 (verified notice states an agreement was reached, but there was no agreement, so notice is void ab initio).

Similarly, if a party bases its notice on a representation of ownership, then it has to have ownership. For example, an

alleged government-owned line is not eligible for a modified certificate of public convenience and necessity under Part 1150 where easement extinctions and reversions have already occurred destroying the property interest of the alleged government-owner. Black Hills Transportation, Inc. d/b/a Deadwood, Black Hills & Western Railroad - Modified Rail Certificate ("Black Hills"), F.D. 34924, served Jan. 27, 2010. Likewise, the Board has explained that it is materially false and misleading for a party to claim in its verified notice that it has an agreement to operate a line on behalf of its owners when it has none at all with an actual owner. San Francisco Bay Railroad-Mare Island - Operation Exemption - California Northern Railroad ("Mare Island"), F.D. 35304, slip op. 3-4, served Dec. 6, 2010.

ARGUMENT

A. ECR's Authorization Must Be Ruled Void Ab Initio

Port Authority of Seattle acquired the Eastside Corridor, including all land, improvements (track, ties and bridges) from BNSF Railway in 2009. See Stowe Dec. at para 9 [referencing Dec. 18, 2009 quitclaim deed attached as Exhibit 11 (pp. 257 et seq.)]. See Port of Seattle—Acquis. Exemption—Certain Assets of BNSF Ry., FD 35128, slip op. at 5 (STB served Oct. 27, 2008). BNSF retained an exclusive freight rail easement with respect to the northern segment. Stowe Dec. at para 9.

The Port's acquisition implemented a regional plan to preserve the corridor for a variety of public purposes, including freight, light rail (passenger) and railbanking/trail. See generally GNP RLY, supra, F.D. 35407, slip at 2 (discussing portion of plan); Ballard Terminal Railroad Co. - Acq. And Op. Exemption - Woodinville Subdivision, F.D. 35731, supra (discussing portion of plan).

Snohomish County acquired all the Port's interests in the Snohomish County portion (MP 38.25 near Snohomish City to MP 23.384 at the Snohomish/King County line) of the Eastside Corridor by deed executed March 17, 2016, recorded on March 26, 2016. Stowe Dec. at para 9 (p.6, lines 5-9) and Ex. 12 (deed and bill of sale at pp. 274 et seq). The County thus now owns all BNSF property interests, including improvements, track and ties, subject to the retained freight rail easement, within Snohomish County. Stowe Dec. at para 10 (p.7, lines 3-5). See Snohomish County, WA - Pet. Dec. Order, F.D. 35830, served March 5, 2015 (Snohomish County does not need STB acquisition authorization to acquire the physical assets of the approximately 12 miles of rail line in Snohomish County because the County is not acquiring the right or legal obligation to provide freight rail service and is not in a position to interfere unduly with freight operations).

BNSF transferred the retained freight rail easement to GNP in December 2009 (Stowe Dec. at para 4, attaching deed as Exhibit 1 at p. 1 et seq). The transfer was subject to an operations and maintenance agreement (the "O&M Agreement") between the Port and GNP in which GNP and its successors were obligated to maintain the track, provide insurance in favor of the Port (and its successors), and pay $10/carload for freight shipments for use of the Port's assets. Stowe Dec. at para 11 and attached Exhibits 14-15 (pp. 294 et seq & 323 et seq respectively). See GNP RLY, Inc. - Acq. & Operation Exemption - BNSF Railway, FD 35213, served Feb. 13, 2009. The parties also executed a license agreement imposing obligations in the event of passenger use, or abandonment of any use. Stowe Dec. at para 11 and Exhibit 16 (pp. 338 et seq).

Shortly after GNP acquired the easement from BNSF, a management dispute apparently broke out between the apparent Chief Executive Officer (CEO) of GNP (one Thomas Payne) and the CFO (Douglas Engle). Stowe Dec. at para 6, citing Exhibit 8 at pp. 115 et seq (deposition of Engle in bankruptcy proceeding recounting his views concerning dispute). On January 24, 2011, GNP deeded the freight rail easement acquired by GNP from BNSF to Earle Engle and Joanne Engle. The GNP deed to the two Engles referred to a "settlement" agreement. Douglas Engle as CFO for GNP executed the deed. The deed was recorded in Snohomish

County on January 25, 2011. A true and correct copy is attached to the Stowe Declaration as Exhibit 2 (pp. 15 et seq). See Stowe Dec. para 4. On January 26, 2011, Mr. Payne evidently fired Mr. Engle. Stowe Dec. para 6 and Exhibit 8.[5] On February 2, 2011, GNP was placed in involuntary bankruptcy. See Stowe Dec. para 4 by, among others, creditors BTRC and two other companies, joined by Earl Engle and Joanne Engle. See Stowe Dec. Exhibit 4 at p. 38 (petitioning creditors motion for summary judgment in bankruptcy case). Earl Engle and Joanne Engle filed Declarations in bankruptcy court stating debts owed them by GNP, but not indicating that there had been a settlement agreement and transfer of property to them by GNP. Stowe Dec at para 4 (p. 2, lines 8-13) and exhibit 3 (includes copies of Earl Engle and Joanne Engle declarations, March 14 and March 13, 2011, respectively at pp. 30-32 and 33-35). See also Stowe Dec. para 5 (p.3, lines 19-23, and p. 4 line 1). Mr. Stowe has found no indication that the bankruptcy court was aware that GNP by deed signed by Douglas Engle had conveyed the easement to Engle's father and wife roughly a week before involuntary bankruptcy petitions were filed against GNP. Stowe Dec. para 5 (p. 3, lines 1-4).

[5] See also Declaration of Thomas M. Jones in in re: GNP RLY, Inc., US Bankruptcy Court, WD WA, filed 2/11/11.

On September 26, 2012, the bankruptcy court authorized the transfer of the assets of GNP to ECR. Stowe Dec. at para 5. While these assets purported to include the freight rail easement that had already been conveyed to Earl and Joanne Engle, no trustee deed was issued on behalf of GNP to ECR for the freight rail easement with respect to the Eastside Corridor. Stowe Dec. at para 5 (p.3 lines 4-6).

In short, GNP did not have a freight rail easement to deed to ECR after January 2011, and in any event ECR never received a deed to any freight rail easement from GNP. Furthermore, Fidelity National Title has verified that ECR never received a deed to any freight rail easement from any party, and that title to any freight rail easement originally reserved by BNSF in the Eastside Corridor is now vested in Earl Engle and Joanne Engle. Stowe Dec. at para 5 and exhibit 7 at pp. 76 et seq (title insurance commitment).

ECR through counsel filed a notice of exemption for acquisition and operation of the line at issue from GNP RLY, Inc. F.D. 35692, filed November 7, 2012. In the notice, ECR represented that

> "ECR will be purchasing all assets, operating and lease rights of GNP RLY, Inc. Those rights include, but are not limited to, a line of railroad formerly owned by BNSF

Railway Company ("BNSF") and extending from approximately milepost 23.8 in Woodinville to approximately milepost 38.25 in Snohomish, a distance of 14.45 miles in King and Snohomish Counties, Washington (the "Line")."

Notice filed Nov. 7, 2012, at p 3 (emphasis added). The Notice states that the transaction would be consummated on or after Dec. 8, 2012. The notice was verified by Douglas Engle as Managing Director of Eastside Community Rail, LLC. Id. at p. 11. This Board has already read the verified notice as indicating that ERC actually acquired the "assets … that GNP had acquired from BNSF." See Snohomish County - Pet. for Dec. Order, F.D. 35830, slip op. at 2 note 6, served March 5, 2015. The chief asset GNP acquired was the freight rail easement.

The verified notice of exemption obviously contained false and misleading information. It in effect represents, and has been read by the Board to represent, that GNP at the relevant time owned the assets that GNP had acquired from BNSF, namely the freight easement. But GNP did not. A notice that claims ownership which does not exist is false and misleading. See, e.g., Metropolitan Transit, supra; Black Hills, supra; Mare Island, supra. These mis-representations by ECR are material, for the Board would not have authorized the exemption had it known that GNP no longer owned the underlying rail line. E.g.,

Mare Island. At the very least the verified notice of exemption was misleading by omission: Engle and ECR should have advised this Board that Engle on behalf of GNP had already conveyed the freight rail easement to Engle's father Earl and wife Joanne, and that the easement was no longer in the bankrupt estate. See Rail Switching, supra. The omission was material. Again, the Board would not have authorized the exemption had it known that GNP had previously transferred the rail line to Mr. Engle's father and wife. E.g., Mare Island, supra.

The authorization for ECR to acquire and to operate the rail line is thus void ab initio: "the exemption is considered as never having taken effect." Metropolitan Transit, supra, slip at 7.

ECR does not provide any common carrier service on the line in question. Although demand for freight rail service on the line has gone down, there are approximately three remaining rail shippers. These shippers are currently receiving service from BTRC.

B. BTRC's Authorization Is Similarly Void Ab Initio

Ballard Terminal Railroad Company ("BTRC"), which had been operating the line for GNP and then ECR, received authority from this Board to lease the line in question from ECR and thus now has its own common carrier obligation as to the line. Ballard

Terminal Railroad Company, LLC - Lease Exemption - Line of Eastside Community Rail, LLC, F.D. 35730, served April 18, 2013. Since ECR was a successor to GNP, it is bound to the obligations of the O&M Agreement between the Port and GNP. BTRC's lease with ECR so provides. Stowe Dec. Exhibit 20 para 2 at pp. 397-98. One of those obligations is to pay a $10 per carload fee to the Port or its successor. BTRC relatively recently acknowledged its responsibility by making its first (very belated) per carload fee payment to the County, on or about May 16, 2018. However, BTRC without explanation paid only $8.205 per carload, in breach of the O&M Agreement. See Stowe Dec. at para 16 (p. 11, lines 22-23) and Exhibit 21 at pp. 410-11 (car counts and remittance details). This is a breach of the O&M Agreement, both in terms of timeliness and per carload amount.

Based on information in other filings by BTRC, the car count on the line has steadily fallen. It was 270 in 2010, 235 in 2011, 213 in 2012, 106 in 2016, and 65 in 2017. See Stowe Dec. para 16 and Exhibit 21 (pp. 409 et seq). A major shipper, Spectrum Glass, left the line in early 2016. Stowe Dec. para 16 (pp. 11-12). The manager of BTRC, Mr. Cole, expressed concern about revenue adequacy for maintenance of way purposes in a May 23, 2013 deposition filed in other STB proceedings. See Stowe Dec. para 16 (p 11, lines 9-15). The problem is now even more

serious since rail traffic is less about 1/3 its level at the time Mr. Cole indicated that revenue was inadequate.

On June 6, 2016, ECR wrote Snohomish County seeking financing for its freight rail operation, noting the loss of Spectrum Glass and stating that BTRC would abandon the line by July 30, 2016, if the County did not act.[6] Stowe Dec. para 12 and Exhibit 17 (pp. 365 et seq). BTRC has not sought to discontinue (abandon) its service on the line, but the appeal for financial subsidies and threat of abandonment indicates the precarious nature of continued freight operation by BTRC. The County accordingly is concerned that BTRC for lack of revenue is failing to maintain the County-owned trackage of which the line is comprised. See Stowe Dec. para 16 (p.12).

If ECR's authorization to acquire the line is void ab initio because GNP lacked any property interest in the line to convey to ECR, then ECR obviously had no property interest to lease to BTRC. This renders BTRC's authority granted in F.D. 35730 void ab initio as well. Snohomish County is accordingly simultaneously filing a petition to revoke the BTRC exemption in F.D. 35730. Accord, Black Hills, supra.

[6] Freight operation on the County's property is already being subsidized by essentially free use of the County's track, ties, and land with a payment obligation of only $10/carload, provided insurance and maintenance obligations are also met.

C. GNP Retains the Federal Common Carrier Obligation for the Line, but Lacks any Property Interest

If neither ECR nor BTRC ultimately has any common carrier responsibility over the line because their STB authorizations are void ab initio, then bankrupt GNP presumably still has such authority flowing from F.D. 35213. This follows from the fact that ECR must be treated as if it is not and has never been a rail carrier for the line. Mare Island, supra. However, GNP owns no state-law property interest in the line, having conveyed away any relevant interest before entry into bankruptcy proceedings. This among other things exposes GNP to an adverse abandonment or discontinuance application. If such an application were filed, the County would seek to "railbank" the corridor pursuant to 16 U.S.C. 1247(d) for both rail and trail purposes.[7] Indeed, that is the County's desired outcome, allowing the County better to address rail shipper needs (through a "modified certificate" operator under 49 C.F.R. 1150.21, et seq.) and allowing for expansion of the regional trail system at the same time.[8]

---

[7] This indeed is the previously agreed outcome pursuant to para 13.13 of the "Railroad Right of Way License between Port of Seattle and GNP RLY, Inc." dated 18 December 2009, annexed to the Stowe Declaration as Exhibit 16 at p. 362.

[8] In Sea Lion Railroad - Ab. Ex. Pet. - Ballard, City of Seattle, King County, WA, AB 544X, served Sept. 18, 1998, this Board authorized a Notice of Interim Trail Use (railbanking and interim trail use) of a portion of what is now the Burke-Gilman Trail in the Ballard district of Seattle. Ballard Terminal

This entire case raises troubling questions concerning the management of rail carriers supposedly tasked with lawful discharge of the federal common carrier obligation in Snohomish County. One of the federal rail policies that STB is charged with implementing is "to encourage honest and efficient management of railroads…." 49 U.S.C. 10101(9). Here the freight rail easement retained by BNSF was conveyed to an entity (GNP) which, within 14 months of conveyance, was placed into involuntary bankruptcy. Without disclosure to STB, to the Port, or to the federal bankruptcy court, the freight rail easement was conveyed by GNP through its CFO to the CFO's father and wife.[9] The CFO subsequently was fired, but as manager of a new entity (ECR) in effect represented to this agency that GNP was conveying the easement to ECR, which was an impossibility that normal mortals would charge the former GNP CFO with knowing at the time he verified to the contrary. The cascade of mis-

---

Railroad subsequently obtained a modified certificate pursuant to 49 C.F.R. 1150.21 et seq. to provide common carrier freight service over the property. Ballard Terminal Railroad Company - Modified Rail Certificate, F.D. 33594, served Feb. 26, 1999. The property is currently used for freight rail and trail (rail with trail) purposes.

[9] This conveyance to non-railroad entities with neither a reservation of a rail easement nor STB authorization was tantamount to a de facto abandonment of the easement.

representation continued when BTRC in effect represented to this agency that ECR owned something to lease.[10]

At all points since occupying the corridor, ECR in effect has trespassed on the corridor for non-rail purposes. For example, since purporting to occupy the corridor as purchaser from GNP, Mr. Engle (despite protests from the County) has purported to rent portions of the property for parking space to Darling Sons Intl, LLC. Engle entered into the lease under his own name, and not on behalf of any railroad. Stowe Dec. Exhibit 19 (pp. 393-4). There is no evidence that the lease or revenue therefrom benefits any railroad. Stowe Dec. at para 14. To the contrary, payments are directed to Douglas Engle at his father Earl's address. Stowe Dec. para 14 (p. 10 lines 1-4). Moreover, ECR has been administratively dissolved by the State of Washington (Stowe Dec. para 7 and Exhibit 9 at pp. 251 et seq), and is therefore not licensable to do business, including real estate rentals, in the State of Washington, even if Engle

[10] There have been other misrepresentations in the troublesome saga of GNP and ECR. For example, exhibits in other STB proceedings indicate that Mr. Engle at one point appeared to represent that the line in question was owned by "Telegraph Hill Investments," which apparently was comprised of Douglas Engle and his wife Joanne Engle. But there are no deeds conveying any property to Telegraph Hill Investments and the entity is defunct. See Stowe Dec. para 8.

or ECR owned the freight rail easement, which neither do. Stowe Dec. para 14 (p.10, lines 6-9).

In addition, under the O&M agreement as well as a stipulated judgment settling litigation with the Port, ECR is obligated to provide insurance separate from BTRC for its activities on the line. Stowe Dec. para 13 and Exhibit 18 (stipulated judgment). In material breach of O&M agreement and the stipulated judgment, ECR has failed to provide any insurance. Stowe Dec. para 13 (p.8, lines 7-8). This exposes Snohomish County to liability and damages for the activities of ECR's parking lot operations "and is a material breach of contract." Stowe Dec. para 14 (p.10, lines 9-12).

In response to the County's order that he cease and desist from his parking lot lease, Mr. Engle appeared to claim that the County could not "reclaim" the parking lot lease area because it "is being legally utilized by the railway indefinitely." Stowe Dec. para 14 (p. 9, lines 22-23). Engle then threatened not to "extend" the current O&M agreement and evidently to occupy the County's land solely pursuant to this agency's federal regulatory protection, without any ownership interest or obligation to insure or to pay use fees to the County, as actual owner of the property. See Stowe Dec. para 14 (p.9, lines 18-19). The agency should not allow its processes to be so abused

by an entity or its governing principal. It is urgent that this Board void the notice of exemption in this proceeding ab initio so the County can use self-help or other state law procedures to protect itself from ECR and other trespassers on the County's portion of the Eastside Corridor.

As already noted, the County has discovered that ECR has been administratively dissolved by the State of Washington. Because ECR is dissolved, it cannot lawfully conduct business in the State, and it is not clear that it exists so as to make a response to this petition to revoke.

In short, ECR's house is out of order in multiple ways: it falsely claimed to own property it did not, it at the very least misrepresented by omission the facts on ownership, it has trespassed on the County's portion of the Eastside Corridor, it has purported to lease the County's property to others for both rail and non-rail purposes, it has failed to provide insurance, it has utterly failed to insure its non-rail activities on the corridor, it lacks sufficient revenue to perform maintenance, and it has been dissolved at state law.

Conclusion

For the reasons stated above, ECR's authorization under Part 1150 to acquire and to operate the freight segment of the

Eastside Corridor is void ab initio. This Board should enter an order so declaring.

Respectfully submitted,

Charles H. Montange
426 NW 162nd St.
Seattle, WA 98177
(206) 546-1936
Fax: -3739
c.montange@frontier.com
Attorney for Snohomish County

Certificate of Service

The undersigned certifies service of the foregoing inclusive of all exhibits on all parties of record (or their representatives) in F.D. 35692 by placing a copy in the U.S. Mail (or other express service), next business day delivery, on July 12, 2018, including specifically:

Myles Tobin, Esq.
Jeremy Berman, Esq.
Fletcher & Sippel
29 North Wacker Drive, Suite 920
Chicago, IL 60606-2875 (for ECR)

Charles A. Spitulnik, Esq.
Allison I. Fultz, Esq.
Kaplan Kirsch Rockwell
1001 Connecticut Ave., N.W., Suite 800
Washington, D.C. 20036 (for King County)

BEFORE THE SURFACE TRANSPORTATION BOARD

Ballard Terminal Railroad Company, LLC	)	
-- Lease Exemption ––	)	F.D. 35730
Eastside Community Rail, LLC	)	

PETITION TO REVOKE

DECLARATION OF THOMAS P. STOWE

AND

EXHIBITS

IN SUPPORT

Charles H. Montange
426 NW 162nd St.
Seattle, WA 98177
(206) 546-1936
Fax: -3739
c.montange@frontier.com
Attorney for Snohomish County

BEFORE THE SURFACE TRANSPORTATION BOARD

COUNTY OF SNOHOMISH STATE OF WASHINGTON	Eastside Community Rail, LLC -- Acquisition and Operation Exemption -- GNP Rly, Inc., F.D.35692

DECLARATION OF THOMAS P. STOWE

THOMAS P. STOWE makes the following declaration upon personal knowledge:

1. I am over 18 years of age and otherwise competent to testify in this matter.
2. I am the Senior Review Appraiser for Snohomish County Public Works Department. I have held this position since September 6, 2016.
3. In my capacity as Senior Review Appraiser, I am the County Parks and Recreation Department's project lead for research and analytics regarding its ownership of the former BNSF railroad corridor between the City of Woodinville in King County and the City of Snohomish in Snohomish County, also known as the Centennial Trail South, a rail with trail project. I am making this declaration for filing with the Surface Transportation Board (STB or Board) in support of Snohomish County's petition to revoke. All documents attached to this Declaration are true and correct copies of documents found in the regularly kept records of Snohomish County, the US District Court for the Western District of Washington, or are downloadable from the STB website e-library.
4. In reviewing the chain of title for BNSF's conveyance of the Reserved Freight Easement for this corridor to GNP Rly, Inc. (deed dated December 18, 2009, Snohomish County Auditor File No. 200912210439 – Exhibit 1), I discovered

documents in the County Auditor's Office showing that GNP (by Douglas Engle, at that point a 50% shareholder of GNP and its "Chief Financial Officer") conveyed the Reserved Freight Easement to Earl L. Engle and Joanne M. Engle (deed dated January 24, 2011 – Exhibit 2). The record indicates that Earl L. Engle is Douglas Engle's father and Joanne M. Engle is Douglas Engle's wife. This deed was recorded in Snohomish County before GNP Rly, Inc. entered its involuntary bankruptcy proceeding (which proceeding was filed 2/2/2011 and was terminated on 4/5/2013. See, United States Bankruptcy Court Western Washington District of Washington at Tacoma, Case No.: 11-40829-BDL. Although the deed recites that it was issued pursuant to a settlement agreement, both Earle Engle and Joanne Engle filed declarations in the bankruptcy proceeding alleging that GNP was indebted to them and made no reference to a settlement agreement or to GNP's January 24, conveyance of the freight rail easement to them. See Exhibit 3.

5. The records of the bankruptcy proceeding contain: a Motion for Summary Judgment and Notice Therof; a signed Order Granting Motion for Approval of Sale Free and Clear of Liens and Assumption and Assignment of Executory Contracts; and Trustee Final Report – Exhibit 4; and an Asset Purchase Agreement and Record of Transfer – Exhibit 5, which appear on their face to provide for conveyance of various GNP rail assets to Eastside Community Rail (ECRR). While the Surface Transportation Board (42769 - FD 35692, service date November 23, 2012 – Exhibit 6) appears to have authorized the conveyance to ECRR of all BNSF property acquired by GNP, GNP Rly, Inc. did not own the Reserved Freight Easement at any point during the bankruptcy proceeding for purposes of conveyance of that easement to ECRR or

anyone else. The bankruptcy court was evidently unaware that GNP had conveyed away the freight rail easement prior to entry into bankruptcy for the bankruptcy papers and ECRR's STB filing specifically identify the Reserved Freight Easement as an asset. In addition, there is no trustee's deed recorded in either King County or Snohomish County (where the Reserved Freight Easement is located) conveying the freight rail easement from GNP's estate to ECRR.

Snohomish County ordered a title report which verified the vesting of the Reserved Freight Easement as being in Earl L. Engle and Joanne M. Engle (Fidelity National Title Company of Washington, Order No. 611073764, effective date June 20, 2018, report received June 25, 2018 – Exhibit 7). Douglas E. Engle signed the conveyance deed from GNP to Earl L. Engle and Joanne M. Engle as the CFO of GNP on January 24, 2011. Mr. Engle was fired as CFO on January 26, 2011. See Exhibit 8. He is identified as the registered agent of ECRR by the Washington Secretary of State as of 2/2/2011. Despite diligent search and inquiry, I have found no notification of the conveyance from GNP to Earl Engle and Joanne Engle either to the Port of Seattle, as I believe is required under the Operations and Maintenance Agreement (between the Port of Seattle and GNP), to the bankruptcy court, or to the STB in respect to what GNP had in its estate for conveyance to ECRR. In particular, in Earl Engle's March 14, 2011 Declaration to the Bankruptcy Court there is no mention of the fact that he had been deeded the Reserved Freight Easement two months earlier pursuant to a settlement agreement. In Joanne M. Engle's March 13, 2011 Declaration to the Bankruptcy Court there is no mention of the fact that she had been deeded the Reserved Freight Easement two months earlier pursuant to a

settlement agreement. (Exhibit 2, and Declarations – Exhibit 3). Again, in the Bankruptcy documents, Earl L. Engle is identified as the father of Doug Engle, and Joanne M. Engle is identified as the wife of Doug Engle.

6. In Douglas Engle's April 4th, 2011 deposition for GNP's bankruptcy, he stated his employment with GNP ended January 26, 2011, nearly simultaneous with his signing the deed conveying the Reserved Freight Easement to Earl Engle and Joanne Engle. I found no mention of the sale from GNP to the Engles in his deposition as filed, although it is missing multiple pages. Doug Engle declares that he is still making payments on his 2007 Chapter 13 Bankruptcy, which was not disclosed to GNP when he was hired by them. (Deposition and attachments – Exhibit 8).
7. Eastside Community Rail, LLC was administratively dissolved by the Washington Secretary of State on 7/1/2016, shortly after Snohomish County's purchase of the corridor, and has not since been reinstated as of 6/29/2018. (Exhibit 9)
8. I have also researched other STB dockets bearing on the Eastside Corridor in which Mr. Engle has made filings. In an October 17, 2013 filing in STB dockets AB 6 (Sub-no 465 X) and FD 35731 entitled 'Exhibits in Support' (document numbers 234952 and 234953) there is, at page 353 an email from Doug Engle to Kurt Triplett at the City of Kirkland, attached to which was an Eastside Community Rail October 2012 PowerPoint presentation called "Bridging the Gap." On page 370 of that document, there is a reference that seems to suggest Telegraph Hill Investments permanently holds the "Woodinville Freight Easement." I followed up this lead as part of my research. According to public records of the Washington Secretary of State, the governors of Telegraph Hill Investments were Joanne Engle and Douglas

Engle. However, Telegraph Hill Investments was terminated by the Washington Secretary of State on 8/1/2012 and has not since been reinstated as of 6/29/2018. (Exhibit 10) To my knowledge neither Telegraph Hill Investments, Joanne Engle, Doug Engle nor Earl Engle notified the Port of Seattle or the STB of this change of ownership as required. After a reasonable search, I found no deeds conveying any title of a freight rail easement to or from any entity called Telegraph Hill Investments recorded in Snohomish County.

9. I summarize in this paragraph the title chain for Snohomish County's ownership of the northern portion of the Eastside Corridor in Snohomish County, known as the north segment of the Washington Branch Line. On December 18, 2009, BNSF quit claimed the "property" to the Port of Seattle and reserved an exclusive easement for freight rail, from MP 23.8 in Woodinville, King County to MP 38.25 in Snohomish, Snohomish County (for reference, the Snohomish County line is MP 26.384). The "property" was described in the purchase and sale agreement (PSA) as: "The tracts or parcels of land situated in the Counties of King and Snohomish, State of Washington, described in Exhibit A attached hereto (the "Land") that makes up the North Rail Line, together with: All of BNSF's right, title, and interest in and to the buildings (if any) located on the Land (the "Buildings"); All of BNSF's right, title and interest in any tangible personal property and fixtures of any kind owned by BNSF and attached to or used exclusively in connection with the ownership, maintenance or operation of the Land or the Buildings, if any, and together with the bridge structure and associated improvements for the railroad bridge crossing over BNSF's mainline right of way and over the Snohomish River (the "Personalty"); and All of BNSF's right,

title and interest (subject to the provisions of the Assignment) in and to the Third Party Leases/Licenses other than the Fiber Optic Agreements as of the date of Closing." Exhibit A is the legal description. (Quit Claim Deed as recorded – Exhibit 11)

On March 17, 2016, the Port of Seattle quit claimed to Snohomish County the 'Property' less some intervening transfers of easements. In the Bill of Sale the Property is described as improved with rail tracks, commercial and industrial structures, fixtures associated with rail operations, including bridge structure. (Quit Claim Deed and Bill of Sale as recorded – Exhibit 12)

10. On December 2009, BNSF quit claimed to GNP Rly Inc. the Woodinville Freight Easement, an exclusive easement for freight rail purposes. (Exhibit 1) In the seventh amendment to the BNSF to Port PSA it states, "BNSF will assign and transfer the retained Freight Easement to the TPO (Third Party Operator) selected by BNSF at the Port's request and approved by the Port ("Freight Easement Designee") and named in the Freight Easement Sale Agreement at such time on or after Closing when the Freight Easement Designee: is ready to accept such assignment and transfer and assume the common carrier obligation on the Freight Portion; provided, if the Freight Easement Designee is not prepared to accept such assignment and transfer then BNSF shall continue to perform its common carrier obligations until such time as a new Freight Easement Designee is chosen in the manner as set forth in this Agreement or BNSF has obtained discontinuance or abandonment authority with respect to the common carrier obligation on the Freight Portion. Until a new Freight Easement Designee is so chosen or discontinuance or abandonment authority is

obtained, no passenger rail or pedestrian, bike or other recreational uses will be allowed on the Freight Portion." (Exhibit 13)

Only the Freight Easement was reserved by BNSF and subsequently conveyed to GNP Rly Inc.. Snohomish County was conveyed all other rail easement rights, and all real property and tangible personal property.

GNP, as Freight Easement Designee, became financially insolvent less than fourteen months after accepting the freight easement (12/18/2009 purchase to 2/2/2011 bankruptcy filing). There is no explanation for how GNP could have been determined "ready" to accept the freight rail easement and "capable" of assuming the common carrier obligation when it so quickly became insolvent.

11. On December 18, 2009, GNP and the Port executed an Operation and Maintenance Agreement (O&M Agreement). Exhibit 14 – recorded 12/21/2009. Similarly, a Memorandum of the O&M Agreement was recorded. Exhibit 15. In addition, GNP and the Port entered into a license agreement for use of certain lines associated with the Eastside Corridor for rail excursion purposes (which have since expired), but also applying to the northern segment in the event of abandonment of freight operations by GNP or its successors. Exhibit 16.

12. June 6, 2016, Eastside Community Railway sent a letter to the Snohomish County Council seeking funding in order to maintain freight service. It notes the closing of its major shipper, Spectrum Glass, and states that Ballard Terminal Railroad Co. (BTRC) will abandon the line by July 30th of 2016 if the Council does not act. Exhibit 17. BTRC is still operating on the corridor, although apparently at a loss, as implied by this letter.

13. In the Stipulated Judgment, No. 14-2-054866-6 SEA, filed February 25, 2014, entered in the STB 235695 FD Docket No. AB-6 (Sub-No. 465X) the Port sought relief from certain breaches of the O&M Agreement by ECRR. The Settlement Agreement identified ten items and their subparts that ECRR and BTRC shall comply with. (Exhibit 18) Under this stipulated judgment, ECRR has insurance obligations to the County separate from those of BTRC. ECRR has provided no insurance to the County in material breach of its obligations under the O&M and the stipulated judgment.

Furthermore, the letter dated June 6, 2016, from ECRR to the County Council implies that ECRR and BTRC lack resources to carry out the obligations in the stipulated judgment and under the O&M. Snohomish County paid for repairs to the Connelly Road crossing and is paying for the repairs to the 240th Street SE crossing, due to public safety concerns. BTRC is doing perfunctory weed control. We are unaware of any work on the rail corridor in Snohomish County that ECRR is doing or is funding.

14. On October 5, 2017, Doug Engle (in his own name, not ECRR) leased a portion of the railroad corridor to Darling Sons Intl, LLC for parking space. (Exhibit 19) Even assuming that ECRR has title to the freight rail easement (which it does not), Engle purported to lease the property to Darling in his own name and there is no evidence that any revenue from the lease is benefiting any rail use. Moreover, the original BNSF exclusive freight rail easement was exclusively for freight rail purposes; all other interests were reserved to the Port, to which Snohomish County is now the successor. If anyone has power to grant a parking lot lease, that party is now

the County, not Engle or ECRR.

Therefore, on April 30, 2018 the County reissued a May 23, 2017 cease and desist letter to Darling Properties LLC stating the County had no lease allowing their occupation of County property. Ensuing emails from Doug Engle on behalf of Darling Sons Intl LLC, said ECRR could enter "into a lease agreement with Darling Sons toward the benefit of railway operations." The County responded that it has sole rights to grant easements, licenses or permits under the O&M Agreement. Doug Engle responded in a 5/4/2018 email, "The county is entitled to reclaim any easement land not being used by the railway. In this case, Eastside Community Rail entered into a lease agreement with Darling Sons toward the benefit of railway operations. Given there were no 'Additions [or] Alterations' so no notice was required under the Operating and Maintenance Agreement ('O&M'). The type of railway use is irrelevant as long as it benefits the railway and its operations. The essence of the agreement is that the railway can use any Darling equipment at a substantially reduced rate in exchange for Darling maintaining the area in question inside the railway easement and may park its vehicles as needed. The railway is paid a nominal rent to maintain the agreement, which transfers to Eastside successors as long as Darling maintains its side of the agreement. Rest assured, the O&M will not be extended beyond the 10-year term, which will allow the railway to obtain normal railway financing for its future operations. Further, I am not aware of any legal action where the county reclaimed the unused area of the easement… due process. Thus, the county cannot reclaim this area of the corridor as it is being legally utilized by the railway indefinitely."

Mr. Engle's email is incorrect. The lease does not purport to be between ECRR and Darling but instead is between Doug Engle personally and Darling Sons Intl, LLC. It provides for monthly checks to Doug Engle, at Earl Engle's personal address, not revenue or cheap equipment rentals for a railroad. This is simply further evidence of abusive practice by Mr. Engle concerning the freight rail easement.

According to the Secretary of State, ECRR is not authorized to do business in Washington State, and neither ECRR nor Doug Engle is the owner of the Reserved Freight Easement.

ECRR although obligated to provide insurance has provided no insurance (damages, safety, environmental, etc.) to protect Snohomish County for this parking lease or any other activity of ECRR on the corridor. This exposes the County to damage actions and is a material breach of contract.

15. April 26, 2013, Ballard Terminal Railroad Company, LLC (BTRC) and ECRR entered into a lease agreement. Exhibit 20. BTRC represented to STB that ECRR owned the property being leased, and on this basis STB authorized the lease in FD 35730. In this 'exclusive' lease agreement, BTRC agreed to lease the exclusive freight operating easement (the Line), and be bound by the Operations and Maintenance Agreement with the Port of Seattle. As previously stated, ECRR has never owned the Reserved Freight Easement and thus could not lease it to BTRC. As a consequence, BTRC's representations to the contrary in its notice of exemption for the lease filed with this agency are false and misleading. Given the lack of ownership of the so-called freight segment of the Eastside Corridor by ECRR, and the misrepresentations of ECRR's ownership to STB by both ECRR and BTRC, the

STB authorizations to both entities to operate as common carriers on the corridor should be revoked as void ab initio so the County can use self-help and other appropriate remedies to remove them from the Corridor as trespassers. In all events, a new set of agreements properly authorized by the Board based on accurate statements of ownership of assets must be worked out.

16. BTRC (a.k.a. Eastside Freight Railroad) provided Snohomish County with their Railcar Count for the end of 2015, 2016 and 2017. They had a 39% drop-off in business from 2016 at 106 carloads to 2017 at 65 carloads. (Exhibit 21)

I have also examined STB dockets AB 6 (Sub-no 465 X) and FD 35731, where I found in the 'Exhibits in Support' (document numbers 234952 and 234953) a May 24, 2013 deposition of Byron Cole, the overall manager for BTRC at the time. At pages 133-134, he affirms that BTRC on the rail line involved had 270 carloads in 2010, 235 in 2011, and 213 in 2012. On page 143, Cole affirmed that the operation of just the existing carload freight side of the business does not generate enough income to put any significant amount of money into the track structure.

Even though there may be seasonal upticks in carloads, the yearly figures clearly show a downward trend that does not generate enough income to put money back into the County's track structure as envisioned in the O&M Agreement.

BTRC failed to comply with requirements to make quarterly carload payments per the O&M Agreement, and has made only the one-time belated payment of $1,706.65 on 5/16/2018 for a total of 208 total trips since November 2015. According to the O&M Agreement, the County is to receive payment of $10 per loaded freight car. The remittance from BTRC was at a lower rate. As previously noted, Spectrum

Glass, a major shipper, was lost in early 2016 or before. The railroad corridor is approximately twelve miles long, with existing shippers toward the south end of the line and the BNSF interchange at the north end. If the 2017 trend continues, with less than five and a half carloads per month, the County is very concerned – especially in light of Mr. Cole's sworn statements elsewhere – that the rail carrier lacks sufficient revenues to maintain the line as required under the O&M agreement. As further confirmation of the County's concern, ECRR stated in their letter to the Snohomish County Council (Exhibit 17) that freight operators around the county were contacted and none of them would consider operating the line because there is not enough freight business, and that BTRC would abandon the line.

Pursuant to 28 USC 1746, I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Signed this 11th day of July 2018 at Everett, Washington.



THOMAS P. STOWE

DECLARATION OF THOMAS P. STOWE

TABLE OF EXHIBITS

Quit Claim Deed – Woodinville Freight Easement BNSF Railway Company to GNP Rly Inc., dated 18 December 2009	Exhibit 1 Page 1
Quit Claim Deed – Woodinville Freight Easement GNP Rly, Inc. to Earl L. Engle & Joanne M. Engle, dated 24 January 2011	Exhibit 2 Page 15
United States Bankruptcy Court; In Re: GNP RLY, INC. Debtor Declaration of Earl Engle, dated March 14, 2011 Declaration of Joanne M. Engle, dated March 13, 2011	Exhibit 3 Page 29
United States Bankruptcy Court; In Re: GNP RLY, INC. Debtor Case No. 11-40829-BDL Motion for Summary Judgment and Notice Thereof, filed 3/14/2011 Order Granting Motion for Approval of Sale Free and Clear of Liens and Assumption and Assignment of Executory Contracts, filed 9/27/2012 Chapter 11 Trustee Final Report, filed 2/20/2013	Exhibit 4 Page 36
Asset Purchase Agreement, dated 5 September 2012 Chapter 11 Trustee for GNP Rly, Inc. to Eastside Community Rail Record of Transfer, dated 12/17/2012	Exhibit 5 Page 62
FD 35692, Service Date – November 23, 2012 Eastside Community Rail, LLC -- Acquisition and Operation Exemption -- GNP Rly, Inc.	Exhibit 6 Page 72
Fidelity National Title – 611073764 Commitment with Attachment Ownership as to an Easement for Woodinville Freight purposes Effective Date: June 20, 2018	Exhibit 7 Page 76
United States Bankruptcy Court; In Re: GNP RLY, INC. Debtor Case No. 11-40829-BDL Declaration of Douglas Engle, dated 2/10/2011 Declaration of Douglas Engle, dated 2/16/2011, with Exhibits Declaration of Antoinette M. Davis, dated 4/4/2011, with Exhibits	Exhibit 8 Page 115
State of Washington Secretary of State, Statement of Administrative Dissolution Eastside Community Rail, LLC; c/o Douglas Engle, dated July 1, 2016	Exhibit 9 Page 251

State of Washington Secretary of State — Exhibit 10
Certificate of Revocation of Authority to do Business in Washington — Page 254
Telegraph Hill Investments, LLC; c/o Douglas Engle, dated August 1, 2012

Quit Claim Deed – Woodinville North Freight Portion — Exhibit 11
BNSF Railway Company to Port of Seattle, dated 18 December 2009 — Page 257

Quit Claim Deed – Ptn BNSF Railway Company's Snohomish to Woodinville, WA — Exhibit 12
Branch Line right-of-way lying within Snohomish County — Page 274
Port of Seattle to Snohomish County, dated March 17, 2016
Bill of Sale, dated 3/24/2016

Seventh Amendment to Purchase and Sale Agreement, made 17 December 2009 — Exhibit 13
between BNSF Railway Company, the Port of Seattle and King County — Page 287

Operations and Maintenance Agreement Between Port of Seattle and GNP Rly. Inc. — Exhibit 14
Dated 18 December 2009 — Page 294

Memo of Operations and Maintenance Agreement — Exhibit 15
Port of Seattle and GNP Rly. Inc., dated 18 December 2009 — Page 323

Railroad Right of Way License Between Port of Seattle and GNP RLY. Inc. — Exhibit 16
Dated 18 December 2009 — Page 338

Letter dated 6 June 2016 from Eastside Community Railway to — Exhibit 17
Snohomish County Council — Page 365

STB Filing 235695, dated March 27, 2014, from Port of Seattle — Exhibit 18
BNSF Railway Company – Abandonment Exemption – In King County, WA — Page 370
Finance Docket No. AB-6 (Sub-No. 465X)
Superior Court of Washington – Stipulated Judgment
Port of Seattle v. Eastside Community Rail, LLC

Parking Space Lease Agreement — Exhibit 19
between Doug Engle and Darling Sons Intl, LLC — Page 392

Lease Agreement, dated 26 April 2013, between — Exhibit 20
Ballard Terminal Railroad Company, LLC and Eastside Community Rail, LLC — Page 395

Eastside Freight Railroad (a.k.a. Ballard Terminal Railroad Company, LLC) — Exhibit 21
Railcar count and remittance details — Page 409

EXHIBIT 1

Quit Claim Deed – Woodinville Freight Easement
BNSF Railway Company to GNP Rly Inc., dated 18 December 2009

1,000.00
NO. 5146007 8/31/2009 2:45 PM
Thank you for your payment.
SHELLEY

After Recording Return To:
James Greenfield
Davis Wright Tremaine LLP
1201 Third Avenue
Suite 2200
Seattle, WA 98101

200912210439 13 PGS
12/21/2009 2:41pm $74.00
SNOHOMISH COUNTY, WASHINGTON

Unofficial Document

Quit Claim Deed
Woodinville Freight Easement

PNWT WO-2061-9

Grantor: BNSF Railway Company

Grantee: GNP Rly Inc

Abbreviated Legal: 0000000000100 10P

SW1/4 18-28-6
Lot 4 and 5 Block 2 Snohomish City Eastern Part Vol. 1 page 7
Govt Lots 1 and 2, and the NW ¼ of 19-28-6
NE and SE 24-28-5
NE 25-28-5
Govt 1,2,3,5, and 6 of 30-28-6
Govt 3,4,8 and SW1/4 and NW1/4 31-28-6
Pnt Lot 139 Cathcart 9X39
Gvt 4,5,6,7 of 6-27-6
Gvt 1,2,3,4,and the SW ¼ of 7-27-6
Gvt 2,3,4 and NW ¼ of 18-27-6
Gvt 1,2 of 19-27-6
NE of 12-27-5
NE, SW, SE of 24-27-5
Gvt 4 of 31-27-5
NW, SW of 25-27-5
NE, NW, SW of 26-27-5
NW of 35-27-5
NE, SE, SW of 34-27-5
In Snohomish County

After Recording Return To:

James Greenfield
Davis Wright Tremaine LLP
1201 Third Avenue,
Suite 2200
Seattle, WA 98101

PNWT 10-20411-9

QUIT CLAIM DEED
Woodinville Freight Easement

Grantor: BNSF RAILWAY COMPANY ("BNSF")

Grantee: GNP Rly Inc ("TPO")

Legal Description: See Exhibit A attached hereto and incorporated herein (the "Property").
Por 10, 24 5 ecom, Por 9-26 5,

WHEREAS, BNSF has conveyed to the Port of Seattle (the "Port") the Property pursuant to that certain Quit Claim Deed dated as of the date hereof and recorded in the real estate records of King County, Washington as instrument number 200912180001536 and in the real estate records of Snohomish County, Washington as instrument number 200912210438 ; and

WHEREAS, BNSF reserved in said deed an exclusive easement for freight rail purposes over the Property (the "Reserved Freight Easement").

NOW, THEREFORE, BNSF, for and in consideration of TEN AND NO/100 DOLLARS ($10.00) conveys and quit claims to TPO all of BNSF's right, title and interest in and to the Reserved Freight Easement, together with all after acquired title of BNSF therein.

TPO and BNSF are parties to that certain Freight Easement Sale Agreement dated as of December 18, 2009 concerning the sale of the Reserved Freight Easement in and to the Property. TPO and BNSF for themselves and their respective successors and assigns hereby covenant and agree that the provisions of Sections 6 and 7 of said Agreement attached hereto as Exhibit B, are incorporated herein by reference and shall be covenants running with the land that are enforceable by TPO, BNSF and their respective successors and assigns.

IN WITNESS WHEREOF, BNSF and TPO have executed this Deed as of the 18 day of December, 2009.

BNSF RAILWAY COMPANY

By _____
Its: Senior General Attorney

GNP Rly Inc

By _____
Its: Chairman C.O.O.
Thomas Payne

Said document(s) were filed for record by Pacific N.W. Title as accommodation only. It has not been examined as to proper execution or as to its effect upon title.

STATE OF Washington)
) ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that ~~Richard E Weicher~~ David T. Rankin is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the ~~Vice President & General Counsel - Regulatory~~ Senior General Attorney of BNSF Railway Company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12-18-2009

Notary Public
Print Name Stephani A Owens
My commission expires 4-29-2013

STEPHANI A. OWENS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 29, 2013

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that Thomas Payne is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Chairman C.O.O. of GNP Rly Inc to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12-18-09

Notary Public
Print Name Stephani A. Owens
My commission expires 4-29-2013

STEPHANI A. OWENS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 29, 2013

(Use this space for notarial stamp/seal)

EXHIBIT A

Legal Description of the Property

All that portion of BNSF Railway Company's (formerly Northern Pacific Railway Company) Snohomish (MP 38.25) to Woodinville (MP 23.8), 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 Snohomish County and King County, Washington, more particularly described as follows, to-wit:

SNOHOMISH COUNTY

That portion of that certain 60.0 foot wide Branch Line right of way being 30.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across State Street, as said street is shown on plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor, lying southerly of the Easterly prolongation of the centerline of vacated Commercial Street, as said Commercial Street is shown on said plat; also

That portion of the Southerly half of vacated Commercial Street as said street is shown on the plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington, vacated by ordinance No. 354 of the City of Snohomish, State of Washington, passed May 16, 1911, described as follows:

Beginning at the northeast corner of Lot 5, Block 2 of said plat of Snohomish City Eastern Part; thence Westerly, along the northerly line of said Lot 5, a distance of 20 feet, more or less, to a point 50 feet distant westerly, when measured at right angles from the centerline of State Street, as said State Street is shown on said plat; thence Northerly, along a line 50 feet westerly from the center line of said State Street, 30 feet, more or less to the centerline of said Commercial Street; thence Easterly, along said centerline of Commercial Street, 20 feet, more or less to the northerly prolongation of the east line of said Lot 5, thence Southerly, along said northerly prolongation, 30 feet, more or less, to Point of Beginning; also,

Lots 4 and 5, of Block 2 as shown on plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington; also,

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by the Southwesterly Bank of the Snohomish River, an bounded Southwesterly by a line parallel with and distant 50.0 feet Northeasterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, together with all right, title and interest if any, to accommodate said railway company's facilities and operations over and across the Snohomish River; also

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by a line parallel with and distant 150.0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and

constructed, and bounded Southerly by the Southerly line of said Government Lot 4; also

A triangular shaped tract of land being that portion of Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by a line parallel with and distant 150.0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, bounded Northwesterly by a line parallel with and distant 25 feet Easterly from, measured at right angles to said Railway Company's Branch Line right of way Main Track centerline as originally located and constructed and bounded Southerly by the Southerly line of said Government Lot 4; also

That certain 0.11 acre strip of land described in deed dated September 9, 1903 from J. H. Shadinger and Hattie E. Shadinger to Northern Pacific Railway Company recorded September 19 in Book 80, Page 296, records of Snohomish County, Washington, said 0.11 acre strip of land being described in said deed for reference as follows:

"A strip of land eighty (80) feet in width across that certain thrity-three (33) foot strip of land in Lot four (4), Section eighteen (18), Township twenty-eight (28) north, Range six (6) east, W.M., which lies immediately south of, parallel with and contiguous to the right of way of the Great Northern Railway Company across said subdivision; said eighty (80) foot strip of land having for its east and west boundaries two lines that are parallel with and respectively distant twenty-six (26) feet on the northeasterly side and fifty-four (54) feet on the southwesterly side of the center line of the proposed track which is to connect the Great Northern Railway with the Northern Pacific Railway as the same is located, staked and constructed over and across said subdivision; containing 0.11 acres, more or less."; also,

That certain 1.94 acre strip of land described in deed dated September 9, 1903 from Kate G. Ford, D. A. Ford, Ruth S. Ford and D. A. Ford as sole executor to Northern Pacific Railway Company recorded September 19 in Book 80, Page 298, records of Snohomish County, Washington, said 1.94 acre strip of land being described in said deed for reference as follows:

"All that portion of Lot four (4), Section eighteen (18) and of Lot one (1) (or the northwest quarter of the northwest quarter) of Section nineteen (19), Township twenty-eight (28) north, Range six (6) east, W.M., lying westerly of the Northern Pacific Railway Company's right of way and southerly of a line drawn parallel with and thirty-three (33) feet distant southerly from the south line of the Great Northern Railway Company's right of way and between lines drawn parallel with and respectively distant twenty-six (26) feet easterly from and fifty-four (54) feet westerly from the center line of the proposed track which is to connect the Northern Pacific Railway with the Great Northern Railway as the same is now located, staked out and to be constructed over and across said premises; said strip of land containing 1.94 acres, more or less.", also;

That certain .08 acre strip of land described in deed dated April 25, 1908 from Robert Henry and Margaret R. Henry to Northern Pacific Railway Company recorded June 1, 1908 in Book 110 of Deeds, Page 509, records of the County Auditor, Snohomish County, Washington, said .08 acre strip of land being described in said deed for reference as follows:

"A strip of land thirty (30) feet wide described as follows: Beginning at a point on the section line between Sections 18 and 19, Township 28 North, Range 6 East, Willamette Meridian, fifty-five (55) feet distant measured at right angles from the center line of the main track of the said Railway Company as the same is now located, constructed, maintained and operated through said sections; thence northeasterly on a line parallel with and fifty-five (55) feet distant from said center line one hundred ten (110) feet, more or less, to the south line of the Tacoma Power Company's right of way; thence southeasterly along the south line of said Tacoma Power Company's right of way thirty (30) feet to the westerly line of the

present right of way of said Northern Pacific Railway Company, which line at that point is twenty-five (25) feet from the center line of the main track of said Railway Company; thence southwesterly along said westerly line of the right of way one hundred ten (110) feet, more or less, to the point where said right of way widens to fifty (50) feet on each side of said center line; thence westerly twenty-five (25) feet to point of intersection with the above described section line; thence west along said section line five (5) feet, more or less, to place of beginning, said strip being situated in Lot four (4) Section eighteen (18) and Lot one (1) Section nineteen (19) all in Township twenty-eight (28) North, Range six (6) East, Willamette Meridian and containing eight hundredths (.08) of an acre, more or less."; also,

That portion of said Railway Company's property in Government Lot 4, Section 18, Township 28 North, Range 6 East, W.M.; Snohomish County, Washington, bounded Northeasterly and Southwesterly by two lines drawn parallel with and distant Southwesterly 150.0 feet and 183.0 feet, respectively, from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed and bounded Southeasterly and Northwesterly by two lines drawn parallel with and distant Northwesterly 25.0 feet and 50.0 feet, respectively, from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; also,

That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W. M., Snohomish County, Washington, bounded Northerly by the North line of said Section 19, and bounded Westerly by the West line of said Section 19; also,

That portion of said Railway Company's property in Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W. M., Snohomish County, Washington, bounded as follows: Westerly by a line parallel with and distant 50.0 feet Easterly from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; Northerly by the North line of said Section 19 and Easterly by the following described line:

Beginning at a point on a line parallel with and distant 50.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, opposite Station 512+68.45, said point of beginning being the point of a curve to the left having a radius of 621.20 feet; thence westerly, along the arc of said curve to the left and consuming a central angle of 90°57'06", an arc distance of 986.10 feet to the point of tangency of said curve, said point of tangency being 125 feet easterly, when measured at right angles from Station 1963+97.51 on said Railway Company's Branch Line Main Track centerline; thence southerly, along a line drawn parallel and/or concentric with and 125 feet easterly, when measured at right angles and/or radially, from said Branch Line Main Track centerline, to a point opposite Station 1956+00 on said Railway Company's Branch Line Main Track centerline; thence westerly, along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet; thence southerly, along a line drawn concentric with and 100 feet easterly, when measured radially, from the centerline of said Railway Company's Branch Line Main Track centerline, to a point opposite Station 1953+00 on the centerline of said Railway Company's Branch Line Main Track centerline; thence westerly along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet; thence southerly, along a line drawn concentric with and 75 feet easterly, when measured radially from said Railway Company's Branch Line Main Track centerline to the west line of said Section 19, also being the terminus of the herein described line.

EXCEPTING THEREFROM, a strip of land 30 feet wide, the center line of which is 435 feet north from and parallel with the East and West centerline of said Section 19, extending from the west line of

said Section 19 to the East boundary of said hereinabove described tract; **ALSO EXCEPTING THEREFROM**, that portion of said hereinabove described tract lying northerly of a line parallel with and distant 150.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, also,

That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½E½ Section 24, the E½NE¼ Section 25, all in Township 28 North, Range 5 East, W. M., bounded Northerly by the East line of said E½E½ Section 24, and bounded Southerly by the East line of said E½NE¼ Section 25; 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 Government Lots 1, 2, 3, 5, 6, of Section 30, Township 28 North, Range 6 East, W. M., bounded Westerly by the West lines of said Lots 1 an 2 and bounded Southerly by the South line of said Lot 5; also,

That portion of that certain 110.0 foot wide Branch Line right of way, being 60.0 feet Westerly and 50.0 feet Easterly of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 8 of Section 31, Township 28 North, Range 6 East, W. M., bounded Northerly and Southerly by the North and South lines of said Lot 8; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 3, the NE¼SW¼ and the SE¼NW¼, Section 31, Township 28 North, Range 6 East, W. M., bounded Northerly by the North line of said SE¼NW¼ Section 31, and bounded Southerly by the South line of said Government Lot 3 and its easterly prolongation; also,

That certain 2.0 acre tract of land described in deed dated April 13, 1918 from John S. Eby to the Northern Pacific Railway Company, recorded April 20, 1918 in Volume 180 of Deeds, Page 451, records of Snahomish County, Washington, said tract being described in said deed for reference as follows:

"That property of the grantor (being the north nine hundred forty-five and five tenths (945.5) feet, more or less, of the south eleven hundred forty-three and five tenths (1143.5) feet of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, west of the present right of way of said Railway Company lying between lines parallel with and distant respectively one hundred (100) and one hundred fifty (150) feet westerly from the center line of the present main track of said Railway Company, as the same is now constructed and operated over and across said section; also that portion of said N½ of SW¼ lying between lines parallel with and distant respectively one hundred fifty (150) and two hundred (200) feet westerly from said above named main track center line and between a line parallel with and distant one hundred ninety-eight (198) feet northerly from the south line of said government subdivision and a line drawn at right angles to said main track center line at a point distant twenty-one hundred thirty-four and eight tenths (2134.8) feet northerly from its point intersection with the south line of said section 31, containing in all two (2) acres, more or less."; also,

That certain 0.35 acre tract of land described in deed dated March 25, 1918 from John Grinier and Alice Grinier to the Northern Pacific Railway Company, recorded April 10, 1918 in Volume 180 of Deeds, Page 401, records of Snohomish County, Washington, said tract being described in said deed for reference as follows:

"A strip of land of the Westerly side of and adjacent to the present two hundred (200) foot right of way of said Railway Company in the south six (6) acres (or the south one hundred ninety-eight (198) feet more or less, of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, said strip of land being more particularly described as follows:

"Beginning at a point on the south line of said N½ of SW ¼, one hundred (100) feet distant westerly, measured at right angles, from the present main track of said Railway Company, as the same is now, constructed and operated over and across said section; thence northerly on a line parallel with and one hundred (100) feet distant westerly from said center line to the north line of the property of said grantors (being the north line of the south 198 feet, more or less of the above named government subdivision); thence west along said north line to a point two hundred (200) feet distant westerly, measured at right angles, from said main track center line; thence southeasterly in a straight line to a point on the south line of said above named government subdivision fifty-five (55) feet west of the point of beginning; thence east to the point of beginning, containing thirty-five hundredths (35/100) acres, more or less."; also,

That certain tract of land described in deed dated December 15, 1937 from Ella L. Moulton to the Northern Pacific Railway Company recorded February 19, 1938 in Volume 238 of Deeds, Page 102, records of Snohomish County, Washington, said tract of land being descrbed in said deed for reference as follows:

"That portion of Tract No. 139 as shown on the official plat of CATHCART on file and of record in the office of the Auditor of said County situate within the south half of southwest quarter (S½ of SW¼) of section thirty-one (31) in township twenty-eight (28) north of range six (6) east of the Willamette Meridian, lying easterly of a line parallel with and distant fifty (50) feet westerly measured at right angles, from the center line of the present main track of the Northern Pacific Railway Company as the same is now constructed and operated over and across said section thirty-one."; 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 Government Lot 4 in Section 31, Township 28 North, Range 6 East, W. M., Government Lots 4, 5, 6 and 7 in Section 6, Government Lots 1, 2, 3, 4 and the SE¼SW¼ Section 7, Government Lots 2, 3, 4 and the E½NW¼ Section 18, Government Lots 1 and 2 Section 19, all in Township 27 North, Range 6 East, W. M., the E½E½NE¼ Section 12, and the SE¼NE¼ and the NE¼SE¼ Section 24, all in Township 27 North, Range 5 East, W. M., bounded Northerly by the North line of said Government Lot 4 in Section 31, and bounded Southerly the West line of said NE¼SE¼ Section 24; also

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SE¼ Section 24, Township 27 North, Range 5 East, W. M., bounded Easterly and Westerly by the East and West lines of said W½SE¼ Section 24, **EXCEPTING THEREFROM**, that portion of said 200.0 foot wide Station Ground property lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as now located and constructed; also

That portion of that certain 100.0 foot wide Maltby Station Ground property, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½SW¼ Section 24, Township 27 North, Range 5 East, W. M., bounded Northerly by the East line of said SW¼ Section 24 and bounded Southerly by the South Line of said SW¼ Section 24, **EXCEPTING THEREFROM**, that portion lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as originally

located and constructed, bounded Northeasterly by the East line of said SW¼ Section 24, and bounded Southwesterly by the Easterly edge of the travelway of the Street connecting 91st Avenue SE with Yew Way in the City of Maltby, Washington, as now located and constructed in a generally Southerly direction from 91st Avenue SE, and about 100 feet Southwesterly of the North-South quarter line of said Section 24, as measured along said Main Track centerline; also,

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼ Section 25, Township 27 North, Range 5 East, W. M., bounded Northerly and Southerly by the North and South lines of said NW¼ Section 25; 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 the NW¼NE¼SW¼ Section 25, Township 27 North, Range 5 East, W. M., bounded Northerly and Westerly by the North and West lines of said NW¼NE¼SW¼ Section 25; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼SW¼ Section 25, the NE¼SE¼ and the NE¼ Section 26, all in Township 27 North, Range 5 East, W. M., bounded on the East by the East line of said NW¼SW¼ Section 25, and bounded on the West by the West line of said NE¼ Section 26; 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 the SE¼NW¼ and the NW¼NE¼SW¼ Section 26, Township 27 North, Range 5 East, W. M., bounded Easterly by the East line of said SE¼NW¼ Section 26, and bounded Westerly by the West line of said NW¼NE¼SW¼ Section 26; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SW¼ Section 26, and the NW¼NW¼ Section 35, all in Township 27 North, Range 5 East, W. M., bounded on the East by the East line of said W½SW¼ Section 26, and bounded on the South by the South line of said NW¼NW¼ Section 35, **EXCEPTING THEREFROM**, that portion lying Westerly of a line parallel and/or concentric with and distant 50.0 feet Westerly from, measured at right angles and/or radially to said Railway Company's Main Track centerline as originally located and constructed, bounded on the North by the North line of said Section 35, and bounded on the South by a line radial to said Main Track centerline at a point 530.0 feet South of the North line of said Section 35, as measured along said Main Track centerline; 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 the SW¼NW¼ Section 35, the SE¼SE¼NE¼ and the NE¼SE¼ Section 34, all in Township 27 North, Range 5 East, W. M., bounded on the North by the North line of said SW¼NW¼ Section 35, and bounded on the South by the South line of said NE¼SE¼ Section 34; also,

That portion of that certain 50.0 foot wide Branch Line right of way, being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the SE¼SE¼ Section 34, Township 27 North, Range 5 East, W. M., bounded on the North by the North line of said SE¼SE¼ Section 34, and bounded on the South by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline; 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 the S½SE¼ and the SE¼SW¼ Section 34, Township 27 North, Range 5 East, W. M., bounded on the North by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline, and bounded on the South by the South line of said Section 34, said line also being the South line of Snohomish County Washington.

KING COUNTY

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 S½N½, and the E½SW¼ Section 3, the NW¼ 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 NW¼ 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 E½SW¼ 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, Township 26 North, Range 5 East, W. M., bounded on the East by the East line of said 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 a distance of 400 feet, more or less, to a point in the southeasterly line of the present right of way of the Northern Pacific Railway, thence southwesterly along said right of way line to point of beginning; containing 0.32 acres, more or less."

A 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 Dees, 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 records of King County, Washington, said 100 foot wide strip being described as follows:

That certain 0.03 acre triangular tract of land described in deed dated 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 of 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

Section 6. Condition of Property. (a) TPO has been, or by Closing will have been, allowed to make an inspection of the Freight Portion. Subject to BNSF's express representations, warranties and obligations under this Agreement, **TPO IS PURCHASING THE RESERVED FREIGHT EASEMENT IN THE FREIGHT PORTION IN AN "AS-IS WITH ALL FAULTS" BASIS WITH ANY AND ALL PATENT AND LATENT DEFECTS, IS NOT RELYING ON, AND HEREBY WAIVES ANY WARRANTY OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER REPRESENTATION OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER FROM BNSF WITH RESPECT TO ANY MATTERS CONCERNING THE FREIGHT PORTION** including, but not limited to the physical condition of the Freight Portion; zoning status; tax consequences of this transaction; utilities; operating history or projections or valuation; compliance by the Freight Portion with Environmental Laws (defined below) or other laws, statutes, ordinances, decrees, regulations and other requirements applicable to the Freight Portion; the presence of any Hazardous Substances (defined 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 Freight Portion; the condition or existence of any of the above ground or underground structures or improvements, including tanks and transformers in, on or under the Freight Portion; the condition of title to the Freight Portion, and the Third Party Leases/Licenses permits, orders, or other agreements, affecting the Freight Portion (collectively, the "**Condition of the Freight Portion**").

(b) TPO represents and warrants to BNSF that except for BNSF's express representations, warranties and obligations under this Agreement, TPO has not relied and will not rely on, and BNSF is not liable for or bound by, any warranties, guaranties, statements, representations or information pertaining to the Freight Portion or relating thereto made or furnished by BNSF, the manager of the Freight Portion, or any real estate broker or agent representing or purporting to represent BNSF, to whomever made or given, directly or indirectly, orally or in writing.

(c) Subject to BNSF's express representations, warranties and obligations under this Agreement TPO assumes the risk that Hazardous Substances or other adverse matters may affect the Property that were not revealed by TPO's inspection and except to the extent of BNSF's express representations, warranties and obligations under this Agreement, TPO waives, releases and discharges forever BNSF and BNSF's officers, directors, shareholders, employees and agents (collectively, "**BNSF Parties**") from any and all present or future claims or demands, and any and all damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown, which TPO might have asserted or alleged against BNSF Parties arising from or in any way related to the Condition of the Freight Portion or alleged presence, use, storage, generation, manufacture, transport, release, leak, spill, disposal or other handling of any Hazardous Substances in, on or under the Freight Portion. 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 transfer. 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. 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.

BNSF and TPO acknowledge that the compensation to be paid to BNSF for the Reserved Freight Easement reflects that the Reserved Freight Easement is being conveyed subject to the provisions of this Section 6 which provisions shall be included in the Deed and which shall be covenants running with the land.

Section 7. Environmental Obligations.

(a) Consistent with Section 4.2 of this Agreement, if, prior to the expiration of the Review Period, the TPO notifies BNSF in writing of an existing condition affecting the Freight Portion (an "**Identified Condition**") that is unacceptable to the TPO, as determined by the TPO in its sole and absolute discretion, and BNSF does not verify in writing within fifteen (15) business days thereafter that such Condition is a condition that BNSF is obligated to Cure pursuant to this Section 7, then the TPO may terminate this Agreement by written notice to BNSF in accordance with the provisions of Section 4.2 of this Agreement. If the TPO timely notifies BNSF in writing of an Identified Condition, the TPO and BNSF shall negotiate diligently and in good faith to reach agreement on Curing such condition. If the portion of the Freight Portion affected by an Identified Condition can be excluded from the sale of the Reserved Freight Easement without materially interfering with TPO's future use of the Reserved Freight Easement, as determined by the TPO in its sole and absolute discretion, then BNSF may affect Cure prior to Closing by excluding such affected portion of the Freight Portion without any price adjustment and to the extent so excluded BNSF shall have satisfied its obligations under this Agreement to Cure the portion of the Freight Portion excluded from the Reserved Freight Easement, provided, however, that any such Cure by exclusion must first be agreed to in writing by the TPO. If TPO does not terminate this Agreement under Sections 4.2 and 7.1 and proceeds to Closing, it shall be deemed to have waived and released BNSF from any obligations with respect to such Identified Condition.

(b) BNSF shall be responsible to investigate, remediate, respond to or otherwise cure (collectively, "**Cure**") as and when required by and in accordance with Environmental Laws any Identified Condition that concerns a release of Hazardous Substances on the Freight Portion occurring prior to the Closing or a violation of Environmental Laws concerning the Freight Portion occurring prior to the Closing to the extent that BNSF has agreed to Cure, and to the standards that BNSF has agreed to satisfy, in writing prior to the expiration of the Review Period. Notwithstanding the preceding sentence, BNSF shall not be responsible to Cure any such Identified Conditions to the extent TPO, its agents, or contractors materially exacerbate such Identified Condition during construction performed by or for TPO, excluding superficial or *de minimis* activity performed by TPO. Further, BNSF shall not be responsible to Cure any Identified Condition that was not caused by BNSF or its agents, contractors or invitees. TPO shall cooperate with BNFS in its efforts to Cure any Identified Condition concerning a release of Hazardous Substances on the Freight Portion.

(c) The provisions of this Section 7 shall be included in the Deed and shall run with the land.

EXHIBIT 2

Quit Claim Deed – Woodinville Freight Easement
GNP Rly, Inc. to Earl L. Engle & Joanne M. Engle, dated 24 January 2011

After Recording Return To:

Joanne M Engle
240 Lombard St
Suite 936
San Francisco, CA 94111

Earl L Engle
4117 South Lamonte
Spokane, WA 99203

425793

201101250441 13 PGS
01/25/2011 1:38pm $74.00
SNOHOMISH COUNTY, WASHINGTON

18.00
No. 5909658 1/25/2011 1:36 PM
Thank you for your payment.
PAT

QUIT CLAIM DEED
Woodinville Freight Easement

Grantor: GNP Rly, Inc

Grantee: Earl L. Engle & Joanne M. Engle

Land Description See Exhibit A attached hereto and incorporated herein (the "Property", AKA "Woodinville Freight Easement").
PTN OF SEC 18, TWN 28, RNG 06, ADDITIONAL LEGALS PG 5
TAX ID 0000000000100

WHEREAS, GNP Rly Inc. ("GNP") has conveyed to Earl L. Engle (53.9%) and Joanne M Engle (46.1%) ("Engle's") the Property pursuant a Settlement Agreement with each party, and

WHEREAS, GNP has entered into a Lease Agreement with Engle's for the Woodinville Freight Easement.

NOW, THEREFORE, GNP for and in consideration of TEN AND NO/100 DOLLARS ($10.00) conveys and quit claims to Engle's all of GNP's rights, title and interest in and to the Woodinville Freight Easement, together with all after acquired title of GNP therein

GNP and Engle's are parties to certain confidential business loan Agreements, a Settlement Agreement, and Lease Agreement concerning the sale of all rights to the Property for themselves and their respective successors

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the 24th day of January 2011.

Approved by:

Earl L Engle

By: _____
Earl L. Engle

Joanne M. Engle

By _____
Joanne M. Engle

GNP Rly Inc

By: _____
Douglas E. Engle, C F O

STATE OF WASHINGTON
COUNTY OF Spokane

I certify that I know or have satisfactory evidence that Earl L. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 1/24/11
NOTARY PUBLIC. Patricia J. Morford
Print Name. Patricia J. Morford
My commission expires: 5/15/14

PATRICIA J MORFORD
Notary Public
State of Washington
My Commission Expires
May 15, 2014

STATE OF WASHINGTON
COUNTY OF King

I certify that I know or have satisfactory evidence that Joanne M. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED 1-24-2011
NOTARY PUBLIC. Violet R Tate
Print Name: Violet R. Tate
My commission expires. 2-29-12

VIOLET R. TATE
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
2-29-12

STATE OF WASHINGTON
COUNTY OF King

I certify that I know or have satisfactory evidence that Douglas E. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Chief Financial Officer and Treasurer of GNP Rly Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 1-24-2011
NOTARY PUBLIC Andrew Jordan Amoranto
Print Name: Andrew Jordan Amoranto
My commission expires: 5-5-2014

ANDREW JORDAN AMORANTO
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
5-05-14

After Recording Return To:

EXHIBIT

James Greenfield
Davis Wright Tremaine LLP
1201 Third Avenue,
Suite 2200
Seattle, WA 98101

PNWJT WO-20611-9

QUIT CLAIM DEED
Woodinville Freight Easement

Grantor BNSF RAILWAY COMPANY ("BNSF")

Grantee GNP Rly Inc ("TPO")

Legal Description See Exhibit A attached hereto and incorporated herein (the "Property")
Por 10, 24-5 EWM, Por-9-26-5,

WHEREAS, BNSF has conveyed to the Port of Seattle (the "Port") the Property pursuant to that certain Quit Claim Deed dated as of the date hereof and recorded in the real estate records of King County, Washington as instrument number 200912180001936 and in the real estate records of Snohomish County, Washington as instrument number 200912210 ; and

WHEREAS, BNSF reserved in said deed an exclusive easement for freight rail purposes over the Property (the "Reserved Freight Easement")

NOW, THEREFORE, BNSF, for and in consideration of TEN AND NO/100 DOLLARS ($10 00) conveys and quit claims to TPO all of BNSF's right, title and interest in and to the Reserved Freight Easement, together with all after acquired title of BNSF therein.

TPO and BNSF are parties to that certain Freight Easement Sale Agreement dated as of December 18, 2009 concerning the sale of the Reserved Freight Easement in and to the Property TPO and BNSF for themselves and their respective successors and assigns hereby covenant and agree that the provisions of Sections 6 and 7 of said Agreement attached hereto as Exhibit B, are incorporated herein by reference and shall be covenants running with the land that are enforceable by TPO, BNSF and their respective successors and assigns

IN WITNESS WHEREOF, BNSF and TPO have executed this Deed as of the 18 day of December, 2009

BNSF RAILWAY COMPANY

By _____
Its: Senior General Attorney

GNP Rly Inc

By _____
Its Chairman, C.O.O.
Thomas Payne

Said document(s) were filed for record by Pacific N W. Title as accommodation only It has not been examined as to proper execution or as to its effect upon title.

226605

1,000.00

8/31/2009 2:45 PM
No. 51466097
Thank you for your payment.
SHELLEY

After Recording Return To:
James Greenfield
Davis Wright Tremaine LLP
1201 Third Avenue
Suite 2200
Seattle, WA 98101

CONFORMED COPY
200912210439 13 PGS
12/21/2009 2:41PM $74.00
SNOHOMISH COUNTY, WASHINGTON

COPY

Quit Claim Deed
Woodinville Freight Easement

PNWT 10-20611-9

Grantor BNSF Railway Company

Grantee: GNP Rly Inc

Abbreviated Legal: 00000000000100 10P

SW1/4 18-28-6
Lot 4 and 5 Block 2 Snohomish City Eastern Part Vol 1 page 7
Govt Lots 1 and 2, and the NW ¼ of 19-28-6
NE and SE 24-28-5
NE 25-28-5
Govt 1,2,3,5, and 6 of 30-28-6
Govt 3,4,8 and SW1/4 and NW1/4 31-28-6
Pnt Lot 139 Cathcart 9X39
Gvt 4,5,6,7 of 6-27-6
Gvt 1,2,3,4,and the SW ¼ of 7-27-6
Gvt 2,3,4 and NW ¼ of 18-27-6
Gvt 1,2 of 19-27-6
NE of 12-27-5
NE, SW, SE of 24-27-5
Gvt 4 of 31-27-5
NW, SW of 25-27-5
NE, NW, SW of 26-27-5
NW of 35-27-5
NE, SE, SW of 34-27-5
In Snohomish County

STATE OF Washington)
) ss
COUNTY OF King)

I certify that I know or have satisfactory evidence that ~~Richard E Weicher~~ David T. Rankin is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the ~~Vice President & General Counsel - Regulatory~~ Senior General Attorney of BNSF Railway Company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument

Dated 12-18-2009

Stephani A Owens
Notary Public
Print Name Stephani A Owens
My commission expires 4-29-2013

STEPHANI A OWENS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 29, 2013

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss
COUNTY OF King)

I certify that I know or have satisfactory evidence that Thomas Payne is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Chairman C.O.O. of GNP Rly Inc to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument

Dated 12-18-09

Stephani A Owens
Notary Public
Print Name Stephani A Owens
My commission expires 4-29 2013

STEPHANI A OWENS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 29, 2013

(Use this space for notarial stamp/seal)

EXHIBIT A

Legal Description of the Property

All that portion of BNSF Railway Company's (formerly Northern Pacific Railway Company) Snohomish (MP 38 25) to Woodinville (MP 23 8), 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 Snohomish County and King County, Washington, more particularly described as follows, to-wit.

SNOHOMISH COUNTY

That portion of that certain 60 0 foot wide Branch Line right of way being 30 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across State Street, as said street is shown on plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor, lying southerly of the Easterly prolongation of the centerline of vacated Commercial Street, as said Commercial Street is shown on said plat, also

That portion of the Southerly half of vacated Commercial Street as said street is shown on the plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington, vacated by ordinance No 354 of the City of Snohomish, State of Washington, passed May 16, 1911, described as follows

Beginning at the northeast corner of Lot 5, Block 2 of said plat of Snohomish City Eastern Part, thence Westerly, along the northerly line of said Lot 5, a distance of 20 feet, more or less, to a point 50 feet distant westerly, when measured at right angles from the centerline of State Street, as said State Street is shown on said plat, thence Northerly, along a line 50 feet westerly from the center line of said State Street, 30 feet, more or less to the centerline of said Commercial Street; thence Easterly, along said centerline of Commercial Street, 20 feet, more or less to the northerly prolongation of the east line of said Lot 5, thence Southerly, along said northerly prolongation, 30 feet, more or less, to Point of Beginning, also,

Lots 4 and 5, of Block 2 as shown on plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington; also,

That portion of that certain 50 0 foot wide Branch Line right of way being 25 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W M , bounded Northeasterly by the Southwesterly Bank of the Snohomish River, an bounded Southwesterly by a line parallel with and distant 50 0 feet Northeasterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, together with all right, title and interest if any, to accommodate said railway company's facilities and operations over and across the Snohomish River; also

That portion of that certain 50 0 foot wide Branch Line right of way being 25 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W M , bounded Northeasterly by a line parallel with and distant 150 0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and

constructed, and bounded Southerly by the Southerly line of said Government Lot 4, also

A triangular shaped tract of land being that portion of Government Lot 4, Section 18, Township 28 North, Range 6 East, W M , bounded Northeasterly by a line parallel with and distant 150 0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, bounded Northwesterly by a line parallel with and distant 25 feet Easterly from, measured at right angles to said Railway Company's Branch Line right of way Main Track centerline as originally located and constructed and bounded Southerly by the Southerly line of said Government Lot 4, also

That certain 0 11 acre strip of land described in deed dated September 9, 1903 from J H Shadinger and Hattie E. Shadinger to Northern Pacific Railway Company recorded September 19 in Book 80, Page 296, records of Snohomish County, Washington, said 0 11 acre strip of land being described in said deed for reference as follows·

"A strip of land eighty (80) feet in width across that certain thrity-three (33) foot strip of land in Lot four (4), Section eighteen (18), Township twenty-eight (28) north, Range six (6) east, W M , which lies immediately south of, parallel with and contiguous to the right of way of the Great Northern Railway Company across said subdivision, said eighty (80) foot strip of land having for its east and west boundaries two lines that are parallel with and respectively distant twenty-six (26) feet on the northeasterly side and fifty-four (54) feet on the southwesterly side of the center line of the proposed track which is to connect the Great Northern Railway with the Northern Pacific Railway as the same is located, staked and constructed over and across said subdivision; containing 0 11 acres, more or less ", also,

That certain 1 94 acre strip of land described in deed dated September 9, 1903 from Kate G. Ford, D A Ford, Ruth S Ford and D A Ford as sole executor to Northern Pacific Railway Company recorded September 19 in Book 80, Page 298, records of Snohomish County, Washington, said 1 94 acre strip of land being described in said deed for reference as follows.

"All that portion of Lot four (4), Section eighteen (18) and of Lot one (1) (or the northwest quarter of the northwest quarter) of Section nineteen (19), Township twenty-eight (28) north, Range six (6) east, W M , lying westerly of the Northern Pacific Railway Company's right of way and southerly of a line drawn parallel with and thirty-three (33) feet distant southerly from the south line of the Great Northern Railway Company's right of way and between lines drawn parallel with and respectively distant twenty-six (26) feet easterly from and fifty-four (54) feet westerly from the center line of the proposed track which is to connect the Northern Pacific Railway with the Great Northern Railway as the same is now located, staked out and to be constructed over and across said premises, said strip of land containing 1 94 acres, more or less ", also;

That certain 08 acre strip of land described in deed dated April 25, 1908 from Robert Henry and Margaret R Henry to Northern Pacific Railway Company recorded June 1, 1908 in Book 110 of Deeds, Page 509, records of the County Auditor, Snohomish County, Washington, said 08 acre strip of land being described in said deed for reference as follows:

"A strip of land thirty (30) feet wide described as follows· Beginning at a point on the section line between Sections 18 and 19, Township 28 North, Range 6 East, Willamette Meridian, fifty-five (55) feet distant measured at right angles from the center line of the main track of the said Railway Company as the same is now located, constructed, maintained and operated through said sections; thence northeasterly on a line parallel with and fifty-five (55) feet distant from said center line one hundred ten (110) feet, more or less, to the south line of the Tacoma Power Company's right of way, thence southeasterly along the south line of said Tacoma Power Company's right of way thirty (30) feet to the westerly line of the

present right of way of said Northern Pacific Railway Company, which line at that point is twenty-five (25) feet from the center line of the main track of said Railway Company, thence southwesterly along said westerly line of the right of way one hundred ten (110) feet, more or less, to the point where said right of way widens to fifty (50) feet on each side of said center line, thence westerly twenty-five (25) feet to point of intersection with the above described section line, thence west along said section line five (5) feet, more or less, to place of beginning, said strip being situated in Lot four (4) Section eighteen (18) and Lot one (1) Section nineteen (19) all in Township twenty-eight (28) North, Range six (6) East, Willamette Meridian and containing eight hundredths (08) of an acre, more or less "; also,

That portion of said Railway Company's property in Government Lot 4, Section 18, Township 28 North, Range 6 East, W M , Snohomish County, Washington, bounded Northeasterly and Southwesterly by two lines drawn parallel with and distant Southwesterly 150 0 feet and 183 0 feet, respectively, from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed and bounded Southeasterly and Northwesterly by two lines drawn parallel with and distant Northwesterly 25 0 feet and 50 0 feet, respectively, from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed, also,

That portion of that certain 100 0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W M , Snohomish County, Washington, bounded Northerly by the North line of said Section 19, and bounded Westerly by the West line of said Section 19, also,

That portion of said Railway Company's property in Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W M , Snohomish County, Washington, bounded as follows. Westerly by a line parallel with and distant 50 0 feet Easterly from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; Northerly by the North line of said Section 19 and Easterly by the following described line.

Beginning at a point on a line parallel with and distant 50 0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, opposite Station 512+68 45, said point of beginning being the point of a curve to the left having a radius of 621 20 feet; thence westerly, along the arc of said curve to the left and consuming a central angle of 90°57'06", an arc distance of 986 10 feet to the point of tangency of said curve, said point of tangency being 125 feet easterly, when measured at right angles from Station 1963+97 51 on said Railway Company's Branch Line Main Track centerline; thence southerly, along a line drawn parallel and/or concentric with and 125 feet easterly, when measured at right angles and/or radially, from said Branch Line Main Track centerline, to a point opposite Station 1956+00 on said Railway Company's Branch Line Main Track centerline, thence westerly, along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet, thence southerly, along a line drawn concentric with and 100 feet easterly, when measured radially, from the centerline of said Railway Company's Branch Line Main Track centerline, to a point opposite Station 1953+00 on the centerline of said Railway Company's Branch Line Main Track centerline; thence westerly along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet, thence southerly, along a line drawn concentric with and 75 feet easterly, when measured radially from said Railway Company's Branch Line Main Track centerline to the west line of said Section 19, also being the terminus of the herein described line.

EXCEPTING THEREFROM, a strip of land 30 feet wide, the center line of which is 435 feet north from and parallel with the East and West centerline of said Section 19, extending from the west line of

said Section 19 to the East boundary of said hereinabove described tract, **ALSO EXCEPTING THEREFROM**, that portion of said hereinabove described tract lying northerly of a line parallel with and distant 150 0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, also,

That portion of that certain 100 0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½E½ Section 24, the E½NE¼ Section 25, all in Township 28 North, Range 5 East, W M , bounded Northerly by the East line of said E½E½ Section 24, and bounded Southerly by the East line of said E½NE¼ Section 25; 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 Government Lots 1, 2, 3, 5, 6, of Section 30, Township 28 North, Range 6 East, W M , bounded Westerly by the West lines of said Lots 1 an 2 and bounded Southerly by the South line of said Lot 5; also,

That portion of that certain 110 0 foot wide Branch Line right of way, being 60 0 feet Westerly and 50 0 feet Easterly of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 8 of Section 31, Township 28 North, Range 6 East, W M , bounded Northerly and Southerly by the North and South lines of said Lot 8, also,

That portion of that certain 200 0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 3, the NE¼SW¼ and the SE¼NW¼, Section 31, Township 28 North, Range 6 East, W M , bounded Northerly by the North line of said SE¼NW¼ Section 31, and bounded Southerly by the South line of said Government Lot 3 and its easterly prolongation; also,

That certain 2 0 acre tract of land described in deed dated April 13, 1918 from John S Eby to the Northern Pacific Railway Company, recorded April 20, 1918 in Volume 180 of Deeds, Page 451, records of Snahomish County, Washington, said tract being described in said deed for reference as follows

"That property of the grantor (being the north nine hundred forty-five and five tenths (945 5) feet, more or less, of the south eleven hundred forty-three and five tenths (1143 5) feet of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, west of the present right of way of said Railway Company lying between lines parallel with and distant respectively one hundred (100) and one hundred fifty (150) feet westerly from the center line of the present main track of said Railway Company, as the same is now constructed and operated over and across said section, also that portion of said N½ of SW¼ lying between lines parallel with and distant respectively one hundred fifty (150) and two hundred (200) feet westerly from said above named main track center line and between a line parallel with and distant one hundred ninety-eight (198) feet northerly from the south line of said government subdivision and a line drawn at right angles to said main track center line at a point distant twenty-one hundred thirty-four and eight tenths (2134 8) feet northerly from its point intersection with the south line of said section 31, containing in all two (2) acres, more or less "; also,

That certain 0 35 acre tract of land described in deed dated March 25, 1918 from John Grimer and Alice Grimer to the Northern Pacific Railway Company, recorded April 10, 1918 in Volume 180 of Deeds, Page 401, records of Snohomish County, Washington, said tract being described in said deed for reference as follows

'A strip of land of the Westerly side of and adjacent to the present two hundred (200) foot right of way of said Railway Company in the south six (6) acres (or the south one hundred ninety-eight (198) feet more or less, of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, said strip of land being more particularly described as follows.

"Beginning at a point on the south line of said N½ of SW ¼, one hundred (100) feet distant westerly, measured at right angles, from the present main track of said Railway Company, as the same is now, constructed and operated over and across said section, thence northerly on a line parallel with and one hundred (100) feet distant westerly from said center line to the north line of the property of said grantors (being the north line of the south 198 feet, more or less of the above named government subdivision), thence west along said north line to a point two hundred (200) feet distant westerly, measured at right angles, from said main track center line; thence southeasterly in a straight line to a point on the south line of said above named government subdivision fifty-five (55) feet west of the point of beginning; thence east to the point of beginning, containing thirty-five hundredths (35/100) acres, more or less ", also,

That certain tract of land described in deed dated December 15, 1937 from Ella L. Moulton to the Northern Pacific Railway Company recorded February 19, 1938 in Volume 238 of Deeds, Page 102, records of Snohomish County, Washington, said tract of land being described in said deed for reference as follows

"That portion of Tract No 139 as shown on the official plat of CATHCART on file and of record in the office of the Auditor of said County situate within the south half of southwest quarter (S½ of SW¼) of section thirty-one (31) in township twenty-eight (28) north of range six (6) east of the Willamette Meridian, lying easterly of a line parallel with and distant fifty (50) feet westerly measured at right angles, from the center line of the present main track of the Northern Pacific Railway Company as the same is now constructed and operated over and across said section thirty-one ", 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 Government Lot 4 in Section 31, Township 28 North, Range 6 East, W M , Government Lots 4, 5, 6 and 7 in Section 6, Government Lots 1, 2, 3, 4 and the SE¼SW¼ Section 7, Government Lots 2, 3, 4 and the E½NW¼ Section 18, Government Lots 1 and 2 Section 19, all in Township 27 North, Range 6 East, W. M , the E½E½NE¼ Section 12, and the SE¼NE¼ and the NE¼SE¼ Section 24, all in Township 27 North, Range 5 East, W M , bounded Northerly by the North line of said Government Lot 4 in Section 31, and bounded Southerly the West line of said NE¼SE¼ Section 24, also

That portion of that certain 200 0 foot wide Maltby Station Ground property, being 100 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SE¼ Section 24, Township 27 North, Range 5 East, W M , bounded Easterly and Westerly by the East and West lines of said W½SE¼ Section 24, **EXCEPTING THEREFROM**, that portion of said 200 0 foot wide Station Ground property lying Northwesterly of a line concentric with and distant 25 0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as now located and constructed; also

That portion of that certain 100 0 foot wide Maltby Station Ground property, being 50 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½SW¼ Section 24, Township 27 North, Range 5 East, W M , bounded Northerly by the East line of said SW¼ Section 24 and bounded Southerly by the South Line of said SW¼ Section 24, **EXCEPTING THEREFROM**, that portion lying Northwesterly of a line concentric with and distant 25 0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as originally

located and constructed, bounded Northeasterly by the East line of said SW¼ Section 24, and bounded Southwesterly by the Easterly edge of the travelway of the Street connecting 91st Avenue SE with Yew Way in the City of Maltby, Washington, as now located and constructed in a generally Southerly direction from 91st Avenue SE, and about 100 feet Southwesterly of the North-South quarter line of said Section 24, as measured along said Main Track centerline, also,

That portion of that certain 200 0 foot wide Maltby Station Ground property, being 100 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼ Section 25, Township 27 North, Range 5 East, W M , bounded Northerly and Southerly by the North and South lines of said NW¼ Section 25; 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 the NW¼NE¼SW¼ Section 25, Township 27 North, Range 5 East, W M , bounded Northerly and Westerly by the North and West lines of said NW¼NE¼SW¼ Section 25, also,

That portion of that certain 200 0 foot wide Branch Line right of way, being 100 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼SW¼ Section 25, the NE¼SE¼ and the NE¼ Section 26, all in Township 27 North, Range 5 East, W M , bounded on the East by the East line of said NW¼SW¼ Section 25, and bounded on the West by the West line of said NE¼ Section 26; 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 the SE¼NW¼ and the NW¼NE¼SW¼ Section 26, Township 27 North, Range 5 East, W M , bounded Easterly by the East line of said SE¼NW¼ Section 26, and bounded Westerly by the West line of said NW¼NE¼SW¼ Section 26, also,

That portion of that certain 200 0 foot wide Branch Line right of way, being 100 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SW¼ Section 26, and the NW¼NW¼ Section 35, all in Township 27 North, Range 5 East, W M , bounded on the East by the East line of said W½SW¼ Section 26, and bounded on the South by the South line of said NW¼NW¼ Section 35, **EXCEPTING THEREFROM**, that portion lying Westerly of a line parallel and/or concentric with and distant 50 0 feet Westerly from, measured at right angles and/or radially to said Railway Company's Main Track centerline as originally located and constructed, bounded on the North by the North line of said Section 35, and bounded on the South by a line radial to said Main Track centerline at a point 530.0 feet South of the North line of said Section 35, as measured along said Main Track centerline; 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 the SW¼NW¼ Section 35, the SE¼SE¼NE¼ and the NE¼SE¼ Section 34, all in Township 27 North, Range 5 East, W M , bounded on the North by the North line of said SW¼NW¼ Section 35, and bounded on the South by the South line of said NE¼SE¼ Section 34; also,

That portion of that certain 50 0 foot wide Branch Line right of way, being 25 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the SE¼SE¼ Section 34, Township 27 North, Range 5 East, W M , bounded on the North by the North line of said SE¼SE¼ Section 34, and bounded on the South by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline; 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 the S½SE¼ and the SE¼SW¼ Section 34, Township 27 North, Range 5 East, W M , bounded on the North by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline, and bounded on the South by the South line of said Section 34, said line also being the South line of Snohomish County Washington

---

KING COUNTY

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 S½NW¼, and the E½SW¼ Section 3, the NW¼ 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 NW¼ 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 Bay 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 E½SW¼ 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, Township 26 North, Range 5 East, W M , bounded on the East by the East line of said 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),

EXHIBIT 3

United States Bankruptcy Court; In Re: GNP RLY, INC. Debtor
Declaration of Earl Engle, dated March 14, 2011
Declaration of Joanne M. Engle, dated March 13, 2011

Judge: Brian D. Lynch
Chapter: 11 (Involuntary)
Hearing Location: Tacoma
Hearing Date: 4-11-11
Hearing Time: 9:30 a.m.
Response Date: 4-4-11

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In Re:

GNP RLY, INC.

Debtor

Case No: 11-40829-BDL

DECLARATION OF
EARL ENGLE

EARL L. ENGLE hereby states under penalty of perjury under the laws of the State of Washington that the following is true and correct:

I am the father of Douglas Engle of GNP, and live in Spokane, Washington. I lent money to GNP in 2010 on several occasions. Each loan was documented by a promissory note, copies of which are attached hereto as exhibits. Payments on all notes are past due. I sent letters asking for payment. GNP has made no further payments despite numerous requests, verbal and written.

Dated: at Spokane, WA
March 14, 2011

Earl L. Engle
Earl L. Engle

GNP Rly Inc.

PROMISSORY NOTE

PRINCIPAL SUM: $17,200.00

27th day of August, 2010

FOR VALUE RECEIVED, the undersigned promises to pay to the order of Earl L. Engle (the "Lender") at 4117 South Lamonte, Spokane, WA, 99203, USA or such other place as may be designated by the Lender, in Lawful money of The United States of America the amount of $17,200.00, SEVENTEEN THOUSAND TWO HUNDRED DOLLARS AND ZERO CENTS on or before the 31st day of December 2010 together with interest, payable semi-annually, at the rate of EIGHTEEN HUNDREDTHS PER CENT (18.00%) per annum.

The undersigned hereby waives presentment, notice of dishonor, protest and notice of protest and the undersigned agrees to remain as fully liable as if presentment, notice of dishonor, protest and notice of protest were duly made and given. This Note shall be governed by and construed in accordance with the laws of the State of Washington.

GNP Rly Inc.



PER: Douglas Engle
Treasurer, Chief Financial Officer.



PER: Thomas Payne
Chairman, Chief Operating Officer.

GNP Rly Inc.

PROMISSORY NOTE

PRINCIPAL SUM: $6,500.00

23rd day of July, 2010

FOR VALUE RECEIVED, the undersigned promises to pay to the order of Earl L. Engle (the "Lender") at 4117 South Lamonte, Spokane, WA, 99203, USA or such other place as may be designated by the Lender, in Lawful money of The United States of America the amount of $6,500.00, SIX THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS on or before the 31st day of December 2010 together with interest, payable semi-annually, at the rate of EIGHTEEN HUNDREDTHS PER CENT (18.00%) per annum.

The undersigned hereby waives presentment, notice of dishonor, protest and notice of protest and the undersigned agrees to remain as fully liable as if presentment, notice of dishonor, protest and notice of protest were duly made and given. This Note shall be governed by and construed in accordance with the laws of the State of Washington.

GNP Rly Inc.



PER: Douglas Engle
Treasurer, Chief Financial Officer.



PER: Thomas Payne
Chairman, Chief Operating Officer.

Judge: Brian D. Lynch
Chapter: 11
Hearing Location: Tacoma
Hearing Date: 4-11-11
Hearing Time: 9:30 a.m.
Response Date: 4-4-11

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In Re: GNP RLY, INC. Debtor	Case No: 11-40829-BDL DECLARATION OF JOANNE M. ENGLE

JOANNE M. ENGLE hereby states under penalty of perjury under the laws of the State of Washington that the following is true and correct:

I am the wife of Douglas Engle of GNP, and live in San Francisco, California. I lent money to GNP in 2010 on several occasions. Each loan was documented by a promissory note, copies of which are attached hereto as exhibits. Payments on all notes but one are past due. I sent letters asking for payment. GNP has made no further payments despite numerous requests, verbal and written.

Dated: at Kirkland, WA
3/13/11

Joanne M Engle
Joanne M. Engle

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

GNP Rly Inc.

PROMISSORY NOTE

PRINCIPAL SUM: $17,200.00

23rd day of August, 2010

FOR VALUE RECEIVED, the undersigned promises to pay to the order of Joanne M. Engle (the "Lender") at 240 Lombard St – 936, San Francisco CA, USA or such other place as may be designated by the Lender, in Lawful money of The United States of America the amount of $17,200.00, SEVENTEEN THOUSAND TWO HUNDRED DOLLARS AND ZERO CENTS on or before the 31st day of December 2010 together with interest, payable semi-annually, at the rate of TWENTY AND ZERO HUNDREDTHS PER CENT (20.00%) per annum.

The undersigned hereby waives presentment, notice of dishonor, protest and notice of protest and the undersigned agrees to remain as fully liable as if presentment, notice of dishonor, protest and notice of protest were duly made and given. This Note shall be governed by and construed in accordance with the laws of the State of Washington.

GNP Rly Inc.



PER: Douglas Engle
Treasurer, Chief Financial Officer.



PER: Thomas Payne
Chairman, Chief Operating Officer.

GNP Rly Inc.

PROMISSORY NOTE

PRINCIPAL SUM: $12,000.00

12 day of April, 2010

FOR VALUE RECEIVED, the undersigned promises to pay to the order of Joanne Engle (the "Lender") at 240 Lombard St #936, San Francisco, CA, USA or such other place as may be designated by the Lender, in Lawful money of The United States of America the amount of $12,000.00, TWELVE THOUSAND DOLLARS AND ZERO CENTS on or before the 12th day of April 2011 together with interest, payable semi-annually, at the rate of TWENTY AND ZERO HUNDREDTHS PER CENT (20.00%) per annum.

The undersigned hereby waives presentment, notice of dishonor, protest and notice of protest and the undersigned agrees to remain as fully liable as if presentment, notice of dishonor, protest and notice of protest were duly made and given. This Note shall be governed by and construed in accordance with the laws of the State of Washington.

GNP Rly Inc.



PER: Douglas Engle
Treasurer, Chief Financial Officer.



PER: Thomas Payne
Chairman, Chief Operating Officer.

EXHIBIT 4

United States Bankruptcy Court; In Re: GNP RLY, INC. Debtor
Case No. 11-40829-BDL
Motion for Summary Judgment and Notice Thereof, filed 3/14/2011
Order Granting Motion for Approval of Sale Free and Clear of Liens and Assumption and Assignment of Executory Contracts, filed 9/27/2012
Chapter 11 Trustee Final Report, filed 2/20/2013

Judge: Brian D. Lynch
Chapter: 11 (Involuntary)
Hearing Location: Tacoma
Hearing Date: 4-11-11
Hearing Time: 10:00 a.m.
Response Date: 4-4-11

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In Re: GNP RLY, INC. Debtor	Case No: 11-40829-BDL MOTION FOR SUMMARY JUDGMENT AND NOTICE THEREOF

NOTICE OF HEARING

PLEASE TAKE NOTICE that a motion for summary judgment for entry of an order for relief will be heard on the 11th day of April, 2011, at 10:00 a.m. at Union Station, 1717 Pacific Ave., Courtroom I, Tacoma, WA 98402 and the clerk is requested to note the motion on the motion docket for that day.

Any responses or objections must be made in writing and the original filed with the Bankruptcy Court at 1717 Pacific Avenue, Suite 2100, Tacoma WA 98402. Copies must be served on the undersigned attorney no later than April 4, 2011. Failure to so comply may be deemed by the court as opposition without merit. If responsive pleadings are not filed as stated above, the hearing may be stricken and an order granting the relief requested in the motion may be presented *ex parte*.

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

MOTION

COME NOW petitioning creditors Ballard Terminal Railroad Company, LLC, ("BTRC") Marketing Philharmonic, LLC ("MP"), NW Signal Maintenance, LLC ("NW Signal"), Joanne M. Engle ("Joanne Engle") and Earl L. Engle ("Earl Engle"), by and through counsel, and hereby move the court for entry of summary judgment ordering relief against the debtor under Chapter 11 of the Code. This motion is based on the records and files herein and the declarations of Byron D. Cole, Kathy S. Cox, Earl L. Engle, Joanne M. Engle, James E Dickmeyer and two by Douglas E. Engle already on file (docket entry #11 and incorporated by reference. Engle's declaration in response to GNP's Motion to Require Petitioners to Post a Bond is filed as a separate docket event in support of this motion), including exhibits thereto.

This involuntary Chapter 11 was filed on February 2, 2011 by Ballard Terminal Railroad Company, LLC, Marketing Philharmonic, LLC, and San Clemente Technical Co. Earl Engle, Joanne Engle and NW Signal joined in the petition pursuant to 11 USC §303(c). San Clemente Technical Co. has withdrawn from the petition.

The debtor has not yet answered the petition but opposes entry of an order for relief. The petitioning creditors assert there is no genuine issue of material fact the debtor is not generally paying its debts as they become due and that trial is not necessary to determine whether an order for relief should be entered.

The debtor was formed in November 2006 as Altac Terminals Washington, Inc. and later changed its name to GNP Rly, Inc. See Exhibits A and B to Dickmeyer declaration. The debtor holds rights to a freight easement on the rail line from Woodinville to Snohomish the Port of Seattle acquired from BNSF. The debtor owns no other significant assets including

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

locomotives or railroad cars. The party making present use of this easement on GNP's behalf is Ballard Terminal Railroad Company, LLC, operating through its subsidiary Eastside Freight Railroad, one of the petitioning creditors. GNP is not currently operating passenger service of any kind on the rail line.

As of January 1, 2011 GNP's principals, sole directors and officers were Thomas Payne and Douglas Engle, each of whom own 50% of GNP's outstanding shares. Mr. Payne was Chairman and COO and Mr. Engle was Treasurer and CFO. On January 26, 2011, at a board meeting following Mr. Engle's proposal of a comprehensive reorganization of GNP due to its financial condition and long-standing management troubles, Mr. Payne summarily fired Mr. Engle. GNP's bylaws, see Exhibit C to the Dickmeyer declaration, require action of the board of directors to remove an officer. Mr. Payne's unilateral termination of Mr. Engle's employment was wholly unauthorized and improper.

As set forth in the declarations of Mr. Engle, GNP is indisputably insolvent. In 2010 GNP earned gross revenue of just over $122,000 and a gross profit of $37,000. Its operating expenses were $706,000, including $240,000 in professional services, mostly legal fees, and necessary line maintenance. This left a net loss of $694,300 (the net loss on the Profit & Loss statement of $668,000 does not accurately include the debt payable to BTRC).

GNP is indebted to over thirty trade creditors for more than $500,000. Most of such debts are more than ninety days past due. In addition to trade debt listed on the accounts payable ledger attached to the Engle declaration as Exhibit 2, GNP owes debts of:

- $43,499 to petitioning creditor MP (see Cox Declaration);

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

- $50,970 to Earl Engle for money borrowed by GNP, $23,700 of which was lent in 2010 (see Earl Engle declaration);
- $43,658 to Joanne Engle for money borrowed by GNP, $29,200 of which was lent in 2010 (see Joanne Engle declaration);
- $56,235 to Dale Bickenbach on a private operating loan;
- $31,390 to NAI/PSP for real estate planning work;
- $58,478 to Thomas Payne, GNP's CEO for expense reimbursement;
- $106,725 to Tom Jones, a GNP consultant; and
- $28,640 to Douglas Engle for expense reimbursement.

As set forth in more detail in Mr. Engle's summary judgment declaration, Mr. Payne acted unilaterally to obligate GNP on contracts and debts in clear violation of a company agreement requiring joint consent with Mr. Engle, refused to follow financial controls that might be required for GNP to obtain investment capital necessary for GNP's future viability, and appeared to be using GNP funds to pay expenses for himself and another company he owns.

Even if GNP secured financing to pay all current creditors, its business model is not sustainable without $10M capital investment to finance needed infrastructure improvements, equipment and cover three years of operating losses.

The financial statements attached to Mr. Engle's declaration demonstrate clearly GNP incurred staggering operating losses in 2010 (nearly four times its gross revenue). GNP did not pay BTRC for freight operations that generated GNP's revenues yet BTRC continues to provide freight service for GNP without requiring immediate compensation. The overwhelming

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

majority of GNP's payables are more than ninety days past due. GNP has been fending off creditors and facing demands to curtail or cut off service. GNP has no significant tangible assets – its value lies primarily in its future ability to turn a profit if it can raise the necessary capital.

GNP's financial performance especially in 2010 was marked by stringing creditors along, being late on payments and issuing checks and asking creditors to hold them. See Engle Bond declaration. One of GNP's largest creditors, Osmose, was getting stonewalled when seeking payment. Charges owed to another creditor which rented a spike driver to GNP were significantly past due. RMI, the company GNP engages to keep accurate count of cars and shippers for billing purposes, was not being paid timely. GNP issued checks to its own attorney in Washington, DC and asked him to hold them until funds were available.

11 USC §303(h) provides that if the involuntary petition is controverted, the court shall, after trial, order relief against the debtor only if "the debtor is generally not paying such debtor's debts as such debts become due unless such debts are the subject of a bona fide dispute as to liability or amount."

The petitioning creditors submit trial is not necessary to establish that an order for relief should be entered against the debtor. The evidence that the debtor is not generally paying its debts as they become due is overwhelming. An order for relief is necessary in the best interests of creditors, equity holders and the public interest.

F.R.Civ.P. 56(c) permits a summary judgment to be granted if the "pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

entitled to judgment as a matter of law." The moving party bears the burden to demonstrate there is no genuine issue of material fact and that, as a matter of law, summary judgment is proper. If the moving party satisfies its burden, the nonmoving party must demonstrate by competent evidence the existence of a genuine issue of material fact on an element essential to the nonmoving party's case and on which that party will bear the burden of proof at trial. See Celotex Corp. v. Catrett, 477 U.S. 317,322, 91 L.Ed. 2d 265, 106 S.Ct. 2548 (1986).

The petitioning creditors respectfully request the court find there is no genuine issue of material fact the debtor is generally not paying its debts as they become due, grant the motion for summary judgment and enter an order for relief against the debtor under Chapter 11 of the Code.

DATED this 14th day of March, 2011

James E. Dickmeyer, PC

By /s/ *James E. Dickmeyer*
James E. Dickmeyer WSBA #14318
Attorney for Petitioning Creditors

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

Brian D. Lynch
U.S. Bankruptcy Judge
(Dated as of Entered on Docket date above)

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In Re GNP RLY, INC., Debtor.	Case No. 11-40829-BDL ORDER GRANTING MOTION FOR APPROVAL OF SALE FREE AND CLEAR OF LIENS AND ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS

THIS MATTER came on before the Court upon the Trustee's Motion for Approval of Sale Free and Clear of Liens and Assumption and Assignment of Executory Contracts (the "Motion"). The Motion requests that the Court enter an order authorizing the sale of the Estate's tangible and intangible assets, excluding cash and receivables, and the assumption and assignment of the Debtor's executory contracts and unexpired license agreement pursuant to the terms of a Purchase and Sale Agreement. The Court's oral ruling announced at the hearing is incorporated as findings of fact and conclusions of law pursuant to the provisions of Bankruptcy Rule 7052. It appearing, based on the Motion and the Declaration

SCHWABE, WILLIAMSON & WYATT, P.C.
Attorneys at Law
U.S. Bank Centre
1420 5th Avenue, Suite 3400
Seattle, WA 98101-4010
Telephone 206.622.1711

of Perry A. Stacks, that the sale is in the best interest of the estate and its creditors under 11 U.S.C. §§ 105 and 363 and that the assumption and assignment of the Debtors executory contracts is also in the best interests of the estate and its creditors under 11 U.S.C. § 365, and the Motion was proposed in good faith, that the filed objections were resolved or overruled, and this order has been modified to address the concerns raised by the Port of Seattle, it is hereby

ORDERED that the Trustee is authorized to take any and all action to complete the transaction set forth in the Purchase and Sale Agreement which is attached as Exhibit "A" to the Trustee's Declaration, under terms and conditions substantially similar to those identified in Exhibit "A", without further Court Order; and it is further

ORDERED that the sale of the assets as identified in the Purchase and Sale Agreement shall be free and clear of all liens and encumbrances pursuant to 11 U.S.C. §§ 105 and 363 and that such liens shall attach to the proceeds of sale in the same order, extent, validity and priority as existed on the date of this bankruptcy filing; and it is further

ORDERED that the Trustee's assumption of the Debtor's executory contracts and unexpired license agreements and the assignment of such executory contracts and unexpired license agreements (the "Assumed and Assigned Contracts") to Purchaser is approved pursuant to 11 U.S.C. § 365; and it is further

ORDERED that the Debtor is not required to (i) cure any existing defaults that might exist under or with respect to the Assumed and Assigned Contracts or (ii) pay any cure amounts to the non-Debtor parties thereto as a condition precedent to the assumption and assignment of the Assumed and Assigned Contracts, without prejudice to the rights of the Port of Seattle to require the Purchaser to perform all of the Debtor's obligations under the Assumed and Assigned Contracts between it and the Debtor, including without limitation with respect to any defaults thereunder that might exist prior to the date of this Order; and it is further

SCHWABE, WILLIAMSON & WYATT, P.C.
Attorneys at Law
U.S. Bank Centre
1420 5th Avenue, Suite 3400
Seattle, WA 98101-4010
Telephone 206.622.1711

ORDERED that nothing in this Order permits, directly or indirectly, the further assignment, in whole or in part, of any of the Assumed and Assigned Contracts and the provisions of the Purchase and Sale Agreement approved by this Order shall be deemed modified to read "Eastside Community Rail LLC, ("Purchaser") on line 2 of the Purchase and Sale Agreement; and it is further

ORDERED that nothing in this Order shall affect or modify the Port of Seattle's rights under and pursuant to the provisions of Section 6.3 of the License Agreement; and it is further

ORDERED that the all the net proceeds shall be held in trust by the Trustee for distribution in accordance with further order of this Court.

/// End of Order///

Presented by

SCHWABE WILLIAMSON & WYATT P.C.

By_____
Richard G. Birinyi, WSBA # 9212
Special Counsel for the Trustee

SCHWABE, WILLIAMSON & WYATT, P.C.
Attorneys at Law
U.S. Bank Centre
1420 5th Avenue, Suite 3400
Seattle, WA 98101-4010
Telephone 206.622.1711

Judge: Brian D. Lynch
Chapter: 11

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In Re: GNP RLY, INC. Debtor	Case No: 11-40829-BDL CHAPTER 11 TRUSTEE FINAL REPORT

Perry A. Stacks, Chapter 11 Trustee for GNP RLY INC.("Trustee"), hereby submits his first and final report respecting administration of this estate.

Perry A. Stacks was appointed Trustee for GNP RLY INC. on November 16, 2011.

The Trustee worked diligently to protect the interests of the Creditors of the GNP RLY INC. bankruptcy estate. The focus of the Trustee's efforts in this case has been on maintaining the value of the asset, by continuing to operate the railroad and service the shippers, while finding and working with prospective purchasers and facilitating their due diligence investigations. This included working cooperatively with the Port of Seattle to maintain the excursion train rights as an added incentive to the purchase of GNP's freight rights. The Trustee was able to avoid a shut-down of operations by working closely with BTRR, who maintained the freight operations despite receiving no significant payment until July 1012. The allowed the Trustee to continue working with Iowa Pacific Investments in their due diligence

JAMES E. DICKMEYER, PC
121 Third Avenue PO Box 908
Kirkland, Washington 98083-0908
(425) 889-2324

investigations and eventually selling the assets to Eastside Community Rail just short of shutting down operations due to lack of funds.

The estate sold the GNP assets for a price of $175,000 and received $101,000 in cash with the balance of $74,000 being applied to reduce the administrative claims via a promissory note transaction with the purchaser Eastside Community Rail. In addition during the period of the Trustee's control of GNP RLY INC, the operating railroad generated on a cash basis inflows of 112,683.29 and outflows of 124,760.97. An accounting of all receipts and disbursements is attached hereto as Exhibit A.

Beginning with a cash balance of $3,993.09, the net cash flow and sale leaves a cash balance available for distribution, beyond the $74,000 distributed via the note transaction, of $92, 917.91 to administrative and potentially to Gap claimants

The major assets in this case included the following: GNP's rights and interests under licenses and agreements with the Port of Seattle and Snohomish County; easements and other interests in real property acquired from BNSF, intellectual property, maps, books and records. GNP did not own any locomotives, freight cars, rolling stock or other valuable tangible personal property.

The Trustee is current with the payment of post petition expenses except professional fees.

DATED this 20th day of February 2013.

/s/ *Perry A. Stacks*
Perry A. Stacks, Chapter 11 Trustee for
GNP RLY INC.

JAMES E. DICKMEYER, PC
121 Third Avenue PO Box 908
Kirkland, Washington 98083-0908
(425) 889-2324

EXHIBIT “A”

Cash Flow

Category	11/16/2011- 2/20/2013
INFLOWS	
Uncategorized	0
Income	14,272.00
Income:Demurrage	1,575.00
Income:Tariff	65,486.86
Income:TariffISSP	23,465.24
TOTAL Income	104,799.10
OPS Agrmt Fee SaleProceeds	101,000.00
Tax Refund	2,059.00
Transfer	1.01
TOTAL INFLOWS	207,859.11
OUTFLOWS	
Accounting	5,207.80
Bank Charge	741.45
BankruptcyAdministration	
BankruptcyAdministration:Bond	781
Claims - Admin	
Claims - Admin:Settlement	8,142.84
Freight Rights Fee	
Freight Rights Fee:Woodinvile-Snohomish Line	2,070.00
Insurance	16,767.86
Maintenance & Repair	4,118.84
Maintenance & Repair:Inspections	3,494.50
Maintenance & Repair:Signals	1,724.63
Office Supplies	500
OperatingExp	15,635.43
OperatingExp:BTRR	28,650.00
OperatingExp:Car Hire	14,638.82
TOTAL OperatingExp	58,924.25
Postage	38.34
Rent	500
Travel	590
US Trustee Fees	6,192.10
Utilities	2,621.41
Utilities:Communications	1,620.93
Utilities:eletricity	1,516.08
Utilities:Gas & Electric	2,141.19
Utilities:Telephone	1,243.17
TOTAL OUTFLOWS	118,936.39
OVERALL TOTAL	88,922.72

Transaction
Checking at Bank of America-All Other S
11/16/2011 through 2/20/2013

Date	Num		Description	Memo	Category	Tag	Clr	Amount
BALANCE 11/15/2011								3,995.09
11/16/2011	c1114		Parkland Light & Water		Utilities	2011-11	R	-61.27
11/21/2011			Solvay Finance DES:PAYME		Income:Tari	2011-11	R	446
11/25/2011	c1123		Answerline		Utilities	2011-11	R	-99
12/1/2011			Spectrum		Income:Tari	2011-11	R	892
12/1/2011		3073	Railcar Man	Billing Services	Accounting	2011-11	R	-1,660.74
12/2/2011			Wire Transfer Fee		Bank Charge	2011-12	R	-12
12/2/2011			RailRoadClearing Hse ISSP		Income:Tari	2011-09	R	1,922.40
12/5/2011			Solvay Finance DES:PAYME		Income:Tari	2011-11	R	446
12/16/2011		3074	United Shor	GreatAmerExc	Insurance:Li	2011-12	R	-5,719.75
12/27/2011			Louisiana Pa	11/2, 11/4 & 1	Income:Tari	2011-11	R	1,338.00
12/28/2011	3075	S	Puget Soun	A/C# 169-088-	--Split--	--Split--	R	-551.37
12/28/2011	3076	S	Century Lin	253-536-7444	--Split--	--Split--	R	-223.27
12/28/2011		3078	Snohomish	A/C#2000-777	Utilities	2011-11	R	-34.55
12/29/2011	3077	S	AT&T Mobil	A/C# 8369769	--Split--	--Split--	R	-288.35
1/2/2012							R	0
1/3/2012			Solvay Finance DES:PAYME		Income:Tari	2011-12	R	446
1/5/2012			Wire Transfer Fee		Bank Charge	2011-11	R	-12
1/5/2012			RailRoadClearing Hse ISSP		Income:Tari	2011-10	R	473.56
1/6/2012		3079	Arkansas-Ok	GNPR-AO 305	OperatingEx	2011-11	R	-145.62
1/6/2012		3080	Burlington N	GNPR-BN 305	OperatingEx	2011-11	R	-300.06
1/6/2012		3081	Canadian Na	GNPR-CNR 305	OperatingEx	2011-11	R	-483
1/6/2012		3082	Texas, Oklal	GNPR-TO&E 3(	OperatingEx	2011-11	R	-168.15
1/14/2012		3083	IPFS Corpor	Ins Premiunm	Insurance:Li	2012-01	R	-1,229.23
1/14/2012		3084	Parkland Lig	A/C# 108-018(	Utilities	2011-12	R	-144.77
1/14/2012	3085	S	Snohomish	A/C#2078-543	--Split--	--Split--	R	-173.84
1/17/2012			Agent Assist	Funds from clo	Transfer		R	1.01
1/17/2012			Louisiana Pa	12/1/2011	Income:Tari	2011-12	R	446
1/17/2012			Solvay Finance DES:PAYME		Income:Tari	2011-12	R	892
1/17/2012			Louisiana Pa	12/13 &12/21	Income:Tari	2011-12	R	1,338.00
1/23/2012		3086	Tom Payne		OperatingEx	2011-11	R	-502.12
1/24/2012			BlueLinx		Income:Tari	2011-11	R	446
1/26/2012	S		Spectrum		--Split--	--Split--	R	4,697.00
1/26/2012	3087	S	NW Signal Maintenance LL		--Split--	--Split--	R	-2,279.05
1/31/2012		3088	Kibble & Pre	Trustee Bond	Bankruptcy/	2011-11	R	-156
2/1/2012		3089	Tom Payne	Office rent- Of	Rent	2012-01	R	-500
2/2/2012			Wire Transfer Fee		Bank Charge	2012-02	R	-12
2/2/2012			RailRoadClearing Hse ISSP		Income:Tari	2011-11	R	967.01
2/7/2012		3093	IPFS Corpor	A/C#15-006-0	Insurance:Li	2012-02	R	-1,229.23
2/7/2012			Online Banking Fee		Bank Charge	2012-01	R	-14.95
2/13/2012			Louisiana Pa	12/22/2011	Income:Tari	2011-12	R	446
2/13/2012			J M Huber		Income	2012-01	R	892
2/14/2012			Solvay Finance DES:PAYME		Income:Tari	2012-01	R	446
2/14/2012		3092	Puget Soun	A/C# 169-088-	Utilities:Gas	2012-01	R	-445.8
2/15/2012		3094	PORT OF SE	GNP RLY 2011	Freight Righ	2011-12	R	-460
2/15/2012		3090	Ballard Tern	Partial Payme	OperatingEx	2011-11	R	-1,000.00
2/17/2012		3095	Arkansas-Ok	GNPR-AO 305	OperatingEx	2011-12	R	-96.34
2/17/2012		3096	Burlington N	GNPR-BN 305	OperatingEx	2011-12	R	-368.46
2/17/2012		3097	Canadian Na	GNPR-CNR 305	OperatingEx	2011-12	R	-158.59

2/17/2012		3098	TTX Compar	GNPR-TTX 305	OperatingEx	2011-12	R	-69.36
2/17/2012		3101	AT&T Mobil	A/C# 8369769	Utilities:Con	2012-02	R	-148.53
2/17/2012		3100	U S Trustee	Nov Dec Disb -	US Trustee I	2012-01	R	-325
2/17/2012	3099	S	Answerline	12/14/11 & 1/	--Split--	--Split--	R	-203
2/17/2012		3102	Century Linl	253-536-7444	Utilities:Tele	2012-02	R	-115.23
2/17/2012		3091	Parkland Lig	GNP registere	Utilities	2012-01	R	-167.75
2/27/2012	S		Spectrum		--Split--	--Split--	R	3,122.00
2/29/2012	3103	S	Railcar Man	Billing Services	--Split--	--Split--	R	-605.99
3/2/2012			Wire Transfer Fee		Bank Charge	2011-11	R	-12
3/2/2012	Wire		RailRoadClearing Hse ISSP		Income:Tari	2011-12	R	487.9
3/5/2012			Solvay Finance	DES:PAYME	Income:Tari	2011-10	R	446
3/7/2012		3107	Century Linl	253-536-7444	Utilities:Tele	2012-03	R	-111.58
3/7/2012			Online Banking Fee		Bank Charge	2012-02	R	-14.95
3/7/2012	3104	S	IPFS Corpor	A/C#15-006-0	--Split--	--Split--	R	-1,229.23
3/8/2012	3105	S	AT&T Mobil	A/C# 8369769	--Split--	--Split--	R	-363.3
3/8/2012		3106	Answerline	Inv 10250039	Utilities	2012-03	R	-104
3/8/2012		3108	NOKL Car Hire	First Union I	OperatingEx	2012-03	R	-30.46
3/8/2012		3109	Atlantic & W	a/c# 15-006-0	OperatingEx	2012-02	R	-112.18
3/9/2012		3111	Thomas Payne		Office Suppl	2012-02	R	-500
3/9/2012			Spectrum		Income	2012-02	R	1,338.00
3/16/2012			Deposit		Income:Tari	2012-02	R	1,338.00
3/19/2012		3112	Parkland Light & Water		Utilities	2012-03	R	-174.38
3/19/2012			Boise Cascade		Income:Tari	2012-02	R	2,600.00
3/19/2012			Solvay		Income:Tari	2012-03	R	892
3/21/2012			Ainsworth Engineered Can		Income:Tari	2012-02	R	446
3/26/2012			ITS Traffic Systems		Income:Tari	2012-01	R	2,676.00
3/27/2012		3113	PORT OF SE	GNP RLY 2011	Freight Righ	2012-03	R	-440
3/29/2012		3115	Tom Payne	Ops Exp-RR In	OperatingEx	2012-01	R	-270.39
3/30/2012		3120	IPFS Corpor	A/C#15-006-0	Insurance:Li	2012-04	R	-1,229.23
3/30/2012		3114	Burlington N	GNPR-BN 305	OperatingEx	2012-02	R	-434.92
3/30/2012		3116	Canadian Na	GNPR-CNR 30	OperatingEx	2012-02	R	-127.3
3/30/2012		3117	Iowa Traction Railroad Con		OperatingEx	2012-02	R	-25.64
3/30/2012		3118	Texas, Oklahoma & Eastern		OperatingEx	2012-02	R	-449.62
3/30/2012		3119	TTX Company		OperatingEx	2012-02	R	-13.04
3/30/2012			Spectrum		Income	2012-03	R	1,784.00
3/30/2012			Ainsworth Engineered Can		Income:Tari	2012-02	R	446
3/30/2012		3121	NW Signal Maintenance LL		Maintenanc	2012-03	R	-1,607.46
4/2/2012			Solvay		Income:Tariff		R	892
4/3/2012			Wire Transfer Fee		Bank Charge	2011-11	R	-12
4/3/2012			RailRoadClearing Hse ISSP		Income:Tari	2012-01	R	1,371.89
4/3/2012			SOLVAY FINANCE	DES:PA	Income:Tariff		R	446
4/4/2012		3122	Puget Sound Energy		Utilities:elet	2012-08	R	-1,380.03
4/4/2012			Deposit		Income:Tari	2011-11	R	14,075.00
4/6/2012			Online Banking Fee		Bank Charge		R	-14.95
4/16/2012			Spectrum		Income	2011-11	R	446
4/19/2012		3123	Tom Payne	Ops Exp-RR In	OperatingEx	2012-03	R	-500
4/19/2012			Deposit		Income:Tari	2011-11	R	1,338.00
5/2/2012			Wire Transfer Fee		Bank Charge	2011-11	R	-12
5/2/2012			RailRoadClearing Hse ISSP		Income:Tari	2012-02	R	985.15
5/3/2012		3124	Answerline		Utilities	2012-04	R	-99
5/3/2012		3125	AT&T Mobil	A/C# 8369769	Utilities:Con	2012-04	R	-158.03
5/3/2012		3126	Century Linl	253-536-7444	Utilities:Tele	2012-04	R	-114.85
5/3/2012		3127	IPFS Corpor	A/C#15-006-0	Insurance:Li	2012-05	R	-1,229.23
5/3/2012		3128	Void		Void		R	0
5/3/2012		3129	TTX Company		OperatingEx	2012-03	R	-233.48

5/3/2012		3130	Tomahawk Railway		OperatingEx	2012-03	R	-102.54
5/3/2012		3131	Canadian Na	GNPR-CNR 305	OperatingEx	2012-03	R	-334.78
5/3/2012		3132	Burlington N	GNPR-BN 305	OperatingEx	2012-02	R	-489.65
5/7/2012			Online Banking Fee		Bank Charge		R	-14.95
5/7/2012			Deposit		Income:Tari	2012-05	R	2,881.16
5/8/2012		3133	**VOID**				R	0
5/15/2012		3134	Parkland Light & Water		Utilities	2012-04	R	-129.71
5/15/2012		3135	**VOID**				R	0
5/15/2012			Deposit		Income:Tari	2012-02	R	497.29
5/16/2012		3136	AT&T Mobil	A/C# 8369769	Utilities:Cor	2012-05	R	-334.64
5/18/2012			Counter		Income		R	3,122.00
5/21/2012			Solvay Finance	DES:PAYME	Income:Tari	2012-05	R	892
5/23/2012		3137	Parkland Light & Water		Utilities	2012-05	R	-111.1
5/23/2012		3138	Answerline		Utilities	2012-05	R	-218
5/23/2012		3139	SnoHOMISH CO PUD #1	(NI	Utilities	2012-05	R	-49.42
5/24/2012			Spectrum		Income	2012-05	R	892
5/25/2012		3140	Thomas Pay	Postage, Ins, C	OperatingEx	2012-05	R	-1,356.00
5/25/2012			Deposit		Income:Tari	2012-05	R	892
6/1/2012		3141	Thomas Payne		OperatingEx	2012-05	R	-600
6/4/2012			Wire Transfer Fee		Bank Charge	2012-06	R	-12
6/4/2012			Deposit		Income:Tari	2012-06	R	892
6/4/2012			RailRoadClearing Hse	ISSP	Income:Tari	2012-03	R	2,934.47
6/7/2012			Online Banking Fee		Bank Charge	2012-06	R	-14.95
6/11/2012			J M Huber		Income	2012-06	R	446
6/11/2012			Deposit		Income:Tari	2012-06	R	892
6/11/2012		3142	IPFS Corpor	A/C#15-006-0	Insurance:Li	2012-06	R	-1,229.23
6/19/2012			Spectrum		Income	2012-05	R	1,338.00
6/20/2012			j M Huber LP		Income:Tari	2012-06	R	945.52
6/22/2012		3146	Parkland Light & Water		Utilities	2012-06	R	-86.55
6/26/2012	ChCK	S	Tom Payne	TrackMainten	--Split--	--Split--	R	-1,200.00
6/28/2012			j M Huber LP		Income:Tari	2012-06	R	446
7/3/2012		3147	Answerline		Utilities	2012-06	R	-104
7/5/2012			Wire Transfer Fee		Bank Charge	2012-06	R	-12
7/5/2012			RailRoadClearing Hse	ISSP	Income:Tari	2012-04	R	2,996.04
7/9/2012			Online Banking Via Quicke		Bank Charge	2012-07	R	-14.95
7/9/2012			Deposit		Income:Tari	2012-07	R	892
7/11/2012		3143	Ballard Terminal		OperatingExp	:BTRR	R	-14,400.00
7/13/2012			Online Business Suite		Bank Charge	2012-07	R	12
7/13/2012			Online Banking Fee Refund		Bank Charge	2012-06	R	14.95
7/13/2012			Online Banking Fee Refund		Bank Charge	2012-07	R	14.95
7/13/2012		3148	Century Linl	253-536-7444	Utilities:Tele	2012-05	R	-221.95
7/13/2012		3144	Thomas Pay	Snohomish Y v	OperatingEx	2012-05	R	-2,695.50
7/13/2012	S		Customer Withdrawal	Ima	--Split--	--Split--	R	-5,418.21
7/17/2012			Deposit		Income:Tari	2012-07	R	892
7/19/2012			Check Order	00353 DES:FEI	Bank Charge		R	-70
7/24/2012	3701	S	Arkansas-ok	Car Hire billing	--Split--	--Split--	R	-286.82
7/24/2012	3702	S	Burlington N	GNPR-BN 305	--Split--	--Split--	R	-1,640.94
7/24/2012	3703	S	Canadian Na	GNPR-CNR 305	--Split--	--Split--	R	-1,681.40
7/24/2012	3704	S	CP Railway	GNPR-CP 305 /	--Split--	--Split--	R	-276.34
7/24/2012	3705	S	Iowa Tractic	GNPS-ITR 305	--Split--	--Split--	R	-54.82
7/24/2012	3706	S	Northweste	GNPR-NOR Ap	--Split--	--Split--	R	-204.87
7/24/2012	3707	S	Norfolk Sou	GNPR-NSR Apı	--Split--	--Split--	R	-65.28
7/24/2012	3708	S	Tomahawk I	GNPR-TR Apr 2	--Split--	--Split--	R	-174.6
7/24/2012	3709	S	TTX Compar	GNPR-TC Apr 2	--Split--	--Split--	R	-466.83
7/24/2012		3710	Atlantic & W	GNPR-AWR M	OperatingEx	2012-05	R	-103.2

7/24/2012		3711	Louisville &	GNPR-LWRC 2	OperatingEx	2012-05	R	-158.24
7/24/2012		3712	Texas, Oklal	GNPR-TOE Ma	OperatingEx	2012-02	R	-449.62
7/26/2012		3713	Railcar Man	Billing Service	Accounting	2011-11	R	-369.22
7/26/2012		3714	AT&T Mobil	A/C# 8369769	Utilities:Cor	2012-05	R	-163.24
7/26/2012			Check Orde	checks	Bank Charge		R	-130
7/27/2012	3715	S	SNOHOMISI	Account# 202	--Split--	--Split--	R	-110.69
7/30/2012			Solvay Finance	DES:PAYME	Income:Tari	2012-05	R	446
7/30/2012		3149	Port Of Seat	GNP RLY 2011	Travel	2011-06	R	-590
7/31/2012	3716	S	Railcar Man	Billing Service	--Split--	--Split--	R	-1,597.53
7/31/2012		3717	UPS	RailCar Mgmt	Postage		R	-38.34
7/31/2012		3718	US Trustee	Q2 2012	US Trustee Fees		R	-325
8/2/2012			Wire Transfer Fee		Bank Charge	2012-07	R	-12
8/2/2012			Check Orde	checks	Bank Charge		R	-135
8/2/2012			RailRoadClearing Hse ISSP		Income:Tari	2012-05	R	1,391.21
8/6/2012			Deposit		Income:Tari	2012-07	R	892
8/7/2012		3719	Matheus Lu	Wood wedges	Maintenanc	2012-06	R	-170.82
8/7/2012			Spectrum		Income	2012-07	R	4,014.00
8/7/2012			Online Banking Via Quicke		Bank Charge	2012-07	R	-14.95
8/8/2012		3720	Arkansas-ok	Car Hire billing	OperatingEx	2012-06	R	-1.01
8/8/2012		3721	Burlington N	GNPR-BN 305	OperatingEx	2012-06	R	-646.65
8/8/2012		3722	Canadian Na	GNPR-CNR 305	OperatingEx	2012-06	R	-506.93
8/8/2012		3723	Northweste	GNPR-NOR Jur	OperatingEx	2012-06	R	-37.91
8/13/2012		3724	Ballard Tern	GNPR-BTRC	OperatingEx	2012-07	R	-4,250.00
8/13/2012			Solvay Finance	DES:PAYME	Income:Tari	2012-08	R	446
8/16/2012	3725	S	NW Signal M	May & June 20	--Split--	--Split--	R	-1,281.15
8/16/2012		3726	Railcar Man	Billing Service	Accounting	2012-07	R	-323.72
8/18/2012		3727	Thomas Payne		OperatingEx	2012-08	R	-3,310.79
8/19/2012		3728	Answerline	Acct#S4745	Utilities	2012-07	R	-104
8/19/2012	3729	S	Puget Soun	A/C# 169-088-	--Split--	--Split--	R	-503.42
8/20/2012			Spectrum		Income:Tari	2012-08	R	1,388.00
8/20/2012			Deposit CORR/ADJ Fee Ima		Bank Charge		R	-50
9/5/2012			Wire Transfer Fee		Bank Charge	2012-09	R	-12
9/5/2012			RailRoadClearing Hse ISSP		Income:Tari	2012-06	R	1,461.93
9/6/2012			ECR EM Dep	Eastside Comn	OPS Agrmt I	2012-09	R	10,000.00
9/6/2012			BANK FEE		Bank Charge	2012-08	R	-12
9/7/2012			Louisiana Pacific		Income:Tari	2012-09	R	446
9/10/2012			Solvay Finance	DES:PAYME	Income:Tari	2012-09	R	446
9/10/2012			Online Banking Fee		Bank Charge	2012-09	R	-14.95
9/12/2012		3730	Century Linl	253-536-7444	Utilities:Tele	2012-05	R	-364.42
9/18/2012	3732	S	SNOHOMISI	Account# 202	--Split--	--Split--	R	-76.14
9/18/2012		3733	Puget Soun	A/C# 169-088-	Utilities:Gas	2012-08	R	-207.74
9/18/2012		3734	AT&T Mobil	A/C# 8369769	Utilities:Cor	2012-08	R	-164.84
9/18/2012		3735	Answerline	Acct#S4745	Utilities	2012-08	R	-218.4
9/18/2012	3150	S	Tom Payne	Ops Exp-RR In	--Split--	--Split--	R	-100
9/18/2012		3731	Ballard Tern	GNPR-BTRC Au	OperatingEx	2012-08	R	-4,250.00
9/18/2012		3091					R	0
9/19/2012			Louisiana Pacific		Income:Tari	2012-08	R	446
9/20/2012			ITS Traffic Systems		Income:Tari	2012-08	R	446
9/24/2012		3738	NW Signal M	July & Aug 201	Maintenanc	2012-08	R	-2,340.56
9/24/2012		3739	Burlington N	GNPR-BN 305	OperatingEx	2012-07	R	-682.65
9/24/2012		3740	Canadian Na	GNPR-CNR 305	OperatingEx	2012-07	R	-258.91
9/24/2012		3741	Louisville &	GNPR-LWRC 2	OperatingEx	2012-07	R	-362.48
9/24/2012			Solvay		Income:Tari	2012-09	R	892
9/24/2012			j M Huber		Income:Tari	2012-09	R	446
9/24/2012		3737	RailInc	Invoice 19008	OperatingEx	2012-08	R	-5.13

9/26/2012			ECR Ops Agrmt Fee		OPS Agrmt I	2012-09	R	40,000.00
9/26/2012			BANK FEE		Bank Charge	2012-09	R	-12
9/27/2012		3742	Railcar Man	Billing Services	Accounting	2012-008	R	-319.15
9/27/2012	3743	S	SNOHOMISI	Account# 200	--Split--	--Split--	R	-30.77
9/27/2012		3304	Tom Payne	Op Exp	OperatingEx	2012-09	R	-600
9/27/2012			Spectrum		Income:Tari	2012-09	R	1,338.00
10/1/2012			Spectrum		Income:Tari	2012-08	R	2,676.00
10/2/2012			RailRoadClearing Hse ISSP		Income:Tari	2012-07	R	4,342.81
10/2/2012			BANK FEE		Bank Charge	2012-09	R	-12
10/3/2012			ECR Ops Agrmt Fee		OPS Agrmt Fee			10,000.00
10/5/2012			BANK FEE		Bank Charge	2012-09	R	-14.95
10/11/2012			ECR EM Deposit		[Eastside Co	2012-09	R	25,000.00
10/12/2012		3305	Tom Payne	AT&T Mobile	Utilities:Tele	2012-09	R	-91.87
10/16/2012		3744	Ballard Tern	Monthly Traffi	OperatingEx	2012-09	R	-4,750.00
10/16/2012	3745	S	PORT OF SE	GNP RLY 2012	--Split--	--Split--	R	-1,170.00
10/17/2012		3746	Arkansas-ok	Car Hire billing	OperatingEx	2012-08	R	-26.05
10/17/2012		3747	Burlington N	GNPR-BN 305	OperatingEx	2012-08	c	-114.3
10/17/2012		3748	Canadian Na	GNPR-CNR 305	OperatingEx	2012-08	R	-461.17
10/17/2012		3749	Louisville &	GNPR-LWRC 2	OperatingEx	2012-08	R	-34.04
10/17/2012		3750	Texas, Oklal	GNPR-TOE Aug	OperatingEx	2012-08	R	-217.26
10/17/2012		3751	Tomahawk I	GNPR-TR Aug	OperatingEx	2012-08	R	-56.4
10/17/2012		3752	TTX Compar	GNPR-TC Aug2	OperatingEx	2012-08	R	-86.86
10/25/2012		3306	Tom Payne	Prorated Offic	OperatingEx	2012-10	R	-4,180.00
10/30/2012			Louisiana Pacific		Income:Tari	2012-08	R	892
10/31/2012			Spectrum		Income:Tari	2012-10	R	1,338.00
10/31/2012		3753	Railcar Man	Billing Services	Accounting	2012-09	c	-331.45
11/2/2012			Wire Transfer Fee		Bank Charge	2012-11	c	-12
11/2/2012		3307	Tom Payne	Ops Exp-RR In	OperatingEx	2012-11	c	-365
11/2/2012			RailRoadClearing Hse ISSP		Income:Tari	2012-08	c	1,441.85
11/6/2012		3754	US Trustee	Q3 2012	US Trustee Fees		c	-650
11/7/2012			Online Banking Via Quicker		Bank Charge	2012-11	c	-14.95
11/13/2012			Solvay Finance	DES:PAYME	Income:Tari	2012-09	c	892
11/27/2012			WaA State D	Refund Excise	Tax Refund		c	2,059.00
11/27/2012		3308	US Trustee	BalofUSTFeesD	US Trustee Fees		c	-2,617.10
11/27/2012		3755	Puget Soun	A/C# 169-088-	Utilities:Gas	2012-08	c	-457.56
11/27/2012	3756	S	Snohomish	A/C#2078-543	--Split--	--Split--	c	-121.07
11/27/2012		3757	Kibble & Pre	Trustee Bond	BankruptcyAdministratic		c	-625
11/29/2012			Louisiana Pacific		Income:Tari	2012-09	c	1,338.00
12/3/2012		3760	Tom Payne	checks	Claims - Adr	2012-10	c	-8,000.00
12/4/2012			Wire Transfer Fee		Bank Charge	2012-11	c	-12
12/4/2012			RAILRoadCl	2012-09	Income:Tari	2012-09	c	3,864.91
12/7/2012			Online Banking Via Quicker		Bank Charge	2012-11	c	-14.95
12/27/2012			ECR EM Dep	Final Pymt	GNP Asset S	2012-12	c	16,000.00
1/4/2013			Wire Transfer Fee		Bank Charge		c	-12
1/4/2013			RailRoadClearing Hse ISSP		Income:Tari	2012-10	c	1,906.09
1/8/2013			Online Banking Via Quicker		Bank Charge		c	-14.95
1/18/2013		3309	Check	checks	Claims - Adr	2012-10	c	-142.84
1/29/2013			PSE	Utility Refund	Utilities:Gas & Electric		c	24.7
1/31/2013		3761	US Trustee	USTFees Qtr4	US Trustee Fees		c	-650
2/4/2013			Wire Transfer Fee		Bank Charge		c	-12
2/4/2013			RailRoadClearing Hse ISSP		Income:Tari	2012-11	c	3,851.89
2/7/2013			Online Banking Via Quicker		Bank Charge		c	-14.95
2/19/2013	S		Eastside Cummunity Rail		--Split--	--Split--		-5,757.98
2/20/2013	Print		Arkansas-Ol	Car Hire billing	OperatingEx	2012-09		-24.01
2/20/2013	Print		Burlington N	GNPR-BN 305	OperatingEx	2012-09		-526.5

2/20/2013	Print	Canadian N	GNPR-CNR 30	OperatingE	2012-09	-578.46
2/20/2013	Print	Iowa Tractic	GNPS-ITR 305	OperatingE	2011-09	-35.35
2/20/2013	Print	TTX Compar	GNPR-TC SEPT	OperatingE	2012-09	-275.73
2/20/2013	Print	U S Trustee	Jan Feb Mar -c	US Trustee I	2013-03	-1,625.00
11/16/2011 - 2/20/2013						88,922.72
BALANCE 2/20/2013						92,917.81
TOTAL INFLOWS						213,683.69
TOTAL OUTFLOWS						-124,760.97
NET TOTAL						88,922.72

	dickmeyer	-35000	Notes as part of Disbursements
	btrr	-39000	
-92,917.81		-92,917.81	Bal tb disbursed
-124,760.97		-124,760.97	Payment from GNPTrustee Acct
-217,678.78		-291678.78	Total Disbursements

EXHIBIT 5

Asset Purchase Agreement, dated 5 September 2012
Chapter 11 Trustee for GNP Rly, Inc. to Eastside Community Rail
Record of Transfer, dated 12/17/2012

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made as of this 5th day of September, 2012 between Eastside Community Rail LLC, and/ or assigns, ("Purchaser") and Perry Stacks, ("Seller") solely in his capacity as Chapter 11 Trustee for GNP Rly, Inc., ("GNP) in the pending Chapter 11 bankruptcy, case 11-40829 ("the Bankruptcy").

Seller desires to sell to Purchaser and Purchaser desires to acquire upon the terms and conditions set forth herein the tangible and intangible assets of the business of GNP described below.

Seller desires to assign to Purchaser and Purchaser desires to assume upon the terms and conditions set forth herein, the rights and obligations of GNP pursuant to its executory contracts and unexpired license agreements related to the operation of the business of GNP described below.

In consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the parties hereto agree:

1. **SALE AND PURCHASE OF ASSETS.** Subject to approval of the Bankruptcy Court, on the terms and subject to the conditions of this Agreement, at Closing, as defined below in ¶ 5.3, Seller shall sell, assign and convey to Purchaser and Purchaser shall purchase from Seller, all of Seller's right, title and interest in and to the "assets," as described below and in Exhibit "A" ("Assets"), free and clear of all liens, claims and encumbrances.

1.1 **Description of Assets.** The "Assets" are all assets in which GNP has an interest and which are used in connection with the operation of GNP Rly, Inc., including but not limited to:

1.1.1 All of GNP's rights and interests under the Railroad Right of Way License between Port of Seattle and GNP Rly, Inc, dated on or about Dec. 18, 2009;

1.1.2 All of GNP's rights and interests under the Operations and Maintenance Agreement between the Port of Seattle and GNP Rly, Inc, dated on or about Dec. 18, 2009;

1.1.3 All of GNP's rights and interests under the Running Rights and Railway Operations Agreement dated May 23, 2008, between GNP and Snohomish County;

1.1.4 All of GNP's rights and interests in all real property and easements described in those Quit Claim Deeds recorded under Snohomish County AF 20091218001535, 20091218001536, 20091218001537, 20091218001538, 20091218001539, 20091218001540 and King County AF 200912210438 and 20091220439.

1.1.5 All Intellectual Property controlled by GNP, know-how, goodwill, consultant works and any other property rights, relating to GNP's business, including but not limited to phone numbers and advertising; and

1.1.6 All furniture, equipment, inventory, maps and any other assets owned by GNP, as more particularly described in an attachment to this Agreement. The "Assets" shall not include any cash assets, accounts receivable or any other cash equivalent.

2. **ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LICENSES.** Subject to approval of the Bankruptcy Court, on the terms and subject to the conditions of this Agreement, at Closing, as defined below in ¶ 5.3, Seller shall sell assume and assign to Purchaser and Purchaser shall agree to perform all of Seller's obligations and duties under the executory contracts and unexpired licenses (the "Executory Contracts" necessary to the operation of Seller's buisniess as described below.

2.1 **Description of Contracts.** The "Executory Contracts" are all executory contracts and licenses which GNP requires for the operation of its business and necessary for the operation of GNP, including but not limited to:

2.1.1 GNP's obligations and duties under the Railroad Right of Way License between Port of Seattle and GNP Rly, Inc., dated on or about Dec. 18, 2009

2.1.2 GNP's obligations and duties under the Operations and Maintenance Agreement between the Port of Seattle and GNP Rly, Inc., dated on or about Dec. 18, 2009.

3. **Liabilities and Obligations.** Purchaser assumes no liabilities, debts or obligations of GNP of any nature whatsoever, whether absolute, accrued, contingent or otherwise, or whether due or to become due, including any liability for taxes, other than the obligations under the Contracts, which include the following:

3.1 GNP's obligations and duties under the Railroad Right of Way License between Port of Seattle and GNP Rly, Inc., dated on or about Dec. 18, 2009

3.2 GNP's obligations and duties under the Operations and Maintenance Agreement between the Port of Seattle and GNP Rly, Inc., dated on or about Dec. 18, 2009.

4. PURCHASE PRICE, EARNEST MONEY

4.1 The purchase price ("Purchase Price") for the Assets shall be One hundred seventy-five thousand and no/100 dollars, ($175,000.00) payable in cash at Closing together with the assumption of liabilities described herein.

4.2 Purchaser shall deposit $10,000.00 (the "Earnest Money") with the Trustee as earnest money on execution of this Agreement. Earnest money shall be credited to the Purchase Price at closing. In the event of default, the Earnest Money shall be applied as described in the sections of this Agreement related to defaults.

4.3 Purchaser shall deposit an additional $90,000.00 (the "Approval Payment") with the Trustee upon Bankruptcy Court approval of this Agreement. The Approval Payment shall be credited to the Purchase Price at closing. In the event of default, the Approval Payment shall be applied as described in the sections of this Agreement related to defaults.

5. COURT APPROVAL AND CLOSING.

5.1 **Court Approval**. The Seller shall promptly seek Court approval of this transaction.

5.2 **Operating Agreement after Court Approval and Prior to Closing.** Purchaser shall operate GNP's railroad line after Court approval of this Agreement until Closing and shall be fully liable for all costs and expenses of such operation during such time and shall be entitled to all revenue generated by the line during such time.

5.3 **Time and Location.** The Closing of the transaction contemplated by this Agreement (the "Closing") shall occur on or before 84 days after the entry of the Bankruptcy Court Order approving this Agreement, which shall in all events occur no later than December 19, 2012 ("Closing Date"). Conveyance, transfer, assignment and delivery of the Assets shall be by Trustee's bill of sale, certificates of transfer, endorsements, assignments and other instruments of transfer and conveyance in such form as Purchaser may request. Seller and Purchaser will from time to time after the Closing make such further conveyances, transfers, assignments and deliveries, and execute such further instruments and documents, as Purchaser deems reasonably necessary in order to effectuate and confirm the sale of the Assets and other transactions contemplated by this Agreement.

5.4 **Possession.** Purchaser shall take possession of the Assets described in paragraph 1.1 immediately upon Closing.

5.5 **Taxes and Fees.** Any transfer, sales, use or other tax payable pursuant to the sale of the Assets shall be paid by Purchaser, and Purchaser shall timely remit such tax to the applicable taxing authorities. Personal property taxes shall be pro-rated at Closing. The parties shall comply with RCW 82.32.140. If Purchaser is assessed any liability for Seller' taxes related to tax periods prior to the closing date which are not timely paid by Seller, Purchaser shall be entitled to either reduce the principal balance of the unpaid purchase price by the amount of such assessment(s) or to submit a claim for an administrative expense in the bankruptcy.

6. **REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller makes no warranties to Purchaser other than those contained in an Order to be entered in the Bankruptcy approving the sale.

7. **REPRESENTATIONS AND WARRANTIES OF PURCHASER.** Purchaser represents and warrants to Seller that as of Closing:

7.1 **Organization, Good Standing, Power, Etc.** Purchaser, or assigns (a) will be a limited liability company or corporation duly organized, validly existing and in good standing under the laws of the State of Washington; and (b) has all requisite corporate power and authority to execute this Agreement and consummate the transactions contemplated herein.

7.2 **Authorization of Agreement and Enforceability.** Purchaser has taken all necessary and proper action, including approval by its managers or board of directors to authorize and approve this Agreement, its consummation and the performance by Purchaser of all terms and conditions hereof and this Agreement constitutes the valid and binding obligation of Purchaser fully enforceable in accordance with its terms.

7.3 **Effect of Agreement, Consents, Etc.** Other than approval by the Bankruptcy Court, Purchaser shall obtain any consent, authorization or approval or exemption by, or filing with, any governmental or public body or authority is required in connection with the execution, delivery and performance by Purchaser of this Agreement or the taking of any action hereby contemplated.

7.4 **Effect of Agreement.** The execution, delivery and performance of this Agreement by Purchaser and the consummation of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time, or both: (a) knowingly violate any provision of law, statute, rule or regulation to which Purchaser is subject; (b) knowingly violate any judgment, order, writ or decree of any court, arbitrator or governmental agency applicable to Purchaser; (c) have any effect on any of the permits, licenses, orders or approvals of Purchaser or the ability of Purchaser to make use of such permits, licenses, orders or approvals; or (d) result in the breach of or conflict with any term, covenant, condition or provision of, result in the modification or termination of, constitute a default under, or result in the creation or imposition of, any lien, security interest, charge or encumbrance upon any of the properties or assets of Purchaser pursuant to any charter, bylaw, commitment, contract or other agreement or instrument, to which Purchaser is a party or by which any of its assets or properties is or may be bound or affected or from which Purchaser derives benefit.

7.5 **Disclosure of Financial Information.** Purchaser is relying solely and completely on Purchaser's own investigation of the financial condition of the company. To the extent Seller has provided Purchaser with any financial information, Purchaser expressly disclaims that Purchaser is relying on such information.

8. **INDEMNIFICATION.**

8.1 **Seller Indemnification for Administrative Expenses of Purchaser and "break-up fee".** In the event that after the execution of this offer the Court approves a sale of the assets to anyone other than Purchaser at a higher and better price or orders an auction of the Assets and the Assets are sold to another party for a higher and better offer, or in the event that a plan is confirmed which does not include a sale of the Assets to the Purchaser, and recognizing that the efforts of the Purchaser are beneficial to the

administration of the Estate and are necessary to the preservation of the Estate, the Trustee shall support the application of the Purchaser to the Bankruptcy Court for reimbursement of the Purchaser's actual fees and costs and expenses incurred in the preparation and pursuit of this offer and, in addition to its actual fees and costs, the Purchaser shall be entitled, subject to Court approval, to a "break-up fee" of ten percent of the eventual purchase price paid by such third party, not to exceed $28,000.00 and not less than $18,000.00. In addition, Seller shall, in applying to the Court to approve his sale to Purchaser, seek Court approval of a minimum overbid of $35,000 in excess of the price to be paid by Purchaser under this Agreement. Notwithstanding the foregoing, however, the Purchaser shall not be entitled to any reimbursement for its costs of operating the Debtor's line pursuant to the provisions of ¶ 5.2

9. **COVENANTS OF SELLER AND PURCHASER.**

9.1 **Access.** Seller shall give to Purchaser and its representatives, from and after the date of this Agreement, such access to the premises, employees, agents and consultants of Seller as is reasonable to enable Purchaser to inspect and evaluate the Seller's assets and the Seller will furnish all information reasonably requested by Purchaser.

10. GENERAL.

10.1 **Survival.** The representations, warranties, covenants and agreements set forth herein and the Disclosure Schedules shall survive Closing.

10.2 **Expenses, Etc.** Except as otherwise provided herein, whether or not the transactions contemplated by this agreement are consummated, each party hereto shall pay its own expenses and the fees and expenses of its counsel and accountants and other experts.

10.3 **Assignment.** Purchaser may not assign its rights under this Agreement without the prior written consent of the other parties hereto.

10.4 **Waivers.** No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

10.5 **Binding Effect; Benefits.** This Agreement shall inure to the benefit of the parties hereto and shall be binding upon the parties hereto and their respective permitted heirs, personal representatives, successors and assigns.

10.6 **Notices.** All notices, requests, demands and other communications which are required to be or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or transmitted by facsimile or on receipt after dispatch by certified or registered first class mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made.

10.7 **Further Assurances.** Seller shall, from time to time, at the request of Purchaser, and without further consideration, execute and deliver such other instruments

and take such other actions as may be required to confer to Purchaser and its assignees the benefits contemplated by this Agreement.

10.8 **Entire Agreement; Amendment.** This Agreement (including the Exhibits and Disclosure Schedules hereto) and all other documents and agreements executed as of Closing constitute the entire agreement and supersede all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereof and may not be amended, modified or terminated unless in a written instrument executed by the party or parties sought to be bound.

10.9 **Headings.** The section and other headings contained in this Agreement are for reference purposes only and shall not be deemed to be a part of this Agreement or to affect the meaning or interpretation of this Agreement.

10.10 **Severability.** The invalidity of all or any part of any section of this Agreement shall not render invalid the remainder of this Agreement or the remainder of such section, If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

10.11 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

10.12 **Third Parties.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies on any person other than the parties to this Agreement, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third party, nor shall any provision give any third party any right of subrogation or action against any party to this Agreement.

10.13 **Court Approval.** This offer is subject to the approval of the Bankruptcy Court.

10.14 **Time of the Essence/ Immediate approval required.** Purchaser's offer is dependent on the ability to close within thirty days (30) and the preservation of the going concern value of the business of GNP Rly, Inc. The time required for the approval of a disclosure statement and Plan of reorganization could result in the failure of the current business of Seller, rendering the assets of little value to Purchaser. Accordingly, Seller shall exercise his best efforts to obtain approval of this Agreement by motion rather than through the plan process. If Seller is unable to obtain approval on Motion within thirty days (30) of execution, Purchaser may withdraw this offer.

11. **DEFAULT AND ATTORNEY'S FEE.**

11.1 **Buyer's default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, Seller may terminate this Agreement and keep as liquidated damages the Earnest Money and the Approval Payment as the sole and exclusive remedy available to Seller for such failure.

11.2 **Seller's default.** In the event Seller fails, without legal excuse, to complete the sale of the Property, then Buyer may, at its option, (a) bring suit against Seller for Buyer's actual damages, (b) bring suit to specifically enforce this Agreement and recover

ASSET LIST

THE ASSETS BEING ACQUIRED INCLUDE ALL OF THE NON-CASH ASSETS IN WHICHGNP RLY, INC. HAS AN INTEREST, EXCEPT ACCOUNTS, INCLUDING BUT NOT LIMITED TO:

CAR HIRE AGREEMENTS
INTERCHANGE AGREEMENT PER AAR RULES
OFFICE EQUIPMENT
RAILWAY SMALL TOOLS AND SAFETY SUPPLIES
OTHER TRACK MATERIAL
HYRAIL PICK-UP TRUCK
MAPS AND SOURCE CONTACT INFORMATION
COMMISSIONED AND OTHER DRAWINGS
CONSULTING WORKS, NOTES, RELATED CONTACTS AND ELECTRONIC FILES
ALL DOCUMENTS, NOTES, CORRESPONDENCE, REPORTS, FILES AND ANY OTHER FORM OF COMMUNICATIONS, INCLUDING ELECTRONIC MEDIA, PREPARED FOR, BY OR ON BEHALF OF OR RECEIVED BY THE DEBTOR
OPERATIONS MANUALS AND REFERENCE MATERIALS

any incidental damages, or (c) pursue any other rights or remedies available at law or equity.

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

SELLER:

GNP RLY, INC.
a corporation

By_____

Perry Stacks, Chapter 11 Trustee

PURCHASER:

EASTSIDE COMMUNITY RAIL, LLC

By_____

Douglas Engle, Manager

RECORD OF TRANSFER

Perry Stacks, Chapter 11 Trustee for GNP RLY INC. and Douglas Engle, the authorized representative of EASTSIDE COMMUNITY RAIL, LLC.do hereby acknowledge and agree that the sale of the assets of GNP RLY INC was consummated and effective as of 12:01AM Monday December 17, 2012. The assets of GNP RLY INC. are now transferred to the control and ownership of EASTSIDE COMMUNITY RAIL, LLC. as approved by the Order of the Bankruptcy Court on September 26, 2012.

Perry Stacks, Chapter 11 Trustee
GNP RLY INC.

Dated 12/17/12

Douglas Engle
Eastside Community Rail, LLC

Dated 12/17/12

EXHIBIT 6

FD 35692, Service Date – November 23, 2012
Eastside Community Rail, LLC -- Acquisition and Operation Exemption -- GNP Rly, Inc.

42769 SERVICE DATE – NOVEMBER 23, 2012

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35692]

Eastside Community Rail, LLC—Acquisition and Operation Exemption—GNP RLY, Inc.

Eastside Community Rail, LLC (ECR), a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire, pursuant to an Asset Purchase Agreement dated September 5, 2012, between ECR and the Bankruptcy Trustee for GNP RLY, Inc. (GNP), all of GNP's assets, lease and operating rights including, inter alia, all assets and operating agreements pertaining to a line of railroad (the Line)[1] between approximately milepost 23.8 southwest of Woodinville and approximately milepost 38.25 in Snohomish, a distance of 14.45 miles, in King and Snohomish Counties, Wash.[2]

---

[1] Those rights encompass all of GNP's assets and operating agreements pertaining to the Line, including, but not limited to, the following: all of GNP's rights and interests under the Railroad Right-of-Way License between Port of Seattle and GNP, dated on or about December 18, 2009; all of GNP's rights and interests under the Operations Maintenance Agreement between the Port of Seattle and GNP, dated on or about December 18, 2009; all of GNP's rights and interests under the Running Rights and Railway Operations Agreement dated May 23, 2008 between GNP and Snohomish County; all of GNP's rights and interests in all real property and easements described in Quit Claim Deeds recorded under Snohomish County AF 20091218001535, 20091218001536, 20091218001537, 20091218001538, 20091218001539, 20091218001540 and King County AF 200912201438 and 20091220439; and all car hire agreements and interchange agreements.

[2] The Line previously was owned by BNSF Railway Company (BNSF). GNP was granted authority to acquire from BNSF an exclusive freight rail operating easement

(continued . . .)

ECR states that, pending the closing of the transaction, ECR and Ballard Terminal Railroad Company (Ballard) entered into an Interim Operating Agreement with the Bankruptcy Trustee of GNP in which ECR will manage the assets of GNP and Ballard will continue to operate the Line in the same fashion that it did while operating the Line for GNP.[3]

ECR states that it plans to consummate the transaction on or after December 8, 2012. Unless stayed, the effective date of the exemption will be December 7, 2012 (30 days after the verified notice was filed).

ECR certifies that its projected annual revenues as a result of this transaction will not exceed $5 million and will not result in the creation of a Class II or Class I rail carrier.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than November 30, 2012 (at least 7 days before the exemption becomes effective).

(. . . continued)
for operations on the Line in GNP Rly Inc.—Acquisition & Operation Exemption—BNSF Railway, FD 35213 (STB served Feb. 13, 2009). In 2011, GNP filed for bankruptcy in the United States Bankruptcy Court for the Western District of Washington.

[3] GNP indicates that Ballard has been operating the Line for several years as an agent of GNP. ECR states that it will be a non-operating common carrier on the Line, and that, once ECR acquires the Line, it will either sublease rights on the Line to Ballard or utilize Ballard as its agent for rail operations on the Line.

An original and 10 copies of all pleadings, referring to Docket No. FD 35692, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Myles L. Tobin, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: November 19, 2012.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

EXHIBIT 7

Fidelity National Title – 611073764 Commitment with Attachment
Ownership as to an Easement for Woodinville Freight purposes
Effective Date: June 20, 2018

ALTA COMMITMENT FOR TITLE INSURANCE

Issued By agent:

Fidelity National Title

COMPANY OF WASHINGTON, INC.

Commitment Number:

611073764
Commitment - THIRD

FIDELITY NATIONAL TITLE INSURANCE COMPANY, a California corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six (6) months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This Commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

IN WITNESS WHEREOF, FIDELITY NATIONAL TITLE INSURANCE COMPANY has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Fidelity National Title Insurance Company

By:

President

Countersigned By:

Authorized Officer or Agent

SEAL

Attest:

Secretary

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

FIDELITY NATIONAL TITLE COMPANY OF WASHINGTON

COMMITMENT NO. 611073764
COMMITMENT - THIRD

ISSUING OFFICE:	FOR SETTLEMENT INQUIRIES, CONTACT:
Title Officer: Bill Fisher / Carlos Maxwell / Terry Sarver / Jason Black Fidelity National Title Company of Washington 3500 188th St. SW, Suite 300 Lynnwood, WA 98037 Phone: (425)771-3031 Main Phone: (425)771-3031 Email: Unit2@fnf.com	

SCHEDULE A

ORDER NO. 611073764

1. Effective Date: June 20, 2018 at 12:00 AM

2. Policy or Policies to be issued:

   a. ALTA U.S. Policy 2012 (Revision of 9-28-91)

Proposed Insured:	Snohomish County, a political subdivision of the State of Washington		
Policy Amount:	$5,000,000.00		
Premium:		$	8,917.00
Tax:		$	847.12
Rate:	General Schedule Standard		
Total:		$	9,764.12

3. The estate or interest in the land described or referred to in this Commitment is:

   An Easement for Woodinville Freight purposes as granted under the General Railroad Right-of-Way Act of 1875, which has been successively conveyed to Earl L. Engle and Joanne M. Engle, as their respective separate estate by Recording No. 201101250441, records of Snohomish County, Washington, demising said land, for the term and upon the terms, covenants and conditions therein provided

4. Title to the estate or interest in the land is at the Effective Date vested in:

   Earl L. Engle and Joanne M. Engle, as their respective separate estate

5. The land referred to in this Commitment is described as follows:

   SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

END OF SCHEDULE A

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

EXHIBIT "A"

Legal Description

All that portion of BNSF Railway Company's (formerly Northern Pacific Railway Company) City of Snohomish (*MP 38.3)* to *(MP 26.384*), 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 Snohomish County, Washington, more particularly described as follows, to-wit

That portion of that certain 60.0 foot wide Branch Line right of way being 30 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across State Street, as said street is shown on plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor, lying southerly of the Easterly prolongation of the centerline of vacated Commercial Street, as said Commercial Street is shown on said plat; also

That portion of the Southerly half of vacated Commercial Street as said street is shown on the plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor, vacated by ordinance No. 354 of the City of Snohomish, State of Washington, passed May 16, 1911, described as follows:

Beginning at the northeast corner of Lot 5*,* Block 2 of said plat of Snohomish City Eastern Part, thence Westerly, along the northerly line of said Lot 5, a distance of 20 feet, more or less, to a point 50 feet distant westerly, when measured at right angles from the centerline of State Street, as said State Street is shown on said plat. thence Northerly, along a line 50 feet westerly from the center line of said State Street, 30 feet, more or less to the centerline of said Commercial Street, thence Easterly, along said centerline of Commercial Street, 20 feet, more or less to the northerly prolongation of the east line of said Lot 5, thence Southerly, along said northerly prolongation, 30 feet, more or less, to Point of Beginning; also

Lots 4 and 5, of Block 2 as shown on plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor; also

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W.M., bounded Northeasterly by the Southwesterly Bank of the Snohomish River, and bounded Southwesterly by a line parallel with and distant 50 0 feet Northeasterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, together with all right, title and interest if any, to accommodate said railway company's facilities and operations over and across the Snohomish River; also

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W.M., bounded Northeasterly by a line parallel with and distant 150.0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, and bounded Southerly by the Southerly line of said Government Lot 4; also

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

EXHIBIT "A"

Legal Description

A triangular shaped tract of land being that portion of Government Lot 4, Section 18, Township 28 North, Range 6 East, W.M., bounded Northeasterly by a line parallel with and distant 150 0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, bounded Northwesterly by a line parallel with and distant 25 feet Easterly from, measured at right angles to said Railway Company's Branch Line right of way Main Track centerline as originally located and constructed and bounded Southerly by the Southerly line of said Government Lot 4; also

That certain 0.11 acre strip of land described in deed dated September 9, 1903 from J H Shadinger and Hattie E Shadinger to Northern Pacific Railway Company recorded September 19 in Book 80, Page 296, records of Snohomish County, Washington, said 0.11 acre strip of land being described in said deed for reference as follows:

"A strip of land eighty (80) feet in width across that certain thirty-three (33) foot strip of land in Lot four (4), Section eighteen (18), Township twenty-eight (28) north, Range six (6) east, W.M., which lies immediately south of, parallel with and contiguous to the right of way of the Great Northern Railway Company across said subdivision, said eighty (80) foot strip of land having for its east and west boundaries two lines that are parallel with and respectively distant twenty-six (26) feet on the northeasterly side and fifty-four (54) feet on the southwesterly side of the center line of the proposed track which is to connect the Great Northern Railway with the Northern Pacific Railway as the same is located, staked and constructed over and across said subdivision, containing 0.11 acres, more or less"; also

That certain 1.94 acre strip of land described in deed dated September 9, 1903 from Kate G Ford, D. A. Ford, Ruth S. Ford and D. A. Ford as sole executor to Northern Pacific Railway Company recorded September 19 in Book 80, Page 298, records of Snohomish County, Washington, said 1.94 acre strip of land being described in said deed for reference as follows:

"All that portion of Lot four (4), Section eighteen (18) and of Lot one (I) (or the northwest quarter of the northwest quarter) of Section nineteen (19), Township twenty-eight (28) north, Range six (6) east, W.M., lying westerly of the Northern Pacific Railway Company's right of way and southerly of a line drawn parallel with and thirty-three (33) feet distant southerly from the south line of the Great Northern Railway Company's right of way and between lines drawn parallel with and respectively distant twenty-six (26) feet easterly from and fifty-four (54) feet westerly from the center line of the proposed track which is to connect the Northern Pacific Railway with the Great Northern Railway as the same is now located, staked out and to be constructed over and across said premises, said strip of land containing 1.94 acres, more or less"; also

That certain 0.08 acre strip of land described in deed dated April 25, 1908 from Robert Henry and Margaret R Henry to Northern Pacific Railway Company recorded June 1, 1908 in Book 110 of Deeds, Page 509, records of the County Auditor, Snohomish County, Washington, said 0.08 acre strip of land being described in said deed for reference as follows:

"A strip of land thirty (30) feet wide described as follows Beginning at a point on the section line between Sections 18 and 19, Township 28 North, Range 6 East, Willamette Meridian, fifty-five (55) feet distant measured at right angles from the center line of the main track of the said Railway Company as the same is now located, constructed, maintained and operated through said sections; thence northeasterly on a

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

EXHIBIT "A"
Legal Description

line parallel with and fifty-five (55) feet distant from said center line one hundred ten (110) feet, more or less, to the south line of the Tacoma Power Company's right of way, thence southeasterly along the south line of said Tacoma Power Company's right of way thirty (30) feet to the westerly line of the present right of way of said Northern Pacific Railway Company, which line at that point is twenty-five (25) feet from the center line of the main track of said Railway Company, thence southwesterly along said westerly line of the right of way one hundred ten (110) feet, more or less, to the point where said right of way widens to fifty (50) feet on each side of said center line; thence westerly twenty-five (25) feet to point of intersection with the above described section line, thence west along said section line five (5) feet, more or less, to place of beginning, said strip being situated in Lot four (4) Section eighteen (18) and Lot one (1) Section nineteen (19) all in Township twenty-eight (28) North, Range six (6) East, Willamette Meridian and containing eight hundredths (0.08) of an acre, more or less"; also

That portion of said Railway Company's property in Government Lot 4, Section 18, Township 28 North, Range 6 East, W.M., Snohomish County, Washington, bounded Northeasterly and Southwesterly by two lines drawn parallel with and distant Southwesterly 150.0 feet and 183.0 feet, respectively, from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed and bounded Southeasterly and Northwesterly by two lines drawn parallel with and distant Northwesterly 25.0 feet and 50.0 feet, respectively, from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; also, That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County. Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W M, Snohomish County, Washington, bounded Northerly by the North line of said Section 19, and bounded Westerly by the West line of said Section 19; also

That portion of said Railway Company's property in Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W.M., Snohomish County, Washington, bounded as follows: Westerly by a line parallel with and distant 50.0 feet Easterly from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; Northerly by the North line of said Section 19 and Easterly by the following described line:

Beginning at a point on a line parallel with and distant 50.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, opposite Station 512+68.45, said point of beginning being the point of a curve to the left having a radius of 621.20 feet, thence westerly, along the arc of said curve to the left and consuming a central angle of 90°57'06", an arc distance of 986.10 feet to the point of tangency of said curve, said point of tangency being 125 feet easterly, when measured at right angles from Station 1963+97.51 on said Railway Company's Branch Line Main Track centerline; thence southerly, along a line drawn parallel and/or concentric with and 125 feet easterly, when measured at right angles and/or radially, from said Branch Line Main Track centerline, to a point opposite Station 1956+00 on said Railway Company's Branch Line Main Track centerline, thence westerly, along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet, thence southerly, along a line drawn concentric with and 100 feet easterly, when measured radially, from the centerline of said Railway Company's Branch Line Main Track centerline, to a point opposite Station 1953+00 on the centerline of said Railway Company's Branch Line Main Track centerline, thence westerly along a line drawn radially with the centerline of said Railway Company's

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

EXHIBIT "A"

Legal Description

Branch Line Main Track centerline, a distance of 25 feet, thence southerly, along a line drawn concentric with and 75 feet easterly, when measured radially from said Railway Company's Branch Line Main Track centerline to the west line of said Section 19, also being the terminus of the herein described line;

EXCEPTING THEREFROM, a strip of land 30 feet wide, the center line of which is 435 feet north from and parallel with the East and West centerline of said Section 19, extending from the west line of said Section 19 to the East boundary of said hereinabove described tract; **ALSO EXCEPTING THEREFROM,** that portion of said hereinabove described tract lying northerly of a line parallel with and distant 150.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed; also

That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E1/2, E1/2, Section 24, the E1/2, NE1/4, Section 25, all in Township 28 North, Range 5 East, W.M., bounded Northerly by the East line of said E1/2, E1/2, Section 24, and bounded Southerly by the East line of said E1/2, NE1/4, Section 25; 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 Government Lots 1, 2, 3, 5, 6, of Section 30, Township 28 North, Range 6 East, W M., bounded Westerly by the West lines of said Lots 1 and 2 and bounded Southerly by the South line of said Lot 5, also, That portion of that certain 110.0 foot wide Branch Line right of way, being 60.0 feet Westerly and 50.0 feet Easterly of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 8 of Section 31, Township 28 North, Range 6 East, W.M., bounded Northerly and Southerly by the North and South lines of said Lot 8; also

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 3, the NE¼, SW¼ and the SE¼, NW¼, Section 31, Township 28 North, Range 6 East, W.M., bounded Northerly by the North line of said SE¼, NW¼ Section 31, and bounded Southerly by the South line of said Government Lot 3 and its easterly prolongation; also

That certain 2.0 acre tract of land described in deed dated April 13, 1918 from John S. Eby to the Northern Pacific Railway Company, recorded April 20, 1918 in Volume 180 of Deeds, Page 451, records of Snohomish County, Washington, said tract being described in said deed for reference as follows:

"That property of the grantor (being the north nine hundred forty-five and five tenths (945.5) feet, more or less, of the south eleven hundred forty-three and five tenths (1143.5) feet of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) North, Range six (6) East of the Willamette Meridian, west of the present right of way of said Railway Company lying between lines parallel with and distant respectively one hundred (100) and one hundred fifty (150) feet westerly from the center line of the present main track of said Railway Company, as the same is now constructed and operated over and across said section, also that portion of said N½ of SW ¼ lying between lines parallel with and distant respectively one hundred fifty (150) and two hundred (200) feet westerly from said above named main track center line and between a line parallel with and distant one hundred ninety-eight (198) feet northerly from the south line of said government subdivision and a line

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

EXHIBIT "A"
Legal Description

drawn at right angles to said main track center line at a point distant twenty-one hundred thirty-four and eight tenths (2134.8) feet northerly from its point intersection with the south line of said section 31, containing in all two (2) acres, more or less"; also

That certain 0.35 acre tract of land described in deed dated March 25, 1918 from John Grinier and Alice Grinier to the Northern Pacific Railway Company, recorded April 10, 1918 in Volume 180 of Deeds, Page 401, records of Snohomish County, Washington, said tract being described in said deed for reference as follows:

"A strip of land of the Westerly side of and adjacent to the present two hundred (200) foot right of way of said Railway Company in the south six (6) acres (or the south one hundred ninety-eight (198) feet more or less, of the north-half of the southwest quarter (N½ of SW¼) of section thirty-one (31) in Township twenty-eight (28) North, Range six (6) East of the Willamette Meridian, said strip of land being more particularly described as follows:

"Beginning at a point on the south line of said N ½ of SW ¼, one hundred (100) feet distant westerly, measured at right angles, from the present main track of said Railway Company, as the same is now, constructed and operated over and across said section, thence northerly on a line parallel with and one hundred (100) feet distant westerly from said center line to the north line of the property of said grantors (being the north line of the south 198 feet, more or less of the above named government subdivision), thence west along said north line to a point two hundred (200) feet distant westerly, measured at right angles, from said main track center line, thence southeasterly in a straight line to a point on the south line of said above named government subdivision fifty-five (55) feet west of the point of beginning, thence east to the point of beginning, containing thirty-five hundredths (35/100) acres, more or less"; also

That certain tract of land described in deed dated December 15, 1937 from Ella L Moulton to the Northern Pacific Railway Company recorded February 19, 1938 in Volume 238 of Deeds, Page 102, records of Snohomish County, Washington, said tract of land being described in said deed for reference as follows:

"That portion of Tract No 139 as shown on the official plat of CATHCART on file and of record in the office of the Auditor of said County situate within the south half of southwest quarter (S½ of SW¼) of Section thirty-one (31) in Township twenty-eight (28) North, Range six (6) East of the Willamette Meridian, lying easterly of a line parallel with and distant fifty (50) feet westerly measured at right angles, from the center line of the present main track of the Northern Pacific Railway Company as the same is now constructed and operated over and across said section thirty-one"; 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 Government Lot 4 in Section 31, Township 28 North, Range 6 East, W.M., Government Lots 4, 5, 6 and 7 in Section 6, Government Lots 1, 2, 3, 4 and the SE¼, SW¼ Section 7, Government Lots 2, 3, 4 and the E½, NW¼ Section 18, Government Lots I and 2 Section 19, all in Township 27 North, Range 6 East, W.M., the E½, E½, NE¼ Section 12, and the SE¼,NE¼ and the NE¼, SE¼ Section 24, all in Township 27 North, Range 5 East, W.M., bounded Northerly by the North line of said Government Lot 4 in Section 31, and bounded Southerly the West line of said NE¼, SE¼ Section 24; also

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

EXHIBIT "A"
Legal Description

of said Main Track centerline, as originally located and constructed, upon, over and across the W½, SE¼ Section 24, Township 27 North, Range 5 East, W.M., bounded Easterly and Westerly by the East and West lines of said W½, SE¼ Section 24, **EXCEPTING THEREFROM**, that portion of said 200.0 foot wide Station Ground property lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as now located and constructed; also

That portion of that certain 100.0 foot wide Maltby Station Ground property, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½, SW¼ Section 24, Township 27 North, Range 5 East, W.M., bounded Northerly by the East line of said SW¼ Section 24 and bounded Southerly by the South Line of said SW¼ Section 24, **EXCEPTING THEREFROM,** that portion lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as originally located and constructed, bounded Northeasterly by the East line of said SW¼ Section 24, and bounded Southwesterly by the Easterly edge of the travelway of the Street connecting 91st Avenue SE with Yew Way in the City of Maltby, Washington, as now located and constructed in a generally Southerly direction from 91st Avenue SE, and about 100 feet Southwesterly of the North-South quarter line of said Section 24, as measured along said Main Track centerline; also

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼ Section 25, Township 27 North, Range 5 East, W.M., bounded Northerly and Southerly by the North and South lines of said NW¼ Section 25; 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 the NW¼, NE¼, SW¼ Section 25, Township 27 North, Range 5 East, W.M., bounded Northerly and Westerly by the North and West lines of said NW¼, NE¼, SW¼ Section 25; also

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼, SW¼ Section 25, the NE¼, SE¼ and the NE¼ Section 26, all in Township 27 North, Range 5 East, W.M., bounded on the East by the East line of said NW¼, SW¼ Section 25, and bounded on the West by the West line of said NE¼ Section 26; 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 the SE¼, NW¼ and the NE¼, SW¼ Section 26, Township 27 North, Range 5 East, W.M., bounded Easterly by the East line of said SE¼, NW¼ Section 26, and bounded Westerly by the South line of said SE¼, NW¼ Section 26, and bounded by the West Line of said NE ¼, SW ¼ Section 26; also

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½, SW¼ Section 26, and the NW¼, NW¼ Section 35, all in Township 27 North, Range 5 East, W.M.; bounded on the East by the East line of said W½, SW¼ Section 26, and bounded on the South by the South line of said NW¼, NW¼ Section 35; **EXCEPTING THEREFROM**, that portion lying Westerly of a line parallel

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

EXHIBIT "A"
Legal Description

and/or concentric with and distant 50.0 feet Westerly from, measured at right angles and/or radially to said Railway Company's Main Track centerline as originally located and constructed, bounded on the North by the North line of said Section 35, and bounded on the South by a line radial to said Main Track centerline at a point 530.0 feet South of the North line of said Section 35, as measured along said Main Track centerline; 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 the SW¼, NW¼ Section 35, the SE¼, SE¼, NE¼ and the NE¼, SE¼ Section 34, all in Township 27 North, Range 5 East, W.M., bounded on the North by the North line of said SW¼, NW¼ Section 35, and bounded on the South by the South line of said NE¼, SE¼ Section 34; also

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the SE¼, SE¼ Section 34, Township 27 North, Range 5 East, W.M., bounded on the North by the North line of said SE¼, SE¼ Section 34, and bounded on the South by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼, SE¼ Section 34, as measured along said Main Track centerline; 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 the S½,SE¼ and the SE¼, SW¼ Section 34, Township 27 North, Range 5 East, W.M., bounded on the North by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼, SE¼ Section 34, as measured along said Main Track centerline, and bounded on the South by the South line of said Section 34, said line also being the South line of Snohomish County Washington.

Situate in the County of Snohomish, State of Washington.

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

GENERAL EXCEPTIONS

A. Rights or claims of parties in possession, or claiming possession, not shown by the Public Records.

B. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.

C. Easements, prescriptive rights, rights-of-way, liens or encumbrances, or claims thereof, not shown by the Public Records.

D. Any lien, or right to a lien, for contributions to employee benefit funds, or for state workers' compensation, or for services, labor, or material heretofore or hereafter furnished, all as imposed by law, and not shown by the Public Records.

E. Taxes or special assessments which are not yet payable or which are not shown as existing liens by the Public Records.

F. Any lien for service, installation, connection, maintenance, tap, capacity, or construction or similar charges for sewer, water, electricity, natural gas or other utilities, or for garbage collection and disposal not shown by the Public Records.

G. Unpatented mining claims, and all rights relating thereto.

H. Reservations and exceptions in United States Patents or in Acts authorizing the issuance thereof.

I. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.

J. Water rights, claims or title to water.

K. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
(continued)

SPECIAL EXCEPTIONS

1. General and special taxes and charges, if any, payable February 15, delinquent if first half unpaid on May 1, second half delinquent if unpaid on November 1 of the tax year (amounts do not include interest and penalties):

   Amount: Available from the State of Washington in Olympia

   Note: Tax Account Numbers for individual portions of the right-of-way are not assigned, except those shown below.

2. The property herein described is carried on the tax rolls as exempt. However, it will become taxable on the date of the execution of a conveyance to a taxable entity and subject to the lien of real property taxes for the balance of the year from that date:

Tax Account No.:	270525-002-002-00
Levy Code:	03992
Assessed Value-Land:	$641,000.00
Assessed Value-Improvements:	$0.00
Affects:	Portion lying within the NW1/4 of Section 25, Townhship 27 North, Range 5 East

3. The property herein described is carried on the tax rolls as exempt. However, it will become taxable on the date of the execution of a conveyance to a taxable entity and subject to the lien of real property taxes for the balance of the year from that date:

Tax Account No.:	270524-004-022-00
Levy Code:	03992
Assessed Value-Land:	$165,500.00
Assessed Value-Improvements:	$0.00
Affects:	Portion lying within the SE1/4 of Section 24, Township 27 North, Range 5 East

4. The property herein described is carried on the tax rolls as exempt. However, it will become taxable on the date of the execution of a conveyance to a taxable entity and subject to the lien of real property taxes for the balance of the year from that date:

Tax Account No.:	280619-002-017-00
Levy Code:	03665
Assessed Value-Land:	$1,000.00
Assessed Value-Improvements:	$0.00
Affects:	Portion lying within Government Lots 1 and 2, Section 19, Township 28 North, Range 6 East

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
(continued)

Special charges for Marshland Flood Control:

Year:	2018
Tax Account No.:	280619-002-017-00
Amount Billed:	$106.01
Amount Paid:	$106.01
Amount Unpaid:	$0.00

5. The property herein described is carried on the tax rolls as exempt. However, it will become taxable on the date of the execution of a conveyance to a taxable entity and subject to the lien of real property taxes for the balance of the year from that date:

Tax Account No.:	280618-003-010-00
Levy Code:	03665
Assessed Value-Land:	$1,300.00
Assessed Value-Improvements:	$0.00
Affects:	Portion lying within Government Lot 4, Section 18, Township 28 North, Range 6 East

Special charges for Marshland Flood Control:

Year:	2018
Tax Account No.:	280618-003-010-00
Amount Billed:	$15.58
Amount Paid:	$15.58
Amount Unpaid:	$0.00

6. Cross Valley Water District Notice of Water Connection Charges, and the terms and conditions thereof:

Recording Date: May 21, 1990
Recording No.: 9005210248

7. Liability of Assessments, if any, as levied by Cross Valley Water District regarding U.L.I.D. #29. For further information contact Cross Valley Water District at 425-485-8461.

8. This item intentionally deleted

9. This item intentionally deleted.

10. Unrecorded Loan Agreements, Settlement Agreement and Lease Agreement between GNP Rly, Inc. and Earl L. Engle and Joanne M. Engle as disclosed by recital in Quit Claim Deed:

Recording Date: January 25, 2011
Recording No.: 201101250441

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
(continued)

11. Any encumbrances affecting the property herein described appearing in the public records prior to January 1, 1970 which are not shown herein.

12. The Company will require that the spouse or registered domestic partner of the vestee named below join in any conveyance or encumbrance prior to the issuance of any Policy of Title Insurance.

    Vestee: Earl L. Engle and Joanne M. Engle

13. Any right, title or interest of current or former owners of abutting lands who may hold reversionary rights or underlying fee title to said premises in the event the deeds conveying the property to Northern Pacific Railway Company created only an easement or established reversionary rights, and rights of lien holders on abutting lands based upon any assertions that the right of way is encumbered as an appurtenance.

14. Right, title and interest of the successors in interest to the original grantors of the deeds for the original railroad right of way who may hold reversionary rights or underlying fee title to said premises in the event any of the deeds created only an easement or established reversionary rights.

15. Any reversionary rights arising by operation of any federal laws relating to the abandonment of railroad rights of way.

16. Any question or claim regarding the true boundaries of said railroad right-of-way, as located and constructed on the ground.

17. Any law, ordinance or governmental regulation (including, but not limited to requirement of approval, consent, exemption or other action by, notice to, or filing with the Surface Transportation Board of the Department of Transportation, formerly The Interstate Commerce Commission, or any public utility commission or other regulatory authority, or their successors) restricting, regulating, prohibiting or relating to the abandonment, cessation of rail operations, or disposition of said railroad right-of-way, or the effect of any violation or a failure to comply with these laws, ordinances or governmental regulations.

18. The effect of any failure to comply with the terms, covenants, conditions and provisions of the Easement described or referred to in Schedule A.

19. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

    Purpose: Railroad spur track connection
    Recording Date: March 1, 1979
    Recording No.: 7903010294
    Affects: As described therein

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
(continued)

20. Easement, Lease or Permit for the purpose(s) shown below and rights incidental thereto as disclosed in a document:

In favor of:	Public Utility District No. 1 of Snohomish County
Purpose:	Electric distribution line
Recording Date:	June 11, 1980
Recording No.:	8006110073
Affects:	As described therein

21. Easement, Lease or Permit for the purpose(s) shown below and rights incidental thereto as disclosed in a document:

In favor of:	Public Utility District No. 1 of Snohomish County
Purpose:	Electric distribution line
Recording Date:	October 25, 1983
Recording No.:	8310250098
Affects:	As described therein

22. Private Roadway Crossing and Agreement, and the terms and conditions thereof:

Recording Date:	September 16, 1986
Recording No.:	8609160298

23. Easement, Lease or Permit for the purpose(s) shown below and rights incidental thereto as disclosed in a document:

Disclosed By:	Declaration of Short Subdivision and Covenants
Purpose:	Ingress, egress and utilities
Recording Date:	May 13, 1987
Recording No.:	8705130244
Affects:	As described therein

24. Common Boundary Line Agreement and the terms and conditions thereof:

Between:	The Burlington Northern and Santa Fe Railway Company
And:	R. Jim Lippincott and Betty J. Lippincott
Recording Date:	May 30, 1997
Recording No.:	9705300255
Affects:	Portion of Government Lot 1, Section 19, Township 27 North, Range 6 East

25. Easement, Lease or Permit for the purpose(s) shown below and rights incidental thereto as disclosed in a document:

Purpose:	Native growth protection area
Recording Date:	August 13, 1998
Recording No.:	9808130502

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
(continued)

26. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of:	State of Washington, Department of Transportation
Purpose:	Roadway shoulder improvements, rock retaining wall, guardrail and enclosure of a storm sewer
Recording Date:	December 27, 2001
Recording No.:	200112270095
Affects:	As described therein

27. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of:	Infinity Outdoor, Inc., a Delaware corporation
Purpose:	Signboard
Recording Date:	August 14, 2001
Recording No.:	200108140193
Affects:	As described therein

28. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of:	Outdoor Systems, Inc., a Delaware corporation
Purpose:	Signboard
Recording Date:	August 31, 2001
Recording No.:	200108310630
Affects:	As described therein

29. A lease with certain terms, covenants, conditions and provisions set forth therein.

Dated:	September 25, 2000
Lessor:	The Burlington Northern and Santa Fe Railway Company, a Delaware corporation
Lessee:	Irwin O. Kennedy
Recording Date:	October 19, 2001
Recording No.:	200110190120
Purpose:	Storing utility materials

30. Agreement for Private Crossing and the terms and conditions thereof:

Between:	The Burlington Northwern and Santa Fe Railway Company, a Delaware corporation
And:	Barker Real Estate, LLC
Recording Date:	June 20, 2003
Recording No.:	200306200331

31. Unrecorded Private Railroad Crossing Agreement:

Disclosed By:	Statutory Warranty Deed
Recording Date:	April 15, 2005
Recording No.:	200504150475

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
(continued)

32. Easement, Lease or Permit for the purpose(s) shown below and rights incidental thereto as disclosed in a document:

Purpose: Wetlands buffer, rockery
Recording Date: March 29, 2006
Recording No.: 200603290677

33. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: December 21, 2009
Recording No.: 200912210438

34. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Reserved By: BNSF Railway Company
Purpose: Freight rail purposes
Recording Date: December 21, 2009
Recording No.: 200912210438
Affects: As described therein

By various assignments, BNSF Railway Company's interest in said reserved easement is now held of record by:

Assignee: Earl L. Engle and Joanne M. Engle
Recording Date: January 25, 2011
Recording No.: 201101250441

35. Memorandum of Operation and Maintenance Agreement and the terms and conditions thereof:

Between: Port of Seattle, a Washington State municipal corporation
And: GNP Rly Inc., a Washington corporation
Recording Date: December 21, 2009
Recording No.: 200912210440

36. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Puget Sound Energy, Inc.
Purpose: Utility systems
Recording Date: December 21, 2010
Recording No.: 201012211039
Affects: As described therein

Amendment to North Rail Line Easement recorded under Recording Number 201302120664.

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
(continued)

37. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	Trail and trail facilities
Recording Date:	February 13, 2013
Recording No.:	201302130771
Affects:	As described therein

38. Matters disclosed by surveys recorded under Recording Numbers:
8606280394, 8804200352, 8902035002, 9001315005, 9110095004, 9205065002, 9403285002, 9409165002, 9706065001, 9711035004, 9807215003, 9809215006, 9810265001, 9810305003, 200101175002, 200104175002, 200107025007, 200209265004, 200406235287, 200703085003 and 201501135001

39. Any question that may arise due to shifting or change in the course, boundaries or high water line or due to prior shifting or changing of the course, boundaries or high water line; and rights of the State of Washington in and to that portion of said Land, if any, lying in the wet lands and river beds that are adjacent to the properties.

END OF EXCEPTIONS

NOTES

The following matters will not be listed as Special Exceptions in Schedule B of the policy. There will be no coverage for loss arising by reason of the matters listed below because these matters are either excepted or excluded from coverage or are not matters covered under the insuring provisions of the policy.

Note A: As part of Fidelity National Title Company's commitment to the environment, we encourage the paperless distribution of our products whenever possible. To help conserve natural resources, we will automatically issue the forthcoming original policy(ies) electronically.

Please provide us with a current e-mail address for the new owner and/or lender prior to closing or by emailing unit2@fnf.com. Hard copy versions may be issued upon request.

Note B: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.

Note C: Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06), or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitral matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

SCHEDULE B
(continued)

Note D: Fidelity National Title Co., 3500 188th St SW #300, Lynnwood, WA 98037

Cutoff time for recording release in King County is 2:00 PM, any release after 2:00 PM will record the following day.

Cutoff time for recording release in Snohomish County is 1:00 PM, any release after 1:00 PM will record the following day.

Note E: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

END OF NOTES

END OF SCHEDULE B

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at http://www.alta.org.*

END OF CONDITIONS

Copyright American Land Title Association. All rights reserved.

The use of this Form (or any derivative thereof) is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

RECORDING REQUIREMENTS

Effective January 1, 1997, document format and content requirements have been imposed by Washington Law. Failure to comply with the following requirements may result in rejection of the document by the county recorder or imposition of a $50.00 surcharge.

First page or cover sheet:

3" top margin containing nothing except the return address.

1" side and bottom margins containing no markings or seals.

Title(s) of documents.

Recording no. of any assigned, released or referenced document(s).

Grantors names (and page no. where additional names can be found).

Grantees names (and page no. where additional names can be found).

Abbreviated legal description (Lot, Block, Plat Name or Section, Township, Range and Quarter, Quarter Section for unplatted). Said abbreviated legal description is not a substitute for a complete legal description which must also appear in the body of the document.

Assessor's tax parcel number(s).

Return address (in top 3" margin).

**A cover sheet can be attached containing the above format and data if the first page does not contain all required data.

Additional Pages:

1" top, side and bottom margins containing no markings or seals.

All Pages:

No stapled or taped attachments. Each attachment must be a separate page. All notary and other pressure seals must be smudged for visibility. Font size of 8 points or larger.

WIRE SAFE™ | Inquire before you wire!

WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
http://www.fbi.gov

Internet Crime Complain Center:
http://www.ic3.gov

TM and © Fidelity National Financial, Inc. and/or an affiliate. All rights reserved

FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE
Revised May 1, 2018

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF", "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

Types of Information Collected
We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:
- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

Browsing Information. FNF may automatically collect the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or mobile device:
- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

How Personal Information is Collected
We may collect Personal Information about you from:
- information we receive from you on applications or other forms;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

How Browsing Information is Collected
If you visit or use an FNF Website, Browsing Information may be collected during your visit. Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics
Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to other websites. FNF is not responsible for the privacy practices or the content of any of those other websites. We advise you to read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and third parties' products and services, jointly or independently.

When Information Is Disclosed

We may make disclosures of your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Please see **"Choices With Your Information"** to learn the disclosures you can restrict.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to guard your Personal Information. We limit access to nonpublic personal information about you to employees who need to know that information to do their job. When we provide Personal Information to others as discussed in this Privacy Notice, we expect that they process such information in compliance with our Privacy Notice and in compliance with applicable privacy laws.

Choices With Your Information

If you do not want FNF to share your information with our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about you creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are meant for adults and are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF Website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to privacy@fnf.com, by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

Fidelity National Title
COMPANY OF WASHINGTON, INC.

3500 188th St. SW, Suite 300
Lynnwood, WA 98037
Phone: (425)771-3031 / Fax: (425)771-7910

Order No.: 611073764TS
Property: APN/Parcel ID: NA

SELLER(S)
Port of Seattle

BUYER/BORROWER(S)
Snohomish County

LENDER	
Appropriate Lender **Phone:** **Fax:**	

Thank You for specifying Fidelity National Title Company of Washington
Your transaction is important to us.

After Recording Return To:

Joanne M Engle
240 Lombard St
Suite 936
San Francisco, CA 94111

Earl L Engle
4117 South Lamonte
Spokane, WA 99203

425793

201101250441 13 PGS
01/25/2011 1:38pm $74.00
SNOHOMISH COUNTY, WASHINGTON

18.00
No. 5909658 1/25/2011 1:36 PM
Thank you for your payment.
PAT

QUIT CLAIM DEED
Woodinville Freight Easement

Grantor: GNP Rly, Inc

Grantee: Earl L. Engle & Joanne M. Engle

Land Description See Exhibit A attached hereto and incorporated herein (the "Property", AKA "Woodinville Freight Easement").

PTN OF SEC 18, TWN 28, RNG 06, ADDITIONAL LEGALS PG 5
TAX ID 000000000000100

WHEREAS, GNP Rly Inc. ("GNP") has conveyed to Earl L. Engle (53.9%) and Joanne M Engle (46.1%) ("Engle's") the Property pursuant a Settlement Agreement with each party, and

WHEREAS, GNP has entered into a Lease Agreement with Engle's for the Woodinville Freight Easement.

NOW, THEREFORE, GNP for and in consideration of TEN AND NO/100 DOLLARS ($10.00) conveys and quit claims to Engle's all of GNP's rights, title and interest in and to the Woodinville Freight Easement, together with all after acquired title of GNP therein

GNP and Engle's are parties to certain confidential business loan Agreements, a Settlement Agreement, and Lease Agreement concerning the sale of all rights to the Property for themselves and their respective successors

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the 24th day of January 2011.

Approved by:

Earl L Engle

By: _____
Earl L. Engle

Joanne M. Engle

By _____
Joanne M. Engle

GNP Rly Inc

By: _____
Douglas E. Engle, C F O

STATE OF WASHINGTON
COUNTY OF Spokane

I certify that I know or have satisfactory evidence that Earl L. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 1/24/11
NOTARY PUBLIC. Patricia J. Morford
Print Name. Patricia J. Morford
My commission expires: 5/15/14

PATRICIA J MORFORD
Notary Public
State of Washington
My Commission Expires
May 15, 2014

STATE OF WASHINGTON
COUNTY OF King

I certify that I know or have satisfactory evidence that Joanne M. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED 1-24-2011
NOTARY PUBLIC. Violet R Tate
Print Name: Violet R. Tate
My commission expires. 2-29-12

VIOLET R. TATE
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
2-29-12

STATE OF WASHINGTON
COUNTY OF King

I certify that I know or have satisfactory evidence that Douglas E. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Chief Financial Officer and Treasurer of GNP Rly Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 1-24-2011
NOTARY PUBLIC Andrew Jordan Amoranto
Print Name: Andrew Jordan Amoranto
My commission expires: 5-5-2014

ANDREW JORDAN AMORANTO
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
5-05-14

After Recording Return To:

EXHIBIT

James Greenfield
Davis Wright Tremaine LLP
1201 Third Avenue,
Suite 2200
Seattle, WA 98101

PNWJT W0-20611-9

QUIT CLAIM DEED
Woodinville Freight Easement

Grantor BNSF RAILWAY COMPANY ("BNSF")

Grantee GNP Rly Inc ("TPO")

Legal Description See Exhibit A attached hereto and incorporated herein (the "Property")
Por 10, 24 5 EWM, Por-9-26-5,

WHEREAS, BNSF has conveyed to the Port of Seattle (the "Port") the Property pursuant to that certain Quit Claim Deed dated as of the date hereof and recorded in the real estate records of King County, Washington as instrument number 20091216001936 and in the real estate records of Snohomish County, Washington as instrument number 200912210 ; and

WHEREAS, BNSF reserved in said deed an exclusive easement for freight rail purposes over the Property (the "Reserved Freight Easement")

NOW, THEREFORE, BNSF, for and in consideration of TEN AND NO/100 DOLLARS ($10 00) conveys and quit claims to TPO all of BNSF's right, title and interest in and to the Reserved Freight Easement, together with all after acquired title of BNSF therein.

TPO and BNSF are parties to that certain Freight Easement Sale Agreement dated as of December 18, 2009 concerning the sale of the Reserved Freight Easement in and to the Property TPO and BNSF for themselves and their respective successors and assigns hereby covenant and agree that the provisions of Sections 6 and 7 of said Agreement attached hereto as Exhibit B, are incorporated herein by reference and shall be covenants running with the land that are enforceable by TPO, BNSF and their respective successors and assigns

IN WITNESS WHEREOF, BNSF and TPO have executed this Deed as of the 18 day of December, 2009

BNSF RAILWAY COMPANY

By _____
Its: Senior General Attorney

GNP Rly Inc

By _____ Chairman, C.O.O.
Its Chairman, C.O.O.
Thomas Payne

Said document(s) were filed for record by Pacific N W. Title as accommodation only It has not been examined as to proper execution or as to its effect upon title.

226605

1,000.00

8/31/2009 2:45 PM
No. 51466097
Thank you for your payment.
SHELLEY

After Recording Return To:
James Greenfield
Davis Wright Tremaine LLP
1201 Third Avenue
Suite 2200
Seattle, WA 98101

CONFORMED COPY
200912210439 13 PGS
12/21/2009 2:41PM $74.00
SNOHOMISH COUNTY, WASHINGTON

COPY

Quit Claim Deed
Woodinville Freight Easement

PNWT 10-20611-9

Grantor BNSF Railway Company

Grantee: GNP Rly Inc

Abbreviated Legal: 00000000000100 10P

SW1/4 18-28-6
Lot 4 and 5 Block 2 Snohomish City Eastern Part Vol 1 page 7
Govt Lots 1 and 2, and the NW ¼ of 19-28-6
NE and SE 24-28-5
NE 25-28-5
Govt 1,2,3,5, and 6 of 30-28-6
Govt 3,4,8 and SW1/4 and NW1/4 31-28-6
Pnt Lot 139 Cathcart 9X39
Gvt 4,5,6,7 of 6-27-6
Gvt 1,2,3,4,and the SW ¼ of 7-27-6
Gvt 2,3,4 and NW ¼ of 18-27-6
Gvt 1,2 of 19-27-6
NE of 12-27-5
NE, SW, SE of 24-27-5
Gvt 4 of 31-27-5
NW, SW of 25-27-5
NE, NW, SW of 26-27-5
NW of 35-27-5
NE, SE, SW of 34-27-5
In Snohomish County

STATE OF Washington)
) ss
COUNTY OF King)

I certify that I know or have satisfactory evidence that ~~Richard E Weicher~~ David T. Rankin is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the ~~Vice President & General Counsel - Regulatory~~ Senior General Attorney of BNSF Railway Company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument

Dated 12-18-2009

Stephani A Owens
Notary Public
Print Name Stephani A Owens
My commission expires 4-29-2013

STEPHANI A OWENS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 29, 2013

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss
COUNTY OF King)

I certify that I know or have satisfactory evidence that Thomas Payne is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Chairman C.O.O. of GNP Rly Inc to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument

Dated 12-18-09

Stephani A Owens
Notary Public
Print Name Stephani A Owens
My commission expires 4-29 2013

STEPHANI A OWENS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 29, 2013

(Use this space for notarial stamp/seal)

EXHIBIT A

Legal Description of the Property

All that portion of BNSF Railway Company's (formerly Northern Pacific Railway Company) Snohomish (MP 38 25) to Woodinville (MP 23 8), 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 Snohomish County and King County, Washington, more particularly described as follows, to-wit.

SNOHOMISH COUNTY

That portion of that certain 60 0 foot wide Branch Line right of way being 30 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across State Street, as said street is shown on plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor, lying southerly of the Easterly prolongation of the centerline of vacated Commercial Street, as said Commercial Street is shown on said plat, also

That portion of the Southerly half of vacated Commercial Street as said street is shown on the plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington, vacated by ordinance No 354 of the City of Snohomish, State of Washington, passed May 16, 1911, described as follows

Beginning at the northeast corner of Lot 5, Block 2 of said plat of Snohomish City Eastern Part, thence Westerly, along the northerly line of said Lot 5, a distance of 20 feet, more or less, to a point 50 feet distant westerly, when measured at right angles from the centerline of State Street, as said State Street is shown on said plat, thence Northerly, along a line 50 feet westerly from the center line of said State Street, 30 feet, more or less to the centerline of said Commercial Street; thence Easterly, along said centerline of Commercial Street, 20 feet, more or less to the northerly prolongation of the east line of said Lot 5, thence Southerly, along said northerly prolongation, 30 feet, more or less, to Point of Beginning, also,

Lots 4 and 5, of Block 2 as shown on plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington; also,

That portion of that certain 50 0 foot wide Branch Line right of way being 25 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W M , bounded Northeasterly by the Southwesterly Bank of the Snohomish River, an bounded Southwesterly by a line parallel with and distant 50 0 feet Northeasterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, together with all right, title and interest if any, to accommodate said railway company's facilities and operations over and across the Snohomish River; also

That portion of that certain 50 0 foot wide Branch Line right of way being 25 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W M , bounded Northeasterly by a line parallel with and distant 150 0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and

constructed, and bounded Southerly by the Southerly line of said Government Lot 4, also

A triangular shaped tract of land being that portion of Government Lot 4, Section 18, Township 28 North, Range 6 East, W M , bounded Northeasterly by a line parallel with and distant 150 0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, bounded Northwesterly by a line parallel with and distant 25 feet Easterly from, measured at right angles to said Railway Company's Branch Line right of way Main Track centerline as originally located and constructed and bounded Southerly by the Southerly line of said Government Lot 4, also

That certain 0 11 acre strip of land described in deed dated September 9, 1903 from J H Shadinger and Hattie E. Shadinger to Northern Pacific Railway Company recorded September 19 in Book 80, Page 296, records of Snohomish County, Washington, said 0 11 acre strip of land being described in said deed for reference as follows·

"A strip of land eighty (80) feet in width across that certain thrity-three (33) foot strip of land in Lot four (4), Section eighteen (18), Township twenty-eight (28) north, Range six (6) east, W M , which lies immediately south of, parallel with and contiguous to the right of way of the Great Northern Railway Company across said subdivision, said eighty (80) foot strip of land having for its east and west boundaries two lines that are parallel with and respectively distant twenty-six (26) feet on the northeasterly side and fifty-four (54) feet on the southwesterly side of the center line of the proposed track which is to connect the Great Northern Railway with the Northern Pacific Railway as the same is located, staked and constructed over and across said subdivision; containing 0 11 acres, more or less ", also,

That certain 1 94 acre strip of land described in deed dated September 9, 1903 from Kate G. Ford, D A Ford, Ruth S Ford and D A Ford as sole executor to Northern Pacific Railway Company recorded September 19 in Book 80, Page 298, records of Snohomish County, Washington, said 1 94 acre strip of land being described in said deed for reference as follows.

"All that portion of Lot four (4), Section eighteen (18) and of Lot one (1) (or the northwest quarter of the northwest quarter) of Section nineteen (19), Township twenty-eight (28) north, Range six (6) east, W M , lying westerly of the Northern Pacific Railway Company's right of way and southerly of a line drawn parallel with and thirty-three (33) feet distant southerly from the south line of the Great Northern Railway Company's right of way and between lines drawn parallel with and respectively distant twenty-six (26) feet easterly from and fifty-four (54) feet westerly from the center line of the proposed track which is to connect the Northern Pacific Railway with the Great Northern Railway as the same is now located, staked out and to be constructed over and across said premises, said strip of land containing 1 94 acres, more or less ", also;

That certain 08 acre strip of land described in deed dated April 25, 1908 from Robert Henry and Margaret R Henry to Northern Pacific Railway Company recorded June 1, 1908 in Book 110 of Deeds, Page 509, records of the County Auditor, Snohomish County, Washington, said 08 acre strip of land being described in said deed for reference as follows:

"A strip of land thirty (30) feet wide described as follows· Beginning at a point on the section line between Sections 18 and 19, Township 28 North, Range 6 East, Willamette Meridian, fifty-five (55) feet distant measured at right angles from the center line of the main track of the said Railway Company as the same is now located, constructed, maintained and operated through said sections; thence northeasterly on a line parallel with and fifty-five (55) feet distant from said center line one hundred ten (110) feet, more or less, to the south line of the Tacoma Power Company's right of way, thence southeasterly along the south line of said Tacoma Power Company's right of way thirty (30) feet to the westerly line of the

present right of way of said Northern Pacific Railway Company, which line at that point is twenty-five (25) feet from the center line of the main track of said Railway Company, thence southwesterly along said westerly line of the right of way one hundred ten (110) feet, more or less, to the point where said right of way widens to fifty (50) feet on each side of said center line, thence westerly twenty-five (25) feet to point of intersection with the above described section line, thence west along said section line five (5) feet, more or less, to place of beginning, said strip being situated in Lot four (4) Section eighteen (18) and Lot one (1) Section nineteen (19) all in Township twenty-eight (28) North, Range six (6) East, Willamette Meridian and containing eight hundredths (08) of an acre, more or less "; also,

That portion of said Railway Company's property in Government Lot 4, Section 18, Township 28 North, Range 6 East, W M , Snohomish County, Washington, bounded Northeasterly and Southwesterly by two lines drawn parallel with and distant Southwesterly 150 0 feet and 183 0 feet, respectively, from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed and bounded Southeasterly and Northwesterly by two lines drawn parallel with and distant Northwesterly 25 0 feet and 50 0 feet, respectively, from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed, also,

That portion of that certain 100 0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W M , Snohomish County, Washington, bounded Northerly by the North line of said Section 19, and bounded Westerly by the West line of said Section 19, also,

That portion of said Railway Company's property in Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W M , Snohomish County, Washington, bounded as follows. Westerly by a line parallel with and distant 50 0 feet Easterly from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; Northerly by the North line of said Section 19 and Easterly by the following described line.

Beginning at a point on a line parallel with and distant 50 0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, opposite Station 512+68 45, said point of beginning being the point of a curve to the left having a radius of 621 20 feet; thence westerly, along the arc of said curve to the left and consuming a central angle of 90°57'06", an arc distance of 986 10 feet to the point of tangency of said curve, said point of tangency being 125 feet easterly, when measured at right angles from Station 1963+97 51 on said Railway Company's Branch Line Main Track centerline; thence southerly, along a line drawn parallel and/or concentric with and 125 feet easterly, when measured at right angles and/or radially, from said Branch Line Main Track centerline, to a point opposite Station 1956+00 on said Railway Company's Branch Line Main Track centerline, thence westerly, along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet, thence southerly, along a line drawn concentric with and 100 feet easterly, when measured radially, from the centerline of said Railway Company's Branch Line Main Track centerline, to a point opposite Station 1953+00 on the centerline of said Railway Company's Branch Line Main Track centerline; thence westerly along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet, thence southerly, along a line drawn concentric with and 75 feet easterly, when measured radially from said Railway Company's Branch Line Main Track centerline to the west line of said Section 19, also being the terminus of the herein described line.

EXCEPTING THEREFROM, a strip of land 30 feet wide, the center line of which is 435 feet north from and parallel with the East and West centerline of said Section 19, extending from the west line of

said Section 19 to the East boundary of said hereinabove described tract, **ALSO EXCEPTING THEREFROM**, that portion of said hereinabove described tract lying northerly of a line parallel with and distant 150 0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, also,

That portion of that certain 100 0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½E½ Section 24, the E½NE¼ Section 25, all in Township 28 North, Range 5 East, W M , bounded Northerly by the East line of said E½E½ Section 24, and bounded Southerly by the East line of said E½NE¼ Section 25; 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 Government Lots 1, 2, 3, 5, 6, of Section 30, Township 28 North, Range 6 East, W M , bounded Westerly by the West lines of said Lots 1 an 2 and bounded Southerly by the South line of said Lot 5; also,

That portion of that certain 110 0 foot wide Branch Line right of way, being 60 0 feet Westerly and 50 0 feet Easterly of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 8 of Section 31, Township 28 North, Range 6 East, W M , bounded Northerly and Southerly by the North and South lines of said Lot 8, also,

That portion of that certain 200 0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 3, the NE¼SW¼ and the SE¼NW¼, Section 31, Township 28 North, Range 6 East, W M , bounded Northerly by the North line of said SE¼NW¼ Section 31, and bounded Southerly by the South line of said Government Lot 3 and its easterly prolongation; also,

That certain 2 0 acre tract of land described in deed dated April 13, 1918 from John S Eby to the Northern Pacific Railway Company, recorded April 20, 1918 in Volume 180 of Deeds, Page 451, records of Snahomish County, Washington, said tract being described in said deed for reference as follows

"That property of the grantor (being the north nine hundred forty-five and five tenths (945 5) feet, more or less, of the south eleven hundred forty-three and five tenths (1143 5) feet of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, west of the present right of way of said Railway Company lying between lines parallel with and distant respectively one hundred (100) and one hundred fifty (150) feet westerly from the center line of the present main track of said Railway Company, as the same is now constructed and operated over and across said section, also that portion of said N½ of SW¼ lying between lines parallel with and distant respectively one hundred fifty (150) and two hundred (200) feet westerly from said above named main track center line and between a line parallel with and distant one hundred ninety-eight (198) feet northerly from the south line of said government subdivision and a line drawn at right angles to said main track center line at a point distant twenty-one hundred thirty-four and eight tenths (2134 8) feet northerly from its point intersection with the south line of said section 31, containing in all two (2) acres, more or less "; also,

That certain 0 35 acre tract of land described in deed dated March 25, 1918 from John Grimer and Alice Grimer to the Northern Pacific Railway Company, recorded April 10, 1918 in Volume 180 of Deeds, Page 401, records of Snohomish County, Washington, said tract being described in said deed for reference as follows

'A strip of land of the Westerly side of and adjacent to the present two hundred (200) foot right of way of said Railway Company in the south six (6) acres (or the south one hundred ninety-eight (198) feet more or less, of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, said strip of land being more particularly described as follows.

"Beginning at a point on the south line of said N½ of SW ¼, one hundred (100) feet distant westerly, measured at right angles, from the present main track of said Railway Company, as the same is now, constructed and operated over and across said section, thence northerly on a line parallel with and one hundred (100) feet distant westerly from said center line to the north line of the property of said grantors (being the north line of the south 198 feet, more or less of the above named government subdivision), thence west along said north line to a point two hundred (200) feet distant westerly, measured at right angles, from said main track center line; thence southeasterly in a straight line to a point on the south line of said above named government subdivision fifty-five (55) feet west of the point of beginning; thence east to the point of beginning, containing thirty-five hundredths (35/100) acres, more or less ", also,

That certain tract of land described in deed dated December 15, 1937 from Ella L. Moulton to the Northern Pacific Railway Company recorded February 19, 1938 in Volume 238 of Deeds, Page 102, records of Snohomish County, Washington, said tract of land being described in said deed for reference as follows

"That portion of Tract No 139 as shown on the official plat of CATHCART on file and of record in the office of the Auditor of said County situate within the south half of southwest quarter (S½ of SW¼) of section thirty-one (31) in township twenty-eight (28) north of range six (6) east of the Willamette Meridian, lying easterly of a line parallel with and distant fifty (50) feet westerly measured at right angles, from the center line of the present main track of the Northern Pacific Railway Company as the same is now constructed and operated over and across said section thirty-one ", 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 Government Lot 4 in Section 31, Township 28 North, Range 6 East, W M , Government Lots 4, 5, 6 and 7 in Section 6, Government Lots 1, 2, 3, 4 and the SE¼SW¼ Section 7, Government Lots 2, 3, 4 and the E½NW¼ Section 18, Government Lots 1 and 2 Section 19, all in Township 27 North, Range 6 East, W. M , the E½E½NE¼ Section 12, and the SE¼NE¼ and the NE¼SE¼ Section 24, all in Township 27 North, Range 5 East, W M , bounded Northerly by the North line of said Government Lot 4 in Section 31, and bounded Southerly the West line of said NE¼SE¼ Section 24, also

That portion of that certain 200 0 foot wide Maltby Station Ground property, being 100 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SE¼ Section 24, Township 27 North, Range 5 East, W M , bounded Easterly and Westerly by the East and West lines of said W½SE¼ Section 24, **EXCEPTING THEREFROM**, that portion of said 200 0 foot wide Station Ground property lying Northwesterly of a line concentric with and distant 25 0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as now located and constructed; also

That portion of that certain 100 0 foot wide Maltby Station Ground property, being 50 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½SW¼ Section 24, Township 27 North, Range 5 East, W M , bounded Northerly by the East line of said SW¼ Section 24 and bounded Southerly by the South Line of said SW¼ Section 24, **EXCEPTING THEREFROM**, that portion lying Northwesterly of a line concentric with and distant 25 0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as originally

located and constructed, bounded Northeasterly by the East line of said SW¼ Section 24, and bounded Southwesterly by the Easterly edge of the travelway of the Street connecting 91st Avenue SE with Yew Way in the City of Maltby, Washington, as now located and constructed in a generally Southerly direction from 91st Avenue SE, and about 100 feet Southwesterly of the North-South quarter line of said Section 24, as measured along said Main Track centerline, also,

That portion of that certain 200 0 foot wide Maltby Station Ground property, being 100 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼ Section 25, Township 27 North, Range 5 East, W M , bounded Northerly and Southerly by the North and South lines of said NW¼ Section 25; 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 the NW¼NE¼SW¼ Section 25, Township 27 North, Range 5 East, W M , bounded Northerly and Westerly by the North and West lines of said NW¼NE¼SW¼ Section 25, also,

That portion of that certain 200 0 foot wide Branch Line right of way, being 100 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼SW¼ Section 25, the NE¼SE¼ and the NE¼ Section 26, all in Township 27 North, Range 5 East, W M , bounded on the East by the East line of said NW¼SW¼ Section 25, and bounded on the West by the West line of said NE¼ Section 26; 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 the SE¼NW¼ and the NW¼NE¼SW¼ Section 26, Township 27 North, Range 5 East, W M , bounded Easterly by the East line of said SE¼NW¼ Section 26, and bounded Westerly by the West line of said NW¼NE¼SW¼ Section 26, also,

That portion of that certain 200 0 foot wide Branch Line right of way, being 100 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SW¼ Section 26, and the NW¼NW¼ Section 35, all in Township 27 North, Range 5 East, W M , bounded on the East by the East line of said W½SW¼ Section 26, and bounded on the South by the South line of said NW¼NW¼ Section 35, **EXCEPTING THEREFROM**, that portion lying Westerly of a line parallel and/or concentric with and distant 50 0 feet Westerly from, measured at right angles and/or radially to said Railway Company's Main Track centerline as originally located and constructed, bounded on the North by the North line of said Section 35, and bounded on the South by a line radial to said Main Track centerline at a point 530.0 feet South of the North line of said Section 35, as measured along said Main Track centerline; 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 the SW¼NW¼ Section 35, the SE¼SE¼NE¼ and the NE¼SE¼ Section 34, all in Township 27 North, Range 5 East, W M , bounded on the North by the North line of said SW¼NW¼ Section 35, and bounded on the South by the South line of said NE¼SE¼ Section 34; also,

That portion of that certain 50 0 foot wide Branch Line right of way, being 25 0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the SE¼SE¼ Section 34, Township 27 North, Range 5 East, W M , bounded on the North by the North line of said SE¼SE¼ Section 34, and bounded on the South by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline; 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 the S½SE¼ and the SE¼SW¼ Section 34, Township 27 North, Range 5 East, W M , bounded on the North by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline, and bounded on the South by the South line of said Section 34, said line also being the South line of Snohomish County Washington

---

KING COUNTY

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 S½NW¼, and the E½SW¼ Section 3, the NW¼ 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 NW¼ 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 Ray 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 E½SW¼ 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, Township 26 North, Range 5 East, W M , bounded on the East by the East line of said 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),

EXHIBIT 8

United States Bankruptcy Court; In Re: GNP RLY, INC. Debtor
Case No. 11-40829-BDL
Declaration of Douglas Engle, dated 2/10/2011
Declaration of Douglas Engle, dated 2/16/2011, with Exhibits
Declaration of Antoinette M. Davis, dated 4/4/2011, with Exhibits

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In Re: GNP RLY, INC. Debtor	Case No: 11-40829-BDL DECLARATION OF DOUGLAS ENGLE

DOUGLAS E. ENGLE, hereby states under penalty of perjury under the laws of the State of Washington that the following is true and correct:

I am a 50% shareholder and director of GNP Rly, Inc. ("GNP") and until quite recently held the position of Treasurer and Chief Financial Officer for GNP. My 50% partner, Thomas Payne, who is also a director and GNP's president, terminated my employment unilaterally after I proposed a significant restructuring plan to help qualify for a company investment.

Although I contest his right to terminate me, I have no interest or desire to be an officer in GNP. My purpose in writing this is to accurately document the facts, help the creditors recover the monies owed them, and provide for an orderly transition of the freight service.

I have approximately 30 years experience in finance, accounting, project management and marketing in financial services, software and manufacturing. I have held the positions of

controller, accounting manager, assistant to the corporate controller of a Fortune 200 company, strategic financial analyst doing mergers and acquisition, and managing products, development and implementing financial software. I have been involved with GNP for over three years, as CFO primarily developing various detailed financial models and business plans. I assumed sole responsibility from Payne for accounting and financial planning in April 2010.

GNP is insolvent, and this is easily demonstrated. Last year, GNP moved 277 freight cars at typically $446 per car, generating $122,000 of income. [EXHIBIT 1] The loss for 2010 is approximately ($694,000), which is essentially being carried by the creditors. The actual freight hauler who owns and operates the locomotive, Byron Cole should receive approximately $400 of the $446 per car of revenue at this freight volume, which leaves GNP with $46 per car or $12,700 of annual gross income to pay for track operating expenses and pay its creditors, which total over $870,000 not including any payroll. Even with modest revenue growth, it would take over five decades to pay the current creditors assuming no interest. If the debt were magically wiped away today, the operating costs alone would make GNP insolvent in a brief period of time – months.

GNP has approximately 30 trade creditors owed an aggregate of approximately $621,000 of which $430,000 whose claims are more than 90 days past due. Attached is a preliminary list trade creditors as of December 31, 2010. [EXHIBIT 2] The three petitioning creditors, Ballard Terminal Railroad Company (“BTRC”), Marketing Philharmonic (“MP”) and San Clemente Technical (“SCT”) are owed a combined $171,000. Others who have joined their petitioners bring the total to approximately $220,000, which is over half the over 90 days past due amount.

In addition, eight notes payables to three people total an additional $155,000. All but one note is past due. Only one note has ever been repaid. [EXHIBIT 3] These certain and past due liabilities of GNP are: $56,000 on a loan from Dale Bickenbach that Payne incurred on behalf of the company without my knowledge; $50,970 to my father Earl Engle for monies lent to GNP; $43,650 to my wife Joanne Engle for monies lent to GNP.

In addition, $28,600 is owed to me for business expenses; $58,500 to Payne for business expenses; and, $106,700 to Tom Jones, a consultant to GNP who also holds stock options.

The company has no cash or meaningful assets [EXHIBIT 4]. Without an immediate $10 million investment (approximate) to fund mandatory track repairs, bridge maintenance, capital equipment and operating capital, GNP is insolvent and unable to service the additional freight it needs to reach profitability.

There is only one asset of potential value to GNP's creditors, which is the Woodinville Freight Easement that GNP acquired from BNSF for $10. The only creditor that can make use of this easement is Byron Cole whose company, Ballard Terminal Railroad Company, LLC, operating through its subsidiary Eastside Freight Railroad, is a major creditor. Cole is capable of continuing all Federal Railroad Administration (FRA) and Surface Transportation Board (STB) required train movements for the customers.

Cole has been the sole operator on the line for the past 13 months, and his companies have successfully operated two other railways in the Puget Sound region for nearly 15 years. GNP partnered with Cole's Ballard Terminal Railroad to provide freight services on the Eastside Rail Corridor formerly owned and operated by BNSF. GNP needed Cole to win the BNSF and Port of Seattle bid for the operating rights on the corridor from Woodinville to

Snohomish. GNP's role was to provide passenger rail services and maintenance of the right of way (track, bridges, crossings, etc.). BNSF awarded the opportunity to both GNP and Ballard Terminal in October 2008. [EXHIBIT 5]

GNP does have a viable long-term business plan, which enabled GNP to recently secure a $30 million Memorandum Of Understanding from private investors ("Highly Confidential" on file at the Surface Transportation Board in FD-35407). In verified statements, a railway financial expert, Robert C. Finley, [EXHIBIT 6] and an investment broker ("Highly Confidential" on file at the Surface Transportation Board in FD-35407) reviewed the GNP business plan and determined it is "viable." Unfortunately, without $30M in financing, GNP cannot execute this business plan.

In 2009, a critical agreement was made between Payne, myself and Jim O'Farrell, who at the time was a GNP shareholder, director and officer. This agreement made at the Parkland Bank of America branch was affirmed in March 2010 at a Board of Director's meeting in Woodinville with Jones in attendance. "No officer may enter into an agreement valued at over $5,000 in a given year without the other officer's written approval." We agreed that expediency was never an excuse for not communicating. This agreement is the centerpiece of necessary financial and Board of Director controls, and one that Payne repeatedly violated to the company's jeopardy. Examples of this include:

- In January 2010, a $50,000 note was secured from Dale Bickenbach and all funds were used before I knew about the loan. [EXHIBIT 7] Payne controlled the disbursement of the loan proceeds, some of which were expended on personal items such as traveling to

Canada to pay-off his storage unit and transport items to his Parkland office. Company insurance was paid $14,500. A deposit to a printing/copying company was made for $10,000, which took several months to utilize. A $3,000 cashiers check was taken out by Payne, which is still unaccounted for, although I believe he simply took his initial capital stock of $3,000 out of the company. In January 2011, since Bickenbach's note was coming due, I asked Payne to follow-up to see if we could extend the term six-months. Payne claimed to have done this, yet provided nothing in writing to confirm this despite repeated requests. To my knowledge, the interest payment was never made.

- GNP had an opportunity to purchase 15 locomotives coming off lease to Union Bank. Payne believed that we could sell most of the locomotives and make enough money to keep a few for our needs. Therefore, the market value of the locomotives is critical as are the interim financing terms. Payne signed a $3,000,000 agreement with Union Bank to purchase these locomotives. While we discussed pursuing the locomotive purchase and I generally agreed, I never agreed to execute an agreement. Payne executed this agreement alone. The corporate by-laws prohibit such action. Payne grossly misrepresented the value of the locomotives, and claimed that the locomotives were worth $650-800,000 each. I repeatedly asked for third-party valuations, which came several weeks after Payne entered GNP into the agreement at $275-325,000 each, which was totally detrimental to the investment. [EXHIBIT 8] Payne claimed to have secured a $150,000 loan for the locomotives deposit, which I cannot confirm, as there was no documentation available to me to reconcile this matter.
- Payne also claimed to have received a $50,000 loan from Bobby Wolford for the locomotives deposit, also with no paper trail after repeated requests. Fortunately, the

deal fell apart due to financing and title issues. Union Bank withheld $16,000, and I assume Wolford is still owed this money by GNP, although it is not in the books.

- Payne gave me the GNP checkbook in April 2010, and it took several months to get the books in order with incomplete documentation. Payne agreed to discontinue getting money orders without prior approval to facilitate better cash management. Payne continued to write money orders after our agreement. Payne would unexpectedly take cash out of a deposit and not communicate, which caused overdraft situations. We had an agreement that he would not take more than $300 out of the bank without talking to me, which he also violated. [EXHIBIT 9]
- In a recent visit to GNP's and Payne's office in Tacoma with our bookkeeper who is a C.P.A., Payne stated that he had a "written lease with Joe" for the office and just needed to get a copy, which was never produced. The office landlord, Joe, came in the office several weeks later, and I asked him about the lease. Joe indicated that there was no written lease and that he and Payne needed to develop one, nearly a year after Payne moved in. I later asked Payne at the request of our tax C.P.A., if he would at least get a statement, which was never done. The office lease situation of $13,000 remains undocumented. Based on statements from Payne, it appears the $1,000 per month rent also includes his personal apartment and the office, which is also used for Thomas Payne Holdings and Ferrous Equis, another Payne rail company. [EXHIBIT 10] GNP's share of the rent should be roughly 1/3 of $500, not all $1,000.
- In December 2010, I received a $19K invoice from Payne from Seattle Asphalt for asphalt crossing work. While the work legitimately needed to be done, Payne had once again entered into a contract in October and never sought my agreement. I was forced

to call Seattle Asphalt for a copy of the agreement. [EXHIBIT 11] Quite recently, since the bill was seriously past due, only the threat of a lien forced the bill to be paid.

- Payne's expense reports claimed personal expenses and used the company debit card for personal items, which were also claimed as business expenses. The bookkeeper made notes trying to track this. [EXHIBIT 12] This turned into a time consuming process to figure out just what was going on, costing GNP much more than necessary.
- Payne had an undocumented agreement with J.B. McCallum who was doing work for Payne. I have not seen or signed an agreement or seen an invoice for any work assigned to J.B. McCallum. When McCallum unexpectedly showed up in the Tacoma office, I learned that he expected a $50,000 payment in the future. Even in my final moments working with Payne, Payne offered no explanation. [EXHIBIT 13]

Payne started and operated the third largest railroad in Canada. After taking the company public, the company was acquired, and he was terminated. He later moved to Tacoma and operated a steam excursion operation that failed. Payne claimed to own the excursion steam locomotive, but I later learned from his former partners that it was actually owned by a Canadian investor who took it as collateral when Payne failed in Tacoma. He claimed to have access to $25 million in Canada, none of which ever materialized. Over the past three years of working closely together, the deteriorating trust increasingly became an unavoidable and terminal issue to many parties and potential investors.

The trust eroded initially in estimating costs. In the mid-90's, according to a Standish Group study, I was in the top 5% of all U.S. project managers for delivering within 10% of budget, scope and time. I found a transportation construction study that showed typical railway

projects to be 45% over budget, so I was particularly cautious to get written estimates and validate data before reducing contingency amounts. Payne's estimates were sometimes reasonable and other times materially off. The continued exaggerations became so constant and material that I would only accept written third-party figures when dealing with Payne.

Interestingly, Payne created a 2008 financial statement that was put into the company minutes, that showed equity over $11 million with no basis versus an actual $3,583. [EXHIBIT 14] I had not seen this version of the financial statements before receiving Payne's original copy of the Minutes Book to make copies. At my request, Payne did replace the pages to actual results as in the company books.

In February 2010, I was asked by Cole to mediate a dispute between one of his workers, his operations manager and Payne. Payne was totally out of line in his statements and written accusations. Cole recently told me that some of his employees will no longer work on GNP's line in Woodinville because of Payne's behavior. I have witnessed this belligerent behavior myself many times.

Tom Jones of TMJ Group, LLC was contracted over a year ago as a political and transportation consultant. Jones is a major GNP creditor and has an equity option in the company. Jones is the only other person involved in daily activities with GNP, although being "unofficial." Jones has only invested his time, no money, in GNP over the past year.

Despite repeated verbal and written notices to Payne about the need to get GNP's financial house in order, I hoped the situation would improve, but it did not. [EXHIBITS 15] Our bookkeeper and C.P.A. were troubled by the lack of adherence to accounting controls, lack of documentation for major transactions and expense reports by Payne.

To secure material financing as is required by GNP, a due diligence process is conducted around the company financial statements. A CPA "Audit" or "Review" is typically required. Although GNP could possibly get a "Review", it would likely be "expensive" and the outcome would likely be detrimental to the effort to obtaining financing.

It became clear that something major had to be done for GNP to receive any funding and avoid having to permanently close.

On Sunday January 23rd, 2011 I met Jones for coffee in Woodinville to explain the dilemma. Jones was angry. He acknowledged that Payne's actions were wrong, but merely a symptom of the first year of operations. Jones went on the threaten to sue me personally, proudly boasting that he has spent more than he got suing someone – just because he wanted to.

After a Board meeting on January 24, 2011 at Jones house, Payne made it clear he had no intention of implementing changes. His actions were about preserving his power and control instead of was best for the shareholders and creditors. On January 25, 2011 I sent a letter to Payne suggesting a reorganization of the company. [EXHIBIT 16] On January 26 at a Board meeting at my residence, Payne terminated me for unsubstantiated reasons, although I have asked him to justify his reasoning. [EXHIBIT 17 – *confidential personnel matter*] I remain a 50% owner, and it is highly questionable if Payne can legitimately terminate me because the bylaws appear to require a majority of the board to fire an officer, let alone a director.

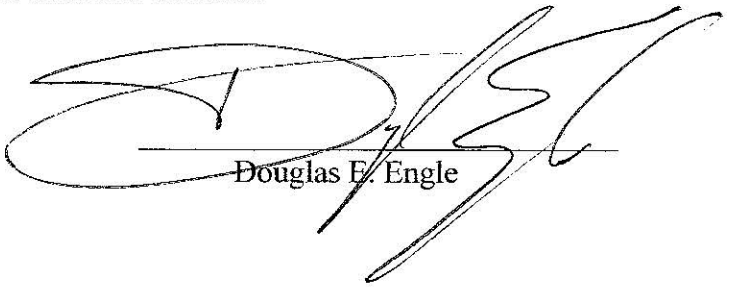
After my disputed termination, Payne's actions are still in question. Jones supported Payne in his termination of my employment. Jones also immediately sought to purchase my shares, which combined with his options would have given him control of the company. Tom Jones sent an email and called two creditors, my wife and father, offering to pay their debt if I gave Jones my shares in GNP. The email shows both Jones and Payne knew bankruptcy was likely. Even so, Jones was trying to make a side deal with these creditors to force the sale of my shares to him. Jones use of coercion is consistent with his threat to personally sue me if GNP didn't pay him, demanding payment, and did all this while he was negotiating a contract extension with Payne. [Exhibit 18]

Payne recently called two creditors to say they would be paid eminently but did not contact all of the creditors. He sent a check to Seattle Asphalt asking them to hold it until he had the money. Payne did not contact one of the largest and critical creditors, Ballard Terminal LLC which operates the current freight service for GNP, its only revenue generator. Thus Payne, like Jones, was trying to give preferential treatment to certain creditors knowing bankruptcy was likely.

In summary, I do not believe Payne can be trusted to act in the best interests of shareholders or creditors. In any company I have ever worked with, Payne's financial misconduct would have had him immediately terminated for cause. At this time, I am not able to validate GNP's financial statements because of the uncertainty involved, lack of documentation of material transactions, and Payne's personal use of the company bank

account. GNP can have a viable future but only if the company is reorganized with new management, new investment and adequate financial controls.

Dated: 2-10-11 at Kirkland WA



Douglas E. Engle

Judge: Brian D. Lynch
Chapter: 11
Hearing Location: Tacoma
Hearing Date: 2-17-11
Hearing Time: 9:00 a.m.
Response Date: 2-16-11

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In Re: GNP RLY, INC. Debtor	Case No: 11-40829-BDL DECLARATION OF DOUGLAS ENGLE

DOUGLAS ENGLE hereby states under penalty of perjury under the laws of the State of Washington that the following is true and correct:

I am a creditor and the former CFO of the debtor and make this declaration of my own knowledge.

In the last couple years GNP was constantly experiencing cash shortages and almost always past due on our bills to vendors and other trade payables. Hence the need for GNP to have to borrow from my father, my wife and individuals such as Dale Bickenbach. Attached hereto as exhibits are copies of e-mails between me and Osmose, one of our principal outside contractors, in late 2010 when we had fallen very far behind on payments to them (Exhibit A); from RMI in January 2011 threatening suspension of service if GNP did not pay invoices going

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

as far back as April 2010 (Exhibit B); and, from Modern Track Machinery demanding payment on past due invoices for a spike driver GNP rented from them (Exhibit C).

With Mr. Payne's full knowledge GNP frequently issued checks to some creditors and asked them to not deposit them until funds were available. In December 2010 GNP gave its attorney in Washington DC a couple of checks he was asked to hold until money was available.

I reviewed the declarations of Thomas Jones and Thomas Payne submitted in support of the motion to require a bond. Below are my brief responses to their contentions.

Jones Declaration

¶ 16. I was the CFO and regularly communicated with Byron Cole, GNP's most important creditor.

¶ 24. The conversations between Mr. Jones and I related to Mr. Payne's financial misconduct.

¶ 25. In the last few years Mr. Payne always referred to himself as Chairman and COO. I could not support Mr. Payne as CEO because of his financial misconduct.

¶ 42. His recollection is simply not accurate.

Payne Declaration

¶ 24. All records regarding this transaction were provided.

¶ 26. Jim O'Farrell was my best man when Joanne and I got married. Our relationship is not "fractious."

¶ 33. Mr. Payne told me that it took him over 3-years to get the RR books straight in Canada.

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

¶ 34. I did not get the checkbook until April, not March, and started to figure out the status of the company.

¶ 35. No such restrictions were put in place

¶ 36. I have not made any "unauthorized appearances". I generated internal financial statements but could not vouch for their accuracy with Payne's disregard of financial controls.

¶ 48. This contention is false. The $500,000 as mentioned in paragraph 47 was ONLY for startup and formation costs, legal, creation of the PPM, offering agreement, etc. No date had been set to use this money as only a first draft of the term sheet was completed on January 26th. Kevin Wallace told us in November 2010 that none of the $500,000 was available to GNP for operations. See Exhibit D hereto.

¶ 49. As of January 26th, 2011, the PPM was not drafted, the term sheet had just completed its first draft, and the presentation book was in first draft form. I was told directly from Tom Schauer of Tryon via phone on January 26th that this project was being shelved by Wallace. Mr. Jones' phone calls to Wallace in the previous days contributed to this change of status.

¶ 50. It was typical for GNP to issue checks to creditors to hold until funds cleared the bank. Mr. Payne issued a check to Seattle Asphalt since January 26th asking them to hold it until money was available. The checks to Joanne Engle were reimbursement of GNP's use of her Visa card to pay GNP expenses. This was very common and approved by Mr. Payne.

¶ 52. I advised both Payne and Jones in December that I was seeking other employment.

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

¶ 54. My ultimatum was based on my belief GNP could not get funding or survive if Mr. Payne remained in charge.

¶ 56. Chapter 11 was presented as an option, which is available to a railroad.

¶ 57. I never asked for the entire company to be transferred, only a majority share. I did not believe Mr. Payne could be an officer based on his financial misconduct.

Dated: 2-16-11 at Kirkland WA

/s/ Douglas Engle
Douglas Engle

JAMES E. DICKMEYER, PC
121 Third Avenue
Kirkland, Washington 98033
(425) 889-2324

EXHIBIT “A”

------ Forwarded Message

From: David Ostby <dostby@osmose.com>
Date: Thu, 14 Oct 2010 11:29:08 -0400
To: Douglas Engle <D.Engle@GNPRail.com>
Cc: "Haberman, Scott" <shaberman@osmose.com>
Subject: Over due invoice

Dear Mr. Engle:

Please review the attached invoice. Currently, Osmose has paid for but has not invoiced for the timber we plan to install under a separate contract in the 1st quarter of 2011. Would you let me know the status of this inspection and minor repair invoice?

Sincerely yours,

David J. Ostby
Regional Manager
608-395-6609

-----Original Message-----
From: madsavinupstairs@osmose.com [mailto:madsavinupstairs@osmose.com]
Sent: Thursday, October 14, 2010 7:39 AM
To: Ostby, David
Subject:

This E-mail was sent from "RNP0AB30F" (C4040).

Scan Date: 10.14.2010 08:38:48 (-0400)
Queries to: madsavinupstairs@osmose.com

From: David Ostby <dostby@osmose.com>
Date: Tue, 16 Nov 2010 09:04:04 -0500
To: Douglas Engle <D.Engle@GNPRail.com>
Cc: "Haberman, Scott" <shaberman@osmose.com>
Subject: Past due invoice

Dear Mr. Engle:

Please give me a call this morning at **608-395-6609** to discuss the specifics of your proposed payment plan. There are some interested people who want to know.

Sincerely yours,

David J. Ostby
Regional Manager

------ End of Forwarded Message

------ Forwarded Message

From: "Haberman, Scott" <shaberman@osmose.com>
Date: Tue, 7 Dec 2010 10:28:31 -0500
To: Tom Payne <tompayne@telus.net>, Douglas Engle <D.Engle@GNPRail.com>
Cc: "Holekamp, Harry" <hholekamp@osmose.com>, David Ostby <dostby@osmose.com>
Subject: FW: Thank you for the update.

Dear Mr. Payne & Mr. Engle,

It is now the 7th of December, and neither Mr. Ostby or myself has heard from either of you since November 16th. We were expecting a payment or an update on the status of payment by the end of November. Because of the substantial amount of money owed to us, I will be forced to turn this account over to corporate for collections if we don't receive at least half of the $105,010.50 by close of business on December 8th.

Thank you,
Scott Haberman
Osmose Railroad Services, Inc.
(608) 395-6637

From: Haberman, Scott
Sent: Wednesday, November 03, 2010 1:34 PM
To: Douglas Engle (d.engle@gnprail.com)
Cc: Thomas Payne (tompayne@telus.net); Holekamp, Harry; Ostby, David
Subject: FW: Thank you for the update.

Mr. Engle,

I appreciate the fact that you are keeping us posted of your financial situation, and understand your dilemma that you are in from losing the commissions check. However, based upon the signed agreement that we received in May of 2010, we shifted our schedules to accommodate this high priority inspection work that was done for you and your company. We did the work

expeditiously and now due to the fact that the invoice was dated June 30th, and is currently more than 90 days past due, we would like at least a half payment of invoice TR-985. The total amount of the invoice is $105,010.50, of which$52,505.25 would be due by the end of November, with the rest of the invoice to be paid by the end of the year. With our auditors coming in early December, a half payment in good faith would be greatly appreciated in November. As of now we are able to hold corporate at bay, but due to the amount and age of the invoice we may be forced to take alternative means to recoup the amount due. A response from you in regards to taking care of this matter would be appreciated by November 5th.

Thank you,
Scott Haberman
Construction Project Accountant
Osmose Railroad Services, Inc.

From: Douglas Engle [mailto:d.engle@gnprail.com]
Sent: Tuesday, November 02, 2010 11:27 AM
To: Ostby, David
Cc: Holekamp, Harry; Haberman, Scott; Tom Payne
Subject: Re: Thank you for the update.

David,

Thank you for your timely reply and we appreciate your understanding of the situation.
It is our intention to fully pay our obligation by this year end.
We have investors currently reviewing documents, and I will keep you posted as we progress.

Best regards,

Doug

Douglas Engle
CFO
GNP Rly Inc.
425-891-4223
http://GNPRail.com

"P.S. Come by rail." - Warren Buffett

P Please consider the environment before printing this email.

Dear Mr. Engle:

The update was helpful in understanding the delay in getting payment for our services. While an 18% interest rate may seem "worth waiting for" Osmose still hopes that this matter can find closure before year's end. Osmose will hold off on asking for payment on the timber we have purchased for the contracted repairs until 2011. We will ask for complete payment of the inspection and the before mentioned timber before we entertain repairs to your structures. Tentatively, we had planned on completing this repair work late in the first quarter of 2011.

Sincerely,

David J. Ostby
Regional Manager
608-395-6609

------ End of Forwarded Message

EXHIBIT “B”

From: Cathy Kulzer <Cathy.Kulzer@rmiondemand.com>
Date: Tue, 25 Jan 2011 15:31:07 -0500
To: Douglas Engle <D.Engle@GNPRail.com>
Subject: PAST DUE INVOICES

Doug

The following invoices MUST be PAID by end of business on January 31,2011 or service will be **SUSPENDED.**
34108 4/22/10 900.00
34719 4/30/10 317.54
35337 5/31/10 326.41
36035 6/30/10 304.18
36682 7/31/10 311.66
37347 8/31/10 335.00
38007 9/30/10 333.57
38658 10/31 /10 328.10
39349 11/30/10 295.34

Total : 3451.80

Regards,

Cathy Kulzer, Accounts Receivable Coordinator
rmi | tel 404.350.6464 | fax 404.443.1949

New address after November 12, 2010:
RMI
3475 Piedmont Road, Suite 250
Atlanta, GA 30305-8700
Phone numbers remain the same.

------ End of Forwarded Message

EXHIBIT “C”

------ Forwarded Message

From: Diane Edgar <dedgar@geismar-mtm.com>
Date: Wed, 26 Jan 2011 14:32:13 -0600
To: Douglas Engle <D.Engle@GNPRail.com>
Cc: 'Bill Hughes' <billhughes92358@msn.com>
Subject: FW: Rental

Doug,
Following up on my email of 1/20/11.
Please advise on payment.
Thank you
Diane

From: Diane Edgar [mailto:dedgar@geismar-mtm.com]
Sent: Thursday, January 20, 2011 2:14 PM
To: 'd.engle@gnprail.com'
Cc: 'Bill Hughes'
Subject: Rental
Importance: High

Doug,
Per my voice message, attached are the outstanding invoices for the rental of our Spike Driver.

Invoice	Date	Amount
208351	11/15/10	$1,250.00
208954	12/15/10	$1,250.00
209431	1/18/11	$1,250.00

I have left several messages that have gone unanswered.

As we discussed in December, GNP does not have an open account with Modern Track Machinery; this rental was processed on a credit card basis. These invoices are PAST DUE and need to get resolved.

Our Sales Rep., Bill Hughes, was in the area yesterday and met up with Tom Payne, who told Bill the equipment was vandalized and he would pay for the damages. He also stated he would get the machine on a truck back to us today.

Once we receive the Spike Driver back, we will evaluate the damages and bill GNP for the

repairs.

In the meantime, please give me a call at 847-697-7510, to set up payment of these invoices.

Diane Edgar
Accounts Receivable Coordinator
Modern Track Machinery
847-697-7510
847-697-0136 fax
dedgar@geismar-mtm.com

Modern Track Machinery

MODERN TRACK MACHINERY INC.
1415 DAVIS ROAD • ELGIN, ILLINOIS 60123
(847) 697-7510 FAX (847) 697-0136 ISO 9001:2008

NO. 209431
PAGE 1
01/18/2011

PLEASE REMIT TO: 8146 SOLUTIONS CENTER, CHICAGO, IL 60677-8001

320000

SHIPPED FROM: ELGIN, IL

FL# 081452

SOLD TO:
GNP RLY INC
410 GARFIELD ST.
*TACOMA, WA
**** DO NOT SHIP ****
98444-0000

SHIP TO
GNP RLY INC
TOM PAYNE
410 GARFIELD STREET
TACOMA, WA
98444

ORDERED	ORDER NO.	P.O. NO.	SHIP VIA	F.O.B.	SHIPPED	TERMS	SM
06/03/2010	081452	RENTAL	OLD DOM	FACTORY	06/04/2010	VISA	050

ORDERED	B/O SHIPPED	UM	PART NO.	DESCRIPTION	PRICE/UNIT	EXTENSION
				3 MONTH RENTAL EXTENDED 8TH MONTH RENTAL PAYMENT RENTAL PERIOD 01/07/11-02/06/11		
1		EA	RENTAL	RENTAL EQUIPMENT DESCRIBED BELOW PDS-3A SPIKE DRIVER S/N 202384-202	1250.00	1250.00

OF PKGS= 1 GROSS WT= 1 CURRENCY CODE= US

SUB TOTAL	1,250.00
PLEASE PAY	1,250.00

ACCOUNTING

Modern Track Machinery

MODERN TRACK MACHINERY INC.
1415 DAVIS ROAD • ELGIN, ILLINOIS 60123
(847) 697-7510 FAX (847) 697-0136 ISO 9001:2008

NO. 208984
PAGE 1
12/15/2010

PLEASE REMIT TO: 8146 SOLUTIONS CENTER, CHICAGO, IL 60677-8001

320000

SHIPPED FROM: ELGIN, IL

FL# 081492

SOLD TO:
GNP RLY INC
410 GARFIELD ST.
TOCOMA, WA
98444-0000

SHIP TO
GNP RLY INC
TOM PAYNE
410 GARFIELD ST
TACOMA, WA
98444

ORDERED	ORDER NO.	P.O. NO.	SHIP VIA	F.O.B.	SHIPPED	TERMS	SM
06/03/2010	081492 RENTAL		OL DOM	FACTORY	06/04/2010	VISA	050

ORDERED	B/O SHIPPED	UM PART NO.	DESCRIPTION	PRICE / UNIT	EXTENSION
			3 MONTH RENTAL EXTENDED		
			7TH MONTH RENTAL PAYMENT		
			RENTAL PERIOD 12/7/10 - 1/6/11		
1		EA RENTAL	RENTAL EQUIPMENT DESCRIBED BELOW PDB-3A SPIKE DRIVER S/N 202364-202	1250.00	1250.00

OF PKGS= 1 GROSS WT= 1 CURRENCY CODE= US

SUB TOTAL	1,250.00
PLEASE PAY	1,250.00

ACCOUNTING

Modern Track Machinery

MODERN TRACK MACHINERY INC.
1415 DAVIS ROAD • ELGIN, ILLINOIS 60123
(847) 697-7510 FAX (847) 697-0136 ISO 9001:2008

NO. 208351
PAGE 1
11/15/2010

PLEASE REMIT TO: 8146 SOLUTIONS CENTER, CHICAGO, IL 60677-8001

320000

SHIPPED FROM: ELGIN, IL

FL# 081452

SOLD TO: GNP RLY INC
410 GARFIELD ST.
• TACOMA, WA
98444-0000

SHIP TO: GNP RLY INC
TOM PAYNE
• 410 GARFIELD ST
TACOMA, WA
98444

ORDERED	ORDER NO.	P.O. NO.	SHIP VIA	F.O.B.	SHIPPED	TERMS	SM
06/03/2010	081452	RENTAL	OL DOM	FACTORY	06/04/2010	VISA	050

ORDERED	B/O SHIPPED	UM	PART NO.	DESCRIPTION	PRICE / UNIT	EXTENSION
				3 MONTH RENTAL EXTENDED		
				6TH MONTH RENTAL PAYMENT		
				RENTAL PERIOD 11/07/10-12/06/10		
1		EA	RENTAL	RENTAL EQUIPMENT DESCRIBED BELOW PSD-3A SPIKE DRIVER S/N 202304-209	1250.00	1250.00

OF PKGS= 1 GROSS WT= 655 CURRENCY CODE= US

SUB TOTAL	1,250.00
PLEASE PAY	1,250.00

ACCOUNTING

EXHIBIT “D”

From: Kevin Wallace <KWallace@WallaceProperties.com>
Date: Mon, 22 Nov 2010 10:41:51 -0800
To: Douglas Engle <D.Engle@GNPRail.com>
Cc: Robert Wallace <rwallace@wallaceproperties.com>, Thomas Schauer <tschauer@tryongroup.microsoftonline.com>, Jeffrey Munger <jmunger@tryongroup.net>, Tim Jackson <TJackson@wallaceproperties.com>
Subject: GNP/Wallace

Dear Doug,

This is in response to your e-mail of last Friday requesting early financial contributions to enable GNP to continue to move forward with its rail operations and with unrailbanking the Woodinville-Redmond spur. As I explained on the phone earlier today, Wallace Properties is not in a position to provide funds in this manner. Our company creates investment partnerships and co-invests our cash equity alongside larger institutional funds and private equity investors. What we provide to those investors is the backbone for investing their dollars with a company that has the experience of more than 30 years of responsibly investing in commercial real estate in Washington State. We have access to capital because we have gained the trust of the advisors and investors of this capital by carefully stewarding their money. This trust is maintained because we only offer investments that we believe have the ability to provide quality risk-adjusted returns. Wallace Properties has never asked an investor for money for a project where we didn't feel comfortable with the ability to generate the returns we were proposing. With respect to GNP I am getting closer to the point where I feel comfortable with the investment, but I am not there yet.

What I have been trying to with GNP is work toward a clear business plan, 2011 budget and 10 year investment memorandum where I can show how invested funds can be used by GNP to provide compelling returns on a risk-adjusted basis. I brought in Tom Schauer and Jeff Munger, two of brightest private equity real estate analysts/researchers that I know, to assist with the business plan and investment memorandum. They have been helping to polish the information you have provided thus far, but more polishing needs to be done and more information needs to be provided in order to complete the plan. We have put feelers out to the investment community, and there is interest if appropriate returns can be demonstrated in a fashion that holds up to due diligence review.

I see great opportunities for GNP. The freight business has enormous potential and I think the real estate acquisition and development that goes with it has enormous potential. The excursion business has promise even though there still appears to be a lot of work that needs to be done to

get it right. GNP ultimately has the opportunity to be a facilitator for publicly funded commuter rail. In addition, GNP can help create a solution for the public sector in the form of enabling the light rail train to avoid Bellevue's neighborhoods, providing an opportunity for delivery of water, sewer, electricity, gas and garbage, freeing up the Port of Seattle's funds for other uses, enabling bike and pedestrian trails and clearing up the title issues posed by the Port's acquisition of the corridor and the Rails to Trails Act.

I would very much enjoy the opportunity to continue to work with you, Tom Payne and Tom Jones. I have a lot of respect for all three of you and the efforts you have made and continue to make on this endeavor. I think Wallace Properties, more than any other Company, has the experience GNP needs to carry out the real estate efforts you intend to make. At the same time there are limits to what we can do, and putting funds into any project where we don't have a solid understanding of how the funds get returned is outside of our capability. If this means you need to find a different solution than Wallace Properties I certainly understand.

If you want to continue to move forward with Wallace then let's knuckle down and get an agreement established between Wallace Properties/Tryon and GNP for the real estate and financing assistance, get a 2011 game plan on paper and finish a private placement memorandum that shows how the operations make sense financially. From there we can take the memorandum of the road and raise the money. I think we have gradually been moving forward toward on these items and based on our discussion this morning it seems we are not far from the finish line, but they need to be finished before we can obtain access to capital.

If you don't want to continue to move forward with us then rest assured that you will still have a friend in me and in Wallace Properties and we'll do what we can to cheer you on from the sidelines.

Kevin Wallace
President & COO
Wallace Properties, Inc.
330 112th Ave. NE #200
Bellevue, WA 98004
425-455-9976
425-646-3374 (fax)

------ End of Forwarded Message

Honorable Brian D. Lynch
Involuntary Chapter 11
Hearing Date: April 11, 2011
Hearing Time: 10:00 a.m.
Hearing Place: Courtroom I
Response Due: April 4, 2011

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON AT TACOMA

In re GNP RLY, INC., Alleged Debtor.	No. 11-40829-BDL DECLARATION OF ANTOINETTE M. DAVIS IN SUPPORT OF GNP RLY, INC.'S RESPONSE TO MOTION FOR SUMMARY JUDGMENT

Antoinette M. Davis declares as follows:

1. I am one of the attorneys for GNP Rly, Inc (hereinafter "GNP"). I have personal knowledge of the facts stated in this declaration and am competent to testify to them.

2. Attached hereto as **Exhibit A** are true and correct transcript excerpts from the March 7, 2011, deposition of Douglas Engle.

3. Attached hereto as **Exhibit B** are true and correct copies of Douglas Engle's Chapter 13 filing.

I declare under penalty of perjury that the foregoing is true and correct.

DATED this 4th day of April 2011.

/s/ Antoinette M. Davis
Antoinette M. Davis

CROCKER LAW GROUP PLLC
720 Olive Way, Suite 1000, Seattle, WA 98101
P) 206-624-9894 F) 206-624-8598
www.crockerlaw.com

A. Yes.
Q. You were still employed by GNP?
A. Yes.
Q. When did your employment end?
A. I don't believe that it rightly has.
Q. Rightfully or wrongfully, when did your employment end?
A. 26th of January.
Q. Thank you. Have you turned over -- I understand there is a disk of financial models. Does that sound familiar?
A. Everything is on there. 4.64 gigabytes of data.
Q. When you say everything, you are referring to?
A. All data, data models, everything I have that's electronic outside of email.
Q. And just because, when you say that and point your head towards the box --
A. The only DVD that I brought today.
Q. Yes.
A. The DVD has all of that information on it.
Q. And this is the DVD that has confidential at the top and reads GNP Railway Final, 7, March, '11; is that correct?
A. For today, yes.

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 2 of 104

Munger, and Tom Schauer of Tryon Group, investment banker working with Wallace. I'm confident there are others, many others, and I cannot recall who they all are right now.

Q. Well, why don't we narrow the list a little bit and see if it helps you, okay? Who have you provided GNP documents or information -- well, let's start with documents to make it clear.

Who have you provided GNP documents to within the last four months?

A. The other ones we could add to that would be Rob Findley(phonetic).

Q. So is Rob someone who you've provided to within the last four months?

A. Four months, yes. Sound right? Thereabouts, four or five months. John Heffner, Jim Savage, our attorneys back east.

Q. Anyone else?

A. And I can think of a handful of investors.

Q. So is it your testimony here today that you have only provided documents to three individuals within the past four months?

A. No, that is not my testimony. My testimony is I don't recall who all they have went to. I will tell you that I have sent information out about the company

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 3 of 104

to four investors I'm under a nondisclosure with.

Q. That you are under a nondisclosure with?

A. Yes, I am.

Q. Can you explain that just a little more.

A. There are four investors that I have talked with in the last four months that I'm under a nondisclosure with.

Q. And these are four investors --

A. For GNP.

Q. -- for GNP?

A. Uh-huh.

Q. How are you under a noncompete with these four investors?

A. I'm not in a noncompete. I'm in a nondisclosure. They don't wish their names --

Q. To be disclosed.

A. -- to be revealed, to be disclosed. They were explicitly clear.

Q. So four investors for -- this is investors for GNP?

A. Yes.

Q. That don't wish to be disclosed?

A. Uh-huh.

Q. Does Mr. Payne know who they are?

A. I'm sure he would recognize them, yes.

Q. No. Have you disclosed them to Mr. Payne?
A. Not specifically.
Q. Why haven't you, if they're four investors for GNP?
A. He decided to terminate me.
Q. Well, remember, you said that was questionable. So why --
A. Thank you very much.
Q. So given your prior testimony, why wouldn't you have shared that information with Mr. Payne?
A. The description of Mr. Payne was that he was toxic, radio active and would never get investment.
Q. Okay. So I'm going to ask you the same question again. If these are four investors for GNP, why wouldn't you have disclosed them to Mr. Payne?
A. Because I was hypothetically terminated before I had the opportunity.
Q. Okay. Why haven't you shared them with him since you have been terminated?
A. Because I don't like the conduct of he or Mr. Jones.
Q. You are 50 percent owner of GNP, correct?
A. Yes, I am.
Q. Mr. Payne is 50 percent owner --
A. Yes, he is.

Q. -- of GNP -- let me finish -- is that correct?
A. Yes, he is.
Q. Do you think that as 50 percent owner of GNP, Mr. Payne is entitled to know about discussions regarding GNP?
A. In due course.
Q. Who will decide what that due course is?
A. I will.
Q. And why are you resistant or refusing to share that information with Mr. Payne?
A. Because he is not financeable.
Q. Okay. Other than him not being financeable, in your opinion, why wouldn't you share that information with someone who is 50 percent owner?
A. Because of his financial misconduct.
Q. And has anyone advised you regarding your position of not sharing this information with Mr. Payne?
A. No.
Q. Has anybody advised you regarding your refusal to turn over documents to GNP completely?
A. Nobody advised me. I simply ran out of time.
Q. Has anyone advised you regarding your position of possessing -- of continuing to possess the documents of GNP?

A. Yes.
Q. Who did that? Who advised you in that regard?
A. My sister.
Q. Who is your sister?
A. Marta.
Q. How do you spell Marta?
A. M-a-r-t-a, Farrell -- F-a-r-r-e-l-l.
Q. Just one L?
A. Two Ls.
Q. Okay. What does your sister, Marta Farrell, do?
A. She's corporate counsel for an energy firm.
Q. And in what city?
A. In Colorado.
Q. Let me finish my question.
A. Fort Collins, Colorado. My bad. I'm sorry.
Q. No worries. What did Marta advise you?
A. Just to keep a copy of everything.
Q. So what information did you provide to those four investors for GNP?
A. Typical investment information that we provided to other investors.
Q. Which includes what?
A. Power Point overview, summary financial information. There's two Word documents -- excuse me

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 7 of 104

-- one or two that we sent along with that and a couple of verified statements from potential -- from prospects.

Q. What are the two Word documents?

A. One describes the investment. The name escapes me. It's like an investor brief or something to that effect. We used it several times before.

Q. How many pages is it?

A. I want to say five to seven.

Q. What is the other?

A. It's complimentary to it.

Q. How many pages is that one?

A. It's shorter. I want to say three to five. It's on the disk.

Q. When did you provide this information to the --

A. I provided that information over the last four months.

Q. When precisely?

A. I don't remember.

Q. Was it last month?

A. Some information has been used in the last month.

Q. Some information. What information has been used in the last four months?

Exhibit A

A. I don't recall the specifics. It would be of that group in nature.
Q. So this is a group of four investors?
A. Not a group of.
Q. They're four separate investors?
A. Yes.
Q. And you have a nondisclosure?
A. Yes.
Q. And that would be considered a business record of GNP, so you do need to turn that over.
A. It's a personal nondisclosure with me, individually.
Q. That's impossible to have if it's on behalf of GNP. You need to turn those over because these are considered business records of GNP, okay? And any other communications, written communications you have had on behalf of GNP, all right?
A. Certainly.
Q. Did you provide any documents in the past four months to Kathy Cox?
A. Yes.
Q. What did you provide to Ms. Cox?
A. I provided her with some information about creditors.
Q. What information about creditors?

A. Information that she was gathering to try and get her money.

Q. So what was your understanding of why she wanted that information?

A. For bankruptcy filing because she had already -- she had already sent emails demanding payment, and I feel it was my fiduciary responsibility to assist getting the creditors paid.

Q. So you gave her information so that she could get paid -- so you gave her other information about creditors --

A. Yes.

Q. -- so that she could get paid?

A. Yes.

Q. How does that work?

A. I've not been through a business bankruptcy before. I called Mr. Dickmeyer after the 26th and asked him what kinds of bankruptcy and options and so forth. And he described one of them as being an involuntary bankruptcy that could be taken up by the creditors and --

Q. So what day did you speak with Mr. Dickmeyer?

A. I don't recall. It would have been maybe the 28th or maybe the following Monday, the 31st, something like that, in that area.

Q. And that was the first time that you spoke with him?

A. Yes.

Q. Regarding GNP and bankruptcy options, correct?

A. Yes.

Q. Do you recall or know the day on which the involuntary was filed?

A. Yes. February 2nd.

Q. So assuming that you had a discussion with Mr. Dickmeyer on January 28th -- and the filing of the involuntary bankruptcy took place, again, when?

A. On the 2nd.

Q. On February 2nd of 2011, correct?

A. Uh-huh.

Q. How many days would that provide in between? About four days?

A. Yeah, it doesn't seem like much. So it seemed like the conversation had to have happened earlier by a day or so but not much.

Q. So a day or so?

A. Yeah. Like maybe the 27th or someplace around there. I previously talked about the financial condition of the company to most of the creditors over the previous several months.

Q. Was Mr. Dickmeyer a creditor?

Q. That being the 26th of?
A. January, 2011.
Q. Okay. Sorry to interrupt you. Then other than that?
A. That's okay. And we had talked about the general state of the company regularly. Things were getting tight for him financially.
Q. When did you start -- when did Mr. Cole communicate to you that things were starting to get tight for him financially? When is the first time he communicated that to you?
A. I think he started looking for payment more frequently starting in around August.
Q. That would be August --
A. 2010.
Q. Okay. Thank you. So what do you understand is the purpose of you being here today?
A. Answer questions.
Q. Great answer. Did you speak to anyone about your deposition today?
A. Yes.
Q. Who?
A. I spoke with my wife. I spoke with Kathy, and I spoke with Mr. Dickmeyer in the car on the way over.
Q. So your wife. What is your wife's name?

A. My wife's name is Joanne Engle.
Q. And when you refer to Kathy, you are referring to Kathy who?
A. Kathy Cox of Marketing Philharmonic.
Q. And Mr. Dickmeyer --
A. Her counsel.
Q. And you said when you -- you mentioned something about when you were on your way over in the car today.
A. We carpooled over from Kirkland.
Q. Who is we?
A. Jim Dickmeyer, Kathy Cox and myself.
Q. Okay. Thank you.
A. Otherwise, I would have taken the bus.
Q. Good for you. Less carbon footprints. What did you discuss?
A. What a deposition was like.
Q. And so curious now, what was the discussion about what the deposition was like?
A. Answering questions.
Q. Any specificity?
A. Just answer the questions.
Q. Did Ms. Cox share with you anything regarding her deposition?
A. Yes, she did.

Q. So how did it happen?
A. I believe that the creditors, enough of the creditors filed with Mr. Dickmeyer in getting in. I'm not sure I understand what you mean by key.
Q. How were the creditors, the other alleged creditors introduced to Mr. Dickmeyer?
A. Some of the creditors were already known to Byron Cole and Kathy Cox. Some of them, I provided additional information for.
Q. How did Kathy Cox come to meet Mr. Dickmeyer?
A. An introduction from me.
Q. How did Mr. Cole come to know --
A. An introduction from me.
Q. When did you make the introduction of Mr. Cole to Mr. Dickmeyer?
A. Some time after the 26th.
Q. When did you make the introduction of Ms. Cox to Mr. Dickmeyer?
A. Some time after the 26th.
Q. So with regard to these four investors who you've refused to disclose, when did you make contact with them?
A. I made -- the initial contacts were made the week of February 1st.
Q. And who contacted whom?

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 14 of 104

A. I contacted them.
Q. How did you contact them?
A. Phone and email.
Q. How did you know these four investors?
A. Research and reference.
Q. Was this the first time that you had any contact with them?
A. Yes.
Q. Do you know if they had any previous contact with GNP or any representative of GNP prior to that point?
A. Yes.
Q. How many of them?
A. Three.
Q. Do you know when they had initial contact with GNP?
A. 2008 -- I want to say 2008.
Q. Do you know what time frame of 2008?
A. No, I don't.
Q. And what contact were they having with GNP? What was the purpose of that contact?
A. I think if I answer that any further, it would lead to disclosure of the parties. So I'm going to not answer that question.
Q. Are you refusing to answer that question under

oath?

A. Yes, I am.

Q. Then I will ask you one more time. When did that contact with GNP occur with -- the previous contact with GNP occur?

A. Middle of 2008.

Q. Mid 2008?

A. That's all I know. I was not the contact person.

Q. Who else has had contact with them to your knowledge?

A. I had brief contact, and Mr. Payne had brief contact with them as well.

Q. And since January 26, 2011, other than yourself, who has had contact with them regarding GNP?

A. Only me.

Q. So you mentioned a little bit earlier that you had contact with certain folks about GNP and the involuntary Chapter 11.

A. Uh-huh.

Q. And you listed at that time Rob Findley -- this looks like job.

A. John, John Heffner.

Q. When you write fast, sometimes it's a little illegible. And then Jim Savage.

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 16 of 104

A. I've had one conversation with Bill Wallace only.

Q. When did that occur?

A. Let's see, I know I talked to Bill once, and I believe it was November, December. He was looking for collection, and I may have talked to him again in January and directed him to Kathy.

Q. And Kathy being Kathy Cox?

A. Kathy Cox.

Q. Why did you direct him to Kathy Cox?

A. Because I understood that she was going to be filing.

Q. You understood that she was going to be filing after you introduced her to Mr. Dickmeyer after January 26th of 2011, correct?

A. Yes.

Q. What about Earl Engle?

A. Yes, my father.

Q. And you are saying yes to what question?

A. That I directed him to Mr. Dickmeyer.

Q. Okay. That wasn't my question, but I'm sure I would have followed up and asked it. So don't worry. What contact have you had with -- so he is your father? Earl Engle is your father, correct?

A. Yes.

Q. And you've had contact with Mr. Engle or Earl?
A. I have had contact with my father regularly, yes.
Q. And you already said that you referred him to Mr. Dickmeyer, correct?
A. Yes.
Q. And Dale Bickenbach?
A. I met with him one time in Tacoma. February something. It was like a Tuesday.
Q. And January, February of what year?
A. February of 2011.
Q. What was the purpose of that?
A. Explaining what I believe the situation to be for GNP. The only document I had was my public declaration.
Q. So did you provide that to Mr. Bickenbach?
A. I allowed him to look at it, but that was it.
Q. So you provided him with a copy of your declaration submitted in support of what?
A. The declaration I submitted to the court in support of the involuntary bankruptcy.
Q. Can I take a look at it really quickly?
A. Absolutely. The only difference is one page. Because after I was done, I needed to make a table of contents. Other than that, it is identical.

Payne's expense reports back.

Q. And that would be January of when?

A. January of 2011. Likely, the first week after the new year.

Q. So the first week of January?

A. Thereabouts, yeah. It may have been the second week.

Q. Beginning of January; is that fair?

A. First half.

Q. Have you spoken with Ms. Kroschel since the filing of the involuntary?

A. I believe once.

Q. When was that?

A. I don't recall.

Q. What was the gist of your discussion with her?

A. Talking about the involuntary bankruptcy. I had sent out some checks to her, a check to her and a check to Greg Cox, asking them to hold them. And I wanted to know if they had made those good, if GNP had made those checks good yet. She said no.

Q. Did you -- you testified earlier that you introduced Ms. Cox and Mr. Cole to Mr. Dickmeyer. Did you --

A. Yes.

Q. -- introduce Ms. Kroschel to Mr. Dickmeyer as

well?

A. Yes.

Q. When did you make that introduction?

A. Probably shortly after the call, and it would have been after the involuntary was filed, I believe.

Q. Did you provide Ms. Kroschel with any documents?

A. Perhaps the joinder, but that would have been it. She already had all of the financial information.

Q. Do you know whether or not she disclosed any of the financial information that she had regarding GNP to any other?

A. Only our CPA, our tax CPA, Greg Cox, and his -- I want to say his assistant working on our account would be Phyllis. And I couldn't tell you Phyllis' last name.

Q. And you've mentioned Greg Cox a few times. Greg Cox is Ms. Cox, Kathy Cox, her husband, correct?

A. That is true.

Q. So we had started talking about when you were first introduced to GNP. And when did you say that time frame was?

A. Mid 2007.

Q. And how long was it after mid 2007 when you were introduced to GNP that you came to own 50 percent

set of shares?

A. That put me up to 1,000.

Q. Or 25 percent?

A. Correct.

Q. And how much did you pay for those?

A. It probably would have been the same thing, a dollar. And it could have been just a grant.

Q. And September of '09, you acquired another thousand?

A. Yes.

Q. And how much did you pay for those?

A. Ten thousand, $10,000.

Q. Who did you pay that $10,000 to?

A. Jim O'Farrell.

Q. Where did you get that $10,000 from?

A. I think my wife.

Q. And your wife being?

A. Joanne Engle.

Q. How did you account for the $10,000 -- was it a loan that you took from your wife, or did she gift it to you?

A. I don't recall. I'm sure it's on my IOU sheet.

Q. Is it anywhere reflected on GNP's?

A. The debt obligation that Jim O'Farrell had

with the company for $9,700 was transferred from Jim O'Farrell to me at the acquisition, which was transferred to Joanne, the $9,700. So that was a note payable that was issued to Jim O'Farrell, transferred to me, which I transferred to Joanne as collateral for the $10,000.

Q. Is there a document --

A. They are all on the disk.

Q. So why don't you ask my questions since you obviously know what I was going to --

A. I'm sorry. You may ask your question, please.

Q. Is there a document reflecting the ownership of your shares of the $10,000?

A. Yes.

Q. Or the $10,000 and the $1,000 shares?

A. Yes. And I believe it was sent to Tom Payne and I by Jim O'Farrell about two weeks ago.

Q. I'm asking you.

A. Yes. There are documents.

Q. What is reflected in those documents?

A. The sale of the $10,000, the shares to me, the note payable being assigned to Joanne.

Q. Did you ever pay Joanne back?

A. No. It's still on the honey-do list.

Q. When did you borrow that money from her, from

Joanne?

A. September of 2009.

Q. Is the amount included in the notes payable of GNP to Joanne Engle?

A. I've already answered that, yes.

Q. So when did you start talking to Mr. Cole about reorganizing the railroad?

A. I'm not sure when we started talking about reorganizing the railroad. My belief is that we talked about -- we talked more specifically about he's had a very strong interest since the beginning about securing his rights to be the freight operator on the line. And I think that that's been consistent since day one.

Q. Any specific discussions regarding reorganizing the railroad with Mr. Cole?

A. I believe that we had conversations about that in January, and I would believe we had conversation to that effect around the period of the 26th. Meaning, we very easily could have had conversations before and certainly have had them after.

Q. And you said January earlier. Were you talking about January of --

A. 2011.

Q. Okay. And is it your testimony today, as you sit here, that you only spoke with Mr. Cole regarding

Q. Continue with your testimony. And if you could refer to these documents by their date and the general description so that we can decipher between the two.

A. Okay. So I would say that any conversations had during the last two weeks of December probably would have been around the general situation with Tom, and I was beginning to question our ability to get through due diligence with any investor.

Q. You mentioned that you also discussed with Mr. Cole about reorganizing the railroad. You said that Tom Payne could not be an officer; do you recall that?

A. Yes.

Q. What specifically did you state to Mr. Cole about Tom Payne not being an officer?

A. I don't recall exactly, but it's my position that Tom Payne cannot be an officer or a director of the company because of his continued financial misconduct, that we would not get through any due diligence process.

Q. Mr. Engle -- or Doug, on January 24th of 2011, you, in your capacity as CFO, wrote a series of checks; isn't that correct?

A. Yes, I did.

Q. You wrote those checks though you had knowledge that there was approximately $13 in the account?

A. Yes. And we had done that several times before with Mr. Payne's knowledge.

Q. And you wrote those checks -- and by writing, it was also your signature on the checks; is that correct?

A. Yes.

Q. Who did you write checks to and in what amounts on January 24th of 2011?

A. Don't recall the exact dollar amounts. There was a check written in the previous few days to my wife as we used her credit card. And the agreement was if we could use her credit card, but when the bill came due, we had to pay our obligations, so to speak. That would be the first check.

Q. Again, so you -- January 24th of 2011, correct, you wrote a check --

A. I don't recall the date that I wrote the check to my wife. It was probably 21 or 20th of January, 2011.

Q. Do you remember the check number?

A. No, but I believe it was around $1,800.

Q. And so Joanne Engle is one person. Who is the

second person?

A. I would have written a check for Miriam or Kroschel Accounting Services, for her oldest invoice, which was, I think, 90 days. And for her to continue doing anything with us, she was demanding some amount of payment given that we were coming up to this lovely April 15th tax date, it's kind of important to keep your bookkeeper and CPA happy. So the other check I issued was a partial payment to Greg Cox.

Q. Wait. Back up, please. How much was the check that you wrote to Kroschel Accounting?

A. I don't recall. It was her oldest invoice. I think it was 1,300.

Q. And then how much was the check to Greg Cox of Cox and Gracia --

A. To Cox and --

Q. Let me finish. Greg Cox of Cox and Garcia?

A. I think it's -- not Garcia. It's Gracia. And I believe the check was for approximately a third. He had been doing work with and for us for several months.

Q. What was the amount of the check that you wrote?

A. 2,300. I think it was a third of the amount owed.

Q. Who else did you write a check to?

Exhibit A

A. I wrote a check for myself, that I did not cash, that I used a check for $892. There is a copy of that on the disk.

Q. On the disk. A copy of what, all of these checks that you wrote on January 24th?

A. I know mine is for sure, and I believe the register for the other ones are on the disk, yes.

(Deposition Exhibit 2 was marked for identification.)

Q. (BY MS. DAVIS) Mr. Engle, what is the document that you have in front of you?

A. Corporation divisions registration for Eastside Community Rail.

Q. What is Eastside Community Rail?

A. Eastside Community Rail, I believe, would be the appropriate name of the LLC that GNP would get transferred into at the end of any capital event.

Q. What is the date of the incorporations?

A. 2/2 -- February 2, 2011.

Q. What was the date of the involuntary filing again?

A. 2/2/2011.

Q. Who is the owner?

A. I am, I believe. Yes.

Q. Who filed this paperwork, or how did it just

come to happen that you are listed as the agent, the registered agent and the only governing person of Eastside Community Rail, LLC?

A. Because it needed to get formed.

Q. Why did it need to get formed?

A. Because I believe that any structuring -- GNP coming out of a capital event, it's already been agreed to, that it would be moved into an LLC. I had already registered the domain names in early mid January.

Q. January of?

A. 2011.

Q. Go ahead, please.

A. I just wanted to lock the names up.

Q. Who came up with this name?

A. Kathy and I did.

Q. When did you come up with the name?

A. I don't recall the exact date, but it would have been early mid January.

Q. Who participated in coming to the decision that this needed to happen? Well, strike that. Why did it need to happen?

A. I wanted to make sure that the name was locked down, the same way that we locked down the domain names --

Q. Who is we? When you say we locked down the

domain names, who is we?

A. GNP locked down domain names that we don't use around GNP.

Q. Who wanted to lock down the domain name for Eastside Community Rail?

A. I did.

Q. So when you referred to we, we is you?

A. Me.

Q. Doug Engle? Why did you want to lock it down?

A. Because after talking around this, it seemed like that was the best name that we could come up with. I talked to the folks at Tryon about it. They liked the name. We had just -- I just started to introduce the name to the Toms on February -- or January 24th, 26th.

Q. You said January?

A. January 24th, 26th.

Q. So when did you introduce the name to Tryon, the folks at Tryon? I believe the two people that you've identified, one is Jeff.

A. Jeff Munger and Tom Schauer. I introduced it to Tom Schauer on Friday the 21st.

Q. Of?

A. Friday, January 21, 2011.

Q. And then did you introduce it to Jeff Munger?

A. To Jeff and Tom. We spoke on the 24th in the morning before our board meeting.

Q. So Tom individually --

A. Yes.

Q. -- on the 21st, which was a Friday?

A. Yes.

Q. And then that Monday before you spoke with, you said the --

A. Before Tom and Tom. The meeting at Tom's Jones' house later that day.

Q. And Tom and Tom would be Tom Jones, as you said, and Tom Payne, correct?

A. Yes.

Q. And on the 24th you spoke with Jeff Munger, yes?

A. Yes.

Q. And the other Tom or Tom --

A. The third Tom.

Q. Okay.

A. I have the same problem with Kevins.

Q. When you introduced this to Tom on -- and we're talking about the Tryon Tom -- on the 21st, what did you say?

A. I just asked him what he thought about the name.

Q. Did he ask you what was this for?
A. We knew that we were going to likely be renaming the company as part of the Wallace funding.
Q. And when you say --
A. The plan had been -- we had been in discussion about converting GNP into an LLC since March of 2010.
Q. So did Tom Payne have any input with regard to the name Eastside Community Rail?
A. Not yet.
Q. And not before you locked down, as you say, the domain name, correct?
A. Right.
Q. Did you ever speak with Tom Jones about the name before January 24th --
A. Not the specific name, but we talked about renaming the company.
Q. Let me finish my question.
A. I'm sorry.
Q. Before January 24th, 26th of 2011, had you spoke with Tom Jones about locking down the name, Eastside Community Rail?
A. No. It was a minor expense within my authority.
Q. Within your authority in what capacity?
A. As the CFO. In capacity as the CFO and

treasurer.

Q. So you, in your capacity as CFO of GNP, selected the name Eastside Community Rail, yes, on behalf of GNP?

A. We were not obligated to use that name, but I didn't want it to get away.

Q. So listen to my question. So in your capacity as CFO -- and you said it's totally within your capacity and your authority, correct?

A. To what?

Q. To select the name --

A. No, I didn't say that.

Q. Excuse me. To lock down the name of --

A. Yes.

Q. -- Eastside Community Railway --

A. Yes.

Q. -- LLC on behalf of GNP; is that correct?

A. Yes.

MS. DAVIS: Great time to take a break.

(Off the record.)

Q. (BY MS. DAVIS) So before our break, we were talking about Eastside Community Rail and also the reorganization.

A. Uh-huh.

Q. Who else did you discuss -- other than

A. That would be Wallace.
Q. And when you say Wallace, who are you referring to?
A. Wallace Properties.
Q. And who created or put together these documents?
A. I did.
Q. And for what purpose?
A. To discuss the situation that GNP was in relative to attaining financing from Wallace.
Q. Were you done?
A. Yes, I am.
Q. Had there ever been any concern expressed to you from anyone from Wallace Properties regarding the venture going forward?
A. No.
Q. At this meeting -- or I'm assuming the meeting did occur on January 26th, yes?
A. Yes, it did.
Q. At that meeting, was there any discussion regarding the Wallace -- Kevin Wallace in particular?
A. Yes.
Q. And what was that discussion?
A. I believe Mr. Jones stood up and said that he had called Kevin Wallace Sunday night and said --

when he turned them in, which he did not do. And it went on with other points from there.

Q. What other letters?

A. The other letter on the front, it was the email December 30th, which we referred to and then finally on December 25th.

Q. Any others?

A. Just emails.

Q. And do you have a copy of those emails?

A. The salient ones are probably on the disk.

Q. Do you have a copy of any other emails that would be on point?

A. Not handy, no. No. I thought this was more than adequate.

Q. Do you have any more in your possession or in your control?

A. Unless they're in the email that I tried to download, I would say that's a possibility, but I thought that these letters were the salient ones. So those are the ones that I specifically had kept out.

Q. So with Mr. Payne out of the way, if you had your druthers, if your plan went off as you anticipated, who did you anticipate would run the railroad?

A. The plan -- and I talked to both Toms about

this specifica11y at that meeting on January 26, 2011, at my condo --

Q. Okay.

A. -- that we had to get through the financing. And once the financing was achieved, we would have a full board of directors, and they could choose the officers and directors of their liking; but if we didn't get through the financing, nothing was going to happen.

Q. And nothing did happen before the involuntary Chapter 11, did it?

A. Nothing did happen.

Q. Nothing has happened since, has it?

A. Nothing relative to what? I'm sorry. I want to make sure.

Q. Nothing has happened since that Chapter 11 filing.

A. Nothing in regards to what?

Q. Regarding the financing; is that correct?

A. Not with Wallace.

Q. Or any, is that correct?

A. No. I have come to find out that there are other financing options available to GNP as long as Tom Payne is not an officer or a director.

Q. Have those come to fruition?

does it say?

A. The path forward. A serial sequence of approvals demonstrating constructive action and building shareholder trust.

Q. It says stakeholder trust, not shareholder.

A. Stakeholder. Sorry.

Q. And then it reads CFO conditions. When it refers to CFO, who is it referring to?

A. Myself.

Q. And these were conditions to what?

A. To me staying and moving, continuing to work with Tom Payne.

Q. And if these conditions were not satisfied or met, what was the alternative, Mr. Engle?

A. Then, if they were not met, then I could no longer have faith in -- have any trust whatsoever for Tom Payne, and I would disclose the information I have.

Q. And what information did you intend to disclose if they did not satisfy these conditions as outlined by you in the B.O.D. agenda January 26, 2011, Page 2, path forward, series of sequences?

A. The declaration that I submitted in the involuntary bankruptcy.

Q. And it lists in your one, two, three -- the fourth heading down, reads bankruptcy, Jim Dickmeyer.

to do?

A. No. I hadn't even talked to him yet. At this point, this document was an internal discussion point, but it was very apparent that Tom Payne and Tom Jones had already made up their mind about what they were doing. We didn't have an opportunity to get to it.

(Deposition Exhibit 5 was marked for identification.)

Q. (BY MS. DAVIS) So you have in front of you what has been marked as Exhibit 5 to your 2004 deposition. Could you identify for the record what Exhibit 5 is, Mr. Engle.

A. It is a letter that I sent to Tom Payne on the 25th of January, 2011 with a copy to Tom Jones and Greg Cox.

Q. So if you could go to Paragraph 5, it starts with I see --

A. Uh-huh.

Q. -- two paths. What were those two paths that you saw according to this letter? Could you paraphrase for me.

A. That we either straighten the company out from a corporate covenants perspective, or it was heading to bankruptcy. There was nothing more I could do to hold it off.

directed; isn't that correct?

A. That's absolutely true.

Q. But let's go back to the confidentiality because I feel like I'm missing a piece of the puzzle here. What did you say to Mr. Jones that you anticipated would be held confidential precisely?

A. Our entire conversation.

Q. Which consisted of what, Mr. Engle?

A. I laid out my concerns about the continued financial misconduct, that it could not persist, that Tom Payne could no longer be an officer or serve in a position on the board, and that we would never get through due diligence with any investor based on that conduct.

Q. And why then would you sign a memorandum of understanding just days before regarding financing and getting funding if that was the position that you held?

A. Because what came to my attention was that Mr. Payne had once again entered into an agreement with Seattle Asphalt that was beyond his authority. He -- the letter that I sent to Tom Payne dated October 24th, I believe, 2010, he had just, I believe, the week before signed an agreement for $17,000 without my signature as required by the board. He never bothered to even come clean then and tell me that, oops, well, I

entered into and signed this other agreement. I only became aware of it when I was given -- from Mr. Payne, I was given a $19,000 invoice that I had no idea was coming.

Q. Mr. Engle, now you've testified earlier that you didn't need consent to quote, unquote, lock down a domain on behalf of GNP; is that correct?

A. Yes. And I'm not --

Q. And that was within your authority; is that correct?

A. Yes.

Q. You also testified earlier that as of March of 2009, you had concerns about Mr. Payne's handling of finances; is that correct?

A. Yes.

Q. But yet you still entered into the memorandum of understanding at the very least. And what was the date that the memorandum was entered into?

A. I believe it's the 15th of December. It -- I believe it's the 15th.

(Deposition Exhibit 6 was marked for identification.)

Q. (BY MS. DAVIS) Marked as Exhibit 6, you have in front of you -- well, actually, why don't you identify for the record what Exhibit 6 is.

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 39 of 104

Q. Will I find this document in its totality with the organization chart in the documents you produced earlier today?

A. Try that again, please.

Q. Will I find in the documents that you have produced today, a copy of Exhibit 6, with the organizational chart attached to it?

A. No. I've already returned the MOU to Tom Payne. And the organizational chart is -- would be in that folder with that as well. The files were not all merged together into a single PDF.

Q. When you refer to the files that you turned over to Tom Payne, you are referring to those documents that were turned over ten days ago or approximately ten days according to your earlier testimony, correct?

A. Yes, that's correct.

Q. And would you look at the last page of this document.

A. Uh-huh.

Q. Is that your signature on it?

A. Yes, it is. It's signed.

Q. What does it say at the end of your signature?

A. COO.

Q. And whose writing is that?

A. That's me.

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 40 of 104

your serial sequence.

A. Yes.

Q. The agenda, that Page 2. This letter is dated January 25th so it preceded --

A. Yes, it did.

Q. -- the discussion of January 26th, correct?

A. Uh-huh.

Q. And I asked you what were the two options earlier.

A. Uh-huh, yes.

Q. And according to this letter, it's either bankruptcy; is that correct? Is that a fair representation of the first option that you laid out?

A. Because we did not have funding, bankruptcy was one option.

Q. But funding was still on the table. You didn't have a no; is that correct?

A. Correct.

Q. And then you said that there was a second option in this letter dated January 25th on GNP Railway letterhead; is that correct?

A. Yes.

Q. And what was that second option?

A. That Tom Payne -- in order to get through due diligence, Tom Payne was going to have to step down as

an officer of the company. He could move down to a vice president position or move down to a consultant position. The gist of the point -- the gist of the matter was, it was him or I. It was A or B, and he had disqualified himself because of his continued action even after warning, and that the only way we would get through due diligence was if he was not an officer of the company.

Q. So the first option -- and I understand that shortly after these series of communications you were terminated; is that correct?

A. Yes.

Q. But --

A. Allegedly.

Q. Yes, according to you, but your two options were be forced into bankruptcy immediately or --

A. No, it wasn't to be forced.

Q. So if you would read for me the second sentence of Paragraph 5. And you did author this letter; is that correct?

A. Yes, I did. I believe that's the paragraph begins, I see, correct?

Q. Yes. The second sentence.

A. If we file bankruptcy, it is most likely that Byron will easily transition --

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 42 of 104

entire region.

Q. And again, you locked it down as a domain on behalf of GNP -- let me finish -- on behalf of GNP without any discussion with Mr. Payne about doing so because you have authority to do that; wasn't that your earlier testimony?

A. Yes. I don't know that I did it on behalf of GNP. I know that I locked it down. I believe I used my wife's credit card.

Q. And then on February 2nd, the same day as the involuntary Chapter 11 filing of GNP, you locked it down, and you are the sole member of that corporation according to the exhibit that we looked at earlier, the incorporations; is that correct?

A. That's true.

(Deposition Exhibit 7 was marked for identification.)

Q. (BY MS. DAVIS) Mr. Engle, you have in front of you what has been marked as Exhibit 7. What is it?

A. It's a bankruptcy court for myself, personally.

Q. And when did you file for bankruptcy?

A. I don't remember the date exactly. It was a direct result of my divorce with Lisa Letang.

Q. Could you look at the document and see if you

could determine from the contents when you filed.
A. 2007, May 4th.
Q. What type of bankruptcy did you file?
A. A Chapter 13.
Q. Who represented you in that bankruptcy filing?
A. Jim Dickmeyer.
Q. Why didn't you disclose that you had filed bankruptcy to GNP?
A. It was never asked.
Q. Do you think that information was relevant to your position as CFO of any company?
A. Not for what I was doing for GNP, no.
Q. That wasn't my question. Do you think that a bankruptcy filing is relevant to a CFO position for any company?
A. Possibly.
Q. When did you join GNP?
A. Officially, I believe it was November, 2007.
Q. Are you still in your bankruptcy?
A. Continuing to make my payments right on schedule.
Q. And when do you -- has your plan been confirmed?
A. Yes.
Q. When do you anticipate there being a

A. Yes.
Q. What were those duties and responsibilities?
A. Primarily putting together the pro formas, the forecast, the investor information, taking care of the monthly books. I shouldn't say monthly books. Just taking care of the books. Headed up a lot of the marketing stuff. Worked on the business plan. I set agendas for nearly every meeting. Followed up on nearly all the to-dos, open items.
Q. Anything else?
A. A thousand other things that...
Q. A thousand other things that?
A. That we had to do to get things done.
Q. Have you ever served as CFO --
A. No, I haven't.
Q. -- for a company?
A. Sorry. No, I haven't.
Q. Have you ever had executive training for chief level employees?
A. Yes.
Q. What training did you have?
A. I had -- when I was at Frank Russell Company. It's now Russell Investment Company.
Q. What training did you have?
A. Conflict management. I had financial

A. Yes.
Q. And they signed on their behalf? How is GNP supposed to be protected in this equation?
A. I'm under confidentiality with GNP.
Q. How is GNP supposed to be protected under the terms of the agreement that you personally have with those four investors?
A. Through me, I guess.
Q. And that's you as an individual, correct?
A. Uh-huh.
Q. Company property. Are you in possession of any -- other than the documents that we've talked about earlier today, are you in possession of any other company property?
A. Not that I'm aware of.
Q. Software?
A. Yes.
Q. Are you in possession of any hardware?
A. To tell you the truth, I don't remember. The only thing I can possibly think of on the hardware side is possibly a thumb drive or something to that effect. I'm not --
Q. Keys?
A. Yes. I maintain a key.
Q. Have you told me every document that you have

talked to him, I think, back in 2008.

Q. Is that when you asked him in 2008?

A. No. That's the first time he and I sat down with a big white board and spent all afternoon going through what he thought would be the important things. I think he and I checked in in 2009.

Q. When was the last time you asked him to personally consider financing?

A. I don't know that I've ever asked him personally to finance.

Q. When have you ever asked him to finance?

A. I have never asked him to finance.

Q. What have you asked him then about financing?

A. I have asked him for input and advice on how to present it. I've asked him for input and advice on where might be the most likely sources.

(Deposition Exhibit 9 was marked for identification.)

Q. (BY MS. DAVIS) You have in front of you what has been marked as Exhibit 9.

A. Yes.

Q. What is it?

A. It looks like a printout from the Altamont Press discussion board. It is a posting by me from 2/12/2011.

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 47 of 104

Q. And it says at the bottom of the message dengle76@comcast.net?
A. Yes.
Q. Is that you?
A. That's me.
Q. And the '76, I take it, is from the year you graduated from high school?
A. Very good.
Q. And the telephone number that's provided or what appears to be a telephone number, (425) 891-4223.
A. It's been my same number for many years.
Q. Is that a cellular phone?
A. Yes, it is.
Q. Did you post this?
A. Yes, I did.
Q. What was the purpose of you trying to get in touch with former partners of Tom Payne? And how would that help you in trying to get all of the creditors paid as this communication reads?
A. The statement that I recall from -- that was posted on Altamont Press, 2008 about Tom Payne was, the biggest mistake we ever made was not reeling Tom Payne in soon enough. And so I wanted to learn more about that.
Q. How were you going to get all of the creditors

paid by getting in touch with them?

A. Because I still firmly believe that GNP can be financed without Tom Payne as an officer or holding a position on the board.

Q. But how do the creditors get paid under that scenario?

A. Because if the investment money is raised, the creditors can be paid and all the plans that we had with Wallace or others relative to this organization could continue.

Q. What leads you to believe that the plans with Wallace weren't going to continue under the circumstances prior to the involuntary Chapter 11?

A. I believe that the information that Tryon had yet to receive, 2010 financials and an auditor -- and a CPA review would not be possibly or favorable for them to be able to take GNP out and solicit investment without risk or jeopardy to their Series 7 license.

Q. I'm going to ask the question again. Because the Wallace plans are still on the table. They haven't been taken off the table, have they?

A. To my knowledge, the Wallace plan has been shelved.

Q. Because of what? Why have they been shelved?

A. They were shelved originally because of the

Exhibit A
Case 11-40829-BDL Doc 77 Filed 04/04/11 Ent. 04/04/11 19:27:08 Pg. 49 of 104

Official Form 1 (04/07)

United States Bankruptcy Court **Western District of Washington**	**Voluntary Petition**

Name of Debtor (if individual, enter Last, First, Middle):	Name of Joint Debtor (Spouse) (Last, First, Middle):
Engle, Douglas E.	
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
None	
Last four digits of Soc.Sec.No./Complete EIN or other Tax ID No. (if more than one, state all): 8610	Last four digits of Soc.Sec.No./Complete EIN or other Tax ID No. (if more than one, state all):
Street Address of Debtor (No. and Street, City, and State) 11515 NE 103rd Place Kirkland, WA ZIPCODE 98033	Street Address of Joint Debtor (No. and Street, City, and State ZIPCODE
County of Residence or of the Principal Place of Business: King	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): ZIPCODE	Mailing Address of Joint Debtor (if different from street address): ZIPCODE
Location of Principal Assets of Business Debtor (if different from street address above): ZIPCODE	

Type of Debtor
(Form of Organization)
(Check **one** box)

- [x] Individual (includes Joint Debtors) *See Exhibit D on page 2 of this form.*
- [ ] Corporation (includes LLC and LLP)
- [ ] Partnership
- [ ] Other (if debtor is not one of the above entities, check this box and state type of entity below)

Nature of Business
(Check **one** box)

- [ ] Health Care Business
- [ ] Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B)
- [ ] Railroad
- [ ] Stockbroker
- [ ] Commodity Broker
- [ ] Clearing Bank
- [ ] Other

Tax-Exempt Entity
(Check box, if applicable)

- [ ] Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code)

Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)

- [ ] Chapter 7
- [ ] Chapter 9
- [ ] Chapter 11
- [ ] Chapter 12
- [x] Chapter 13
- [ ] Chapter 15 Petition for Recognition of a Foreign Main Proceeding
- [ ] Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding

Nature of Debts
(Check one box)

- [x] Debts are primarily consumer debts, defined in 11 U.S.C. §101(8) as "incurred by an individual primarily for a personal, family, or household purpose."
- [ ] Debts are primarily business debts

Filing Fee (Check one box)

- [x] Full Filing Fee attached
- [ ] Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3A.
- [ ] Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.

Chapter 11 Debtors

Check one box:

- [ ] Debtor is a small business as defined in 11 U.S.C. § 101(51D)
- [ ] Debtor is not a small business as defined in 11 U.S.C. § 101(51D)

Check if:

- [ ] Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than $2,190,000

Check all applicable boxes

- [ ] A plan is being filed with this petition.
- [ ] Acceptances of the plan were solicited prepetiion from one of more classes, in accordance with 11 U.S.C. § 1126(b).

Statistical/Administrative Information

- [x] Debtor estimates that funds will be available for distribution to unsecured creditors.
- [ ] Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

THIS SPACE IS FOR COURT USE ONLY

Estimated Number of Creditors

1-49	50-99	100-199	200-999	1000-5000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	OVER 100,000
[x]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

Estimated Assets

$0 to $10,000	$10,000 to $100,000	$100,000 to $1 million	$1 million to $100 million	More than $100 million
[ ]	[x]	[ ]	[ ]	[ ]

Estimated Liabilities

$0 to $50,000	$50,000 to $100,000	$100,000 to $1 million	$1 million to $100 million	More than $100 million
[ ]	[ ]	[x]	[ ]	[ ]

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Voluntary Petition
(This page must be completed and filed in every case)

Name of Debtor(s): Douglas E. Engle

All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)

Location Where Filed:	Case Number:	Date Filed:
NONE		
N.A.		

Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)

Name of Debtor:	Case Number:	Date Filed:
NONE		
District:	**Relationship:**	**Judge:**

Exhibit A

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)

☐ Exhibit A is attached and made a part of this petition.

Exhibit B

(To be completed if debtor is an individual whose debts are primarily consumer debts)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter.
I further certify that I delivered to the debtor the notice required by § 342(b) of the Bankruptcy Code.

X /s/ James E. Dickmeyer 5-4-07
Signature of Attorney for Debtor(s) Date

Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

☐ Yes, and Exhibit C is attached and made a part of this petition.

☑ No

Exhibit D

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

☑ Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

☐ Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

Information Regarding the Debtor - Venue
(Check any applicable box)

☑ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

☐ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

☐ Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United Sates in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Statement by a Debtor Who Resides as a Tenant of Residential Property
(Check all applicable boxes)

☐ Landlord has a judgment for possession of debtor's residence. (If box checked, complete the following.)

(Name of landlord or lessor that obtained judgment)

(Address of landlord or lessor)

☐ Debtor claims that under applicable non bankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

☐ Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Voluntary Petition
(This page must be completed and filed in every case)

Name of Debtor(s):
Douglas E. Engle

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.
[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by § 342(b) of the Bankruptcy Code.

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ Douglas E. Engle
Signature of Debtor

X
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

5-4-07
Date

Signature of a Foreign Representative of a Recognized Foreign Proceedings

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign main proceeding, and that I am authorized to file this petition.

(Check only **one** box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by § 1515 of title 11 are attached.

☐ Pursuant to § 1511 of title 11United States Code, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X
(Signature of Foreign Representative)

(Printed Name of Foreign Representative)

(Date)

Signature of Attorney

X /s/ James E. Dickmeyer
Signature of Attorney for Debtor(s)

JAMES E. DICKMEYER WSBA 14318
Printed Name of Attorney for Debtor(s)

Law Office of James E. Dickmeyer, PC
Firm Name

903 5th Avenue
Address

Suite 106 Kirkland WA 98033

425-889-2324
Telephone Number

5-4-07
Date

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X
Signature of Authorized Individual

Printed Name of Authorized Individual

Title of Authorized Individual

Date

Signature of Non-Attorney Petition Preparer

I declare under penalty of perjury that: 1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, 2) I prepared this document for compensation, and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. § 110(b), 110(h), and 342(b); and, 3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110 setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19B is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social Security Number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X

Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Official Form 1, Exhibit D (10/06)

UNITED STATES BANKRUPTCY COURT
Western District of Washington

In re Douglas E. Engle
Debtor(s)

Case No._____
(if known)

EXHIBIT D - INDIVIDUAL DEBTOR'S STATEMENT OF COMPLIANCE WITH CREDIT COUNSELING REQUIREMENT

Warning: You must be able to check truthfully one of the five statements regarding credit counseling listed below. If you cannot do so, you are not eligible to file a bankruptcy case, and the court can dismiss any case you do file. If that happens, you will lose whatever filing fee you paid, and your creditors will be able to resume collection activities against you. If your case is dismissed and you file another bankruptcy case later, you may be required to pay a second filing fee and you may have to take extra steps to stop creditors' collection activities.

Every individual debtor must file this Exhibit D. If a joint petition is filed, each spouse must complete and file a separate Exhibit D. Check one of the five statements below and attach any documents as directed.

☑ 1. Within the 180 days **before the filing of my bankruptcy case**, I received a briefing from a credit counseling agency approved by the United States trustee or bankruptcy administrator that outlined the opportunities for available credit counseling and assisted me in performing a related budget analysis, and I have a certificate from the agency describing the services provided to me. *Attach a copy of the certificate and a copy of any debt repayment plan developed through the agency.*

☐ 2. Within the 180 days **before the filing of my bankruptcy case**, I received a briefing from a credit counseling agency approved by the United States trustee or bankruptcy administrator that outlined the opportunities for available credit counseling and assisted me in performing a related budget analysis, but I do not have a certificate from the agency describing the services provided to me. *You must file a copy of a certificate from the agency describing the services provided to you and a copy of any debt repayment plan developed through the agency no later than 15 days after your bankruptcy case is filed.*

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 1, Exh. D (10/06) – Cont.

☐ 3. I certify that I requested credit counseling services from an approved agency but was unable to obtain the services during the five days from the time I made my request, and the following exigent circumstances merit a temporary waiver of the credit counseling requirement so I can file my bankruptcy case now. *[Must be accompanied by a motion for determination by the court.][Summarize exigent circumstances here.]* _____

_____

If the court is satisfied with the reasons stated in your motion, it will send you an order approving your request. You must still obtain the credit counseling briefing within the first 30 days after you file your bankruptcy case and promptly file a certificate from the agency that provided the briefing, together with a copy of any debt management plan developed through the agency. Any extension of the 30-day deadline can be granted only for cause and is limited to a maximum of 15 days. A motion for extension must be filed within the 30-day period. Failure to fulfill these requirements may result in dismissal of your case. If the court is not satisfied with your reasons for filing your bankruptcy case without first receiving a credit counseling briefing, your case may be dismissed.

☐ 4. I am not required to receive a credit counseling briefing because of: *[Check the applicable statement.] [Must be accompanied by a motion for determination by the court.]*

☐ Incapacity. (Defined in 11 U.S.C. § 109(h)(4) as impaired by reason of mental illness or mental deficiency so as to be incapable of realizing and making rational decisions with respect to financial responsibilities.);

☐ Disability. (Defined in 11 U.S.C. § 109(h)(4) as physically impaired to the extent of being unable, after reasonable effort, to participate in a credit counseling briefing in person, by telephone, or through the Internet.)**;**

☐ Active military duty in a military combat zone.

☐ 5. The United States trustee or bankruptcy administrator has determined that the credit counseling requirement of 11 U.S.C. § 109(h) does not apply in this district**.**

I certify under penalty of perjury that the information provided above is true and correct.

Signature of Debtor: /s/ Douglas E. Engle
DOUGLAS E. ENGLE

Date: 5-4-07

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

FORM 6. SCHEDULES

Summary of Schedules

Schedule A - Real Property
Schedule B - Personal Property
Schedule C - Property Claimed as Exempt
Schedule D - Creditors Holding Secured Claims
Schedule E - Creditors Holding Unsecured Priority Claims
Schedule F - Creditors Holding Unsecured Nonpriority Claims
Schedule G - Executory Contracts and Unexpired Leases
Schedule H - Codebtors
Schedule I - Current Income of Individual Debtor(s)
Schedule J - Current Expenditures of Individual Debtor(s)

Unsworn Declaration under Penalty of Perjury

GENERAL INSTRUCTIONS: The first page of the debtor's schedules and the first page of any amendments thereto must contain a caption as in Form 16B. Subsequent pages should be identified with the debtor's name and case number. If the schedules are filed with the petition, the case number should be left blank

Schedules D, E, and F have been designed for the listing of each claim only once. Even when a claim is secured only in part or entitled to priority only in part, it still should be listed only once. A claim which is secured in whole or it part should be listed on Schedule D only, and a claim which is entitled to priority in whole or in part should be listed on Schedule E only. Do not list the same claim twice. If a creditor has more than one claim, such as claims arising from separate transactions, each claim should be scheduled separately.

Review the specific instructions for each schedule before completing the schedule.

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

In re Douglas E. Engle **Case No.** _____
Debtor **(If known)**

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, or both own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim."

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C – Property Claimed as Exempt.

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM
NONE				
		Total	0.00	

(Report also on Summary of Schedules.)

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

In re Douglas E. Engle **Case No.** _____
Debtor **(If known)**

SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, or both own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." In providing the information requested in this schedule, do not include the name or address of a minor child. Simply state "a minor child."

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
1. Cash on hand.		Currency		100.00
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		Bank of America checking & savings account		500.00
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			
4. Household goods and furnishings, including audio, video, and computer equipment.		Furniture, furnishings, personal belongings		3,000.00
5. Books. Pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.		Paintings		5,000.00
6. Wearing apparel.		Clothing		500.00
7. Furs and jewelry.		Ring		1,500.00
8. Firearms and sports, photographic, and other hobby equipment.		Bicycle		150.00
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.		Term life insurance		0.00
10. Annuities. Itemize and name each issuer.	X			
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c); Rule 1007(b)).	X			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.		401(k) account through employment Not property of the estate		13,000.00

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

In re Douglas E. Engle **Case No.** _____
Debtor **(If known)**

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
13. Stock and interests in incorporated and unincorporated businesses. Itemize.	X			
14. Interests in partnerships or joint ventures. Itemize.	X			
15. Government and corporate bonds and other negotiable and non-negotiable instruments.	X			
16. Accounts receivable.	X			
17. Alimony, maintenance, support, and property settlement to which the debtor is or may be entitled. Give particulars.	X			
18. Other liquidated debts owing debtor including tax refunds. Give particulars.	X			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	X			
20. Contingent and noncontingent interests in estate or a decedent, death benefit plan, life insurance policy, or trust.	X			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights of setoff claims. Give estimated value of each.	X			
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.	X			
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. §101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			
25. Automobiles, trucks, trailers, and other vehicles and accessories.		1983 Mercedes 240D		1,000.00
26. Boats, motors, and accessories.	X			
27. Aircraft and accessories.	X			
28. Office equipment, furnishings, and supplies.	X			
29. Machinery, fixtures, equipment, and supplies used in business.	X			
30. Inventory.	X			

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

In re Douglas E. Engle **Case No.** _____
Debtor **(If known)**

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
31. Animals.	X			
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			
35. Other personal property of any kind not already listed. Itemize.	X			

0 continuation sheets attached Total $ 24,750.00

(Include amounts from any continuation sheets attached. Report total also on Summary of Schedules.)

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

In re Douglas E. Engle
Debtor

Case No. _____
(If known)

SCHEDULE C - PROPERTY CLAIMED AS EXEMPT

Debtor claims the exemptions to which debtor is entitled under:
(Check one box)

☑ 11 U.S.C. § 522(b)(2)

☐ 11 U.S.C. § 522(b)(3)

☐ Check if debtor claims a homestead exemption that exceeds $136,875.

DESCRIPTION OF PROPERTY	SPECIFY LAW PROVIDING EACH EXEMPTION	VALUE OF CLAIMED EXEMPTION	CURRENT VALUE OF PROPERTY WITHOUT DEDUCTING EXEMPTION
Currency	11 U.S.C. 522(d)(5)	100.00	100.00
Bank of America checking & savings account	11 U.S.C. 522(d)(5)	500.00	500.00
Furniture, furnishings, personal belongings	11 U.S.C. 522(d)(3)	3,000.00	3,000.00
Paintings	11 U.S.C. 522(d)(5)	5,000.00	5,000.00
Clothing	11 U.S.C. 522(d)(3)	500.00	500.00
Ring	11 U.S.C. 522(d)(4) 11 U.S.C. 522(d)(5)	1,225.00 275.00	1,500.00
Bicycle	11 U.S.C. 522(d)(3)	150.00	150.00
401(k) account through employment	11 U.S.C. 522(d)(10)(E)	13,000.00	13,000.00
1983 Mercedes 240D	11 U.S.C. 522(d)(5)	1,000.00	1,000.00

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Official Form 6D (10/06)

In re Douglas E. Engle, **Case No.** _____

Debtor **(If known)**

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, indicate that by stating "a minor child" and do not disclose the child's name. See 11 U.S.C §112. If a "minor child" is stated, also include the name, address, and legal relationship to the minor child of a person described in Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim Without Deducting Value of Collateral" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion, if Any" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO. Joanne Vanderzanden 11515 NE 103rd Place Kirkland WA 98034			Lien: Possessory lien Security: Paintings VALUE $ 5,000.00				15,000.00	10,000.00
ACCOUNT NO.			VALUE $					
ACCOUNT NO.			VALUE $					

0 continuation sheets attached

Subtotal ➤ (Total of this page)	$ 15,000.00	$ 10,000.00
Total ➤ (Use only on last page)	$ 15,000.00	$ 10,000.00
	(Report total also on Summary of Schedules)	(If applicable, report also on Statistical Summary of Certain Liabilities and Related Data.)

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 6E (4/07)

In re Douglas E. Engle, Debtor Case No._____ (if known)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, indicate that by stating "a minor child." and do not disclose the child's name. See 11 U.S.C. § 112. If "a minor child" is stated, also include the name, address, and legal relationship to the minor child of a person described in Fed.R.Bankr.P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether husband, wife, both of them or the marital community may be liable on each claim by placing an "H,""W,""J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule Individual debtors with primarily consumer debts who file a case under chapter 7 or 13 report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts who file a case under chapter 7 report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIMS (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

☑ **Domestic Support Obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

☐ **Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

☐ **Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to $10,950* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

☐ **Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 6E (4/07) - Cont.

In re Douglas E. Engle, Debtor

Case No._____ (if known)

☐ **Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to $5,400* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

☐ **Deposits by individuals**

Claims of individuals up to $2,425* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

☑ **Taxes and Certain Other Debts Owed to Governmental Units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

☐ **Commitments to Maintain the Capital of an Insured Depository Institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507 (a)(9).

☐ **Claims for Death or Personal Injury While Debtor Was Intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

* Amounts are subject to adjustment on April 1, 2010, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

2 **continuation sheets attached**

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 6E (10/06) - Cont.

In re Douglas E. Engle, **Debtor** **Case No.** _____ **(If known)**

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet) Sec. 507(a)(1)

Type of Priority for Claims Listed on This Sheet

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER *(See instructions.)*	CODEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
ACCOUNT NO. Lisa Letang 10939 80th Place NE Kirkland WA 98034-3501			Consideration: Back child support				3,615.00	3,615.00	0.00
ACCOUNT NO. State of Washington Department of Social and Health Services Division of Child Support PO Box 11520 Tacoma, WA 98411-5520							Notice Only	Notice Only	Notice Only
ACCOUNT NO.									
ACCOUNT NO.									
Subtotal (Totals of this page)							$ 3,615.00	$ 3,615.00	$ 0.00
Total (Use only on last page of the completed Schedule E.) Report also on the Summary of Schedules)							$		
Totals (Use only on last page of the completed Schedule E. If applicable, report also on the Statistical Summary of Certain Liabilities and Related Data.)							$	$	$

Sheet no. 2 of 3 continuation sheets attached to Schedule of Creditors Holding Priority Claims

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 6E (10/06) - Cont.

In re Douglas E. Engle, **Debtor** — **Case No.** _____ **(If known)**

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet) Sec. 507(a)(8)

Type of Priority for Claims Listed on This Sheet

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER *(See instructions.)*	CODEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
ACCOUNT NO. Internal Revenue Service Centralized Insolvency Operations PO Box 21126 Philadelphia PA 19114-0326			Incurred: 4-15-07 2006 federal income taxes				8,728.00	8,728.00	0.00
ACCOUNT NO.									
ACCOUNT NO.									
ACCOUNT NO.									
Subtotal (Totals of this page)							$ 8,728.00	$	$
Total (Use only on last page of the completed Schedule E.) Report also on the Summary of Schedules)							$ 12,343.00		
Totals (Use only on last page of the completed Schedule E. If applicable, report also on the Statistical Summary of Certain Liabilities and Related Data.)							$	$ 12,343.00	$ 0.00

Sheet no. 3 of 3 continuation sheets attached to Schedule of Creditors Holding Priority Claims

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 6F (10/06)

In re Douglas E. Engle, **Debtor** **Case No.** _____ **(If known)**

SCHEDULE F- CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, indicate that by stating "a minor child" and do not disclose the child's name. See 11 U.S.C. § 112. If "a minor child" is stated, also include the name, address, and legal relationship to the minor child of a person described in Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts filing a case under chapter 7, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER *(See instructions above.)*	CODEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. .....4129 Boudreau & Associates 5 Industrial Way Salem NH 03079			Former assignee for collection of LVNV Funding on Bank of America debt				Notice Only
ACCOUNT NO. .....6218 Comp USA Retail Services PO Box 15521 Wilmington DE 19850-5521							Notice Only
ACCOUNT NO. David Montgomery, PsyD 433 State St. Unit 2 Kirkland WA 98033							490.00
ACCOUNT NO. 4388..... First USA/Bank One c/o Chase Card Services P.O. Box 15298 Wilmington, DE 19850-5298			Mann Bracken, LLC				40,000.00

2 _____continuation sheets attached

Subtotal ➤ $ 40,490.00

Total ➤ $

(Use only on last page of the completed Schedule F.)
(Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 6F (10/06) - Cont.

In re Douglas E. Engle, **Debtor** **Case No.** _____ **(If known)**

SCHEDULE F- CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER *(See instructions above.)*	CODEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF,	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. Law Offices of Roberta Doyle 9709 3rd Ave. NE Suite 504 Seattle WA 98115-2027							11,000.00
ACCOUNT NO. .....4129 LVNV Funding c/o Frederick Hanna & Associates 1655 Enterprise Way Marietta GA 30067			Current holder of Bank of America credit card debt				17,820.00
ACCOUNT NO. .....8486 Mann Bracken, LLC 2727 Paces Ferry Road Suite 1400 Atlanta GA 30339			Consideration: Credit card debt Assignee for collection of Chase Bank, formerly United Airlines Visa				Notice Only
ACCOUNT NO. 42182 Orthopedic Physician Associates 1229 Madison St. Suite 1600 Seattle WA 98104							1,341.00
ACCOUNT NO. Satwant Singh Pandher 3114 Lombard Ave. Everett WA 98201							585.00

Sheet no. 1 of 2 continuation sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims

Subtotal➤ $ 30,746.00

Total➤ $

(Use only on last page of the completed Schedule F.)
(Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 6F (10/06) - Cont.

In re Douglas E. Engle, **Debtor** **Case No.** _____ **(If known)**

SCHEDULE F- CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER *(See instructions above.)*	CODEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF,	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. 2074837 Seattle Surgery Center 900 Terry Avenue 3rd Floor Seattle WA 98104							608.97
ACCOUNT NO. .....6218 Sherman Financial PO Box 10525 Greenville SC 29601			Former Comp USA debt				2,218.00
ACCOUNT NO. 45627 Stephen Markowitz & Associates Anesthesia Services PO Box 84554 Seattle WA 98124-5854							80.00
ACCOUNT NO.							
ACCOUNT NO.							

Sheet no. 2 of 2 continuation sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims

Subtotal ➤ $ 2,906.97

Total ➤ $ 74,142.97

(Use only on last page of the completed Schedule F.)
(Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

In re Douglas E. Engle
Debtor

Case No. _____
(if known)

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser," "Agent," etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, indicate that by stating "a minor child." and do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

☑ Check this box if debtor has no executory contracts or unexpired leases.

NAME AND MAILING ADDRESS, INCLUDING ZIP CODE, OF OTHER PARTIES TO LEASE OR CONTRACT.	DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT.

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

In re Douglas E. Engle **Case No.** _____
Debtor **(if known)**

SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, indicate that by stating "a minor child." See 11 U.S.C. § 112; Fed. Bankr. P. 1007(m).

☐ Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR
Lisa Letang 10939 80th Place NE Kirkland WA 98034-3501	First USA/Bank One c/o Chase Card Services P.O. Box 15298 Wilmington, DE 19850-5298

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 6I (10/06)

In re Douglas E. Engle **Debtor** **Case** _____ **(if known)**

SCHEDULE I - CURRENT INCOME OF INDIVIDUAL DEBTOR(S)

The column labeled "Spouse" must be completed in all cases filed by joint debtors and by every married debtor, whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. Do not state the name of any minor child.

Debtor's Marital Status: Single	DEPENDENTS OF DEBTOR AND SPOUSE	
	RELATIONSHIP(S): Son, Son, Son	AGE(S): 10, 5, 3

Employment:	DEBTOR	SPOUSE
Occupation	Special Projects Lead	
Name of Employer	SQL Soft+	
How long employed		
Address of Employer	1750 112th Ave. NE Bellevue WA 98004	N.A.

INCOME: (Estimate of average or projected monthly income at time case filed)	DEBTOR	SPOUSE
1. Current monthly gross wages, salary, and commissions (Prorate if not paid monthly.)	$ 7,850.00	$ N.A.
2. Estimated monthly overtime	$ 0.00	$ N.A.
3. SUBTOTAL	$ 7,850.00	$ N.A.
4. LESS PAYROLL DEDUCTIONS		
a. Payroll taxes and social security	$ 2,012.00	$ N.A.
b. Insurance	$ 462.00	$ N.A.
c. Union Dues	$ 0.00	$ N.A.
d. Other (Specify: Child support)	$ 1,984.00	$ N.A.
5. SUBTOTAL OF PAYROLL DEDUCTIONS	$ 4,458.00	$ N.A.
6.. TOTAL NET MONTHLY TAKE HOME PAY	$ 3,392.00	$ N.A.
7. Regular income from operation of business or profession or farm (Attach detailed statement)	$ 0.00	$ N.A.
8. Income from real property	$ 0.00	$ N.A.
9. Interest and dividends	$ 0.00	$ N.A.
10. Alimony, maintenance or support payments payable to the debtor for the debtor's use or that of dependents listed above.	$ 0.00	$ N.A.
11. Social security or other government assistance (Specify) _____	$ 0.00	$ N.A.
12. Pension or retirement income	$ 0.00	$ N.A.
13. Other monthly income _____	$ 0.00	$ N.A.
(Specify) _____	$ 0.00	$ N.A.
14. SUBTOTAL OF LINES 7 THROUGH 13	$ 0.00	$ N.A.
15. AVERAGE MONTHLY INCOME (Add amounts shown on Lines 6 and 14)	$ 3,392.00	$ N.A.
16. COMBINED AVERAGE MONTHLY INCOME (Combine column totals from line 15; if there is only one debtor repeat total reported on line 15.)	$ 3,392.00	

(Report also on Summary of Schedules and, if applicable, on Statistical Summary of Certain Liabilities and Related Data)

17. Describe any increase or decrease in income reasonably anticipated to occur within the year following the filing of this document:

None

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

In re Douglas E. Engle **Case No.** _____
Debtor **(if known)**

SCHEDULE J - CURRENT EXPENDITURES OF INDIVIDUAL DEBTOR(S)

Complete this schedule by estimating the average or projected monthly expenses of the debtor and the debtor's family at time case filed. Prorate any payments made biweekly, quarterly, semi-annually, or annually to show monthly rate.

☐ Check this box if a joint petition is filed and debtor's spouse maintains a separate household. Complete a separate schedule of expenditures labeled "Spouse."

1. Rent or home mortgage payment (include lot rented for mobile home)	$ 1,800.00
a. Are real estate taxes included? Yes _____ No ✓	
b. Is property insurance included? Yes _____ No ✓	
2. Utilities: a. Electricity and heating fuel	$ 0.00
b. Water and sewer	$ 0.00
c. Telephone	$ 150.00
d. Other _____	$ 0.00
3. Home maintenance (repairs and upkeep)	$ 0.00
4. Food	$ 200.00
5. Clothing	$ 20.00
6. Laundry and dry cleaning	$ 25.00
7. Medical and dental expenses	$ 200.00
8. Transportation (not including car payments)	$ 225.00
9. Recreation, clubs and entertainment, newspapers, magazines, etc.	$ 25.00
10.Charitable contributions	$ 0.00
11.Insurance (not deducted from wages or included in home mortgage payments)	
a. Homeowner's or renter's	$ 0.00
b. Life	$ 164.00
c. Health	$ 0.00
d.Auto	$ 206.00
e. Other_____	$ 0.00
12.Taxes (not deducted from wages or included in home mortgage payments)	
(Specify) _____	$ 0.00
13. Installment payments: (In chapter 11, 12, and 13 cases, do not list payments to be included in the plan)	
a. Auto	$ 200.00
b. Other _____	$ 0.00
c. Other _____	$ 0.00
14. Alimony, maintenance, and support paid to others	$ 0.00
15. Payments for support of additional dependents not living at your home	$ 0.00
16. Regular expenses from operation of business, profession, or farm (attach detailed statement)	$ 0.00
17. Other _____	$ 0.00
18. AVERAGE MONTHLY EXPENSES (Total lines 1-17. Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data)	$ 3,215.00

19. Describe any increase or decrease in expenditures reasonably anticipated to occur within the year following the filing of this document:
None

20. STATEMENT OF MONTHLY NET INCOME

a. Average monthly income from Line 15 of Schedule I	$ 3,392.00
b. Average monthly expenses from Line 18 above	$ 3,215.00
c. Monthly net income (a. minus b.)	$ 177.00

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Official Form 6 - Summary (10/06)

United States Bankruptcy Court

Western District of Washington

In re Douglas E. Engle
Debtor

Case No. _____

Chapter 13

SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

AMOUNTS SCHEDULED

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A – Real Property	YES	1	$ 0.00		
B – Personal Property	YES	3	$ 24,750.00		
C – Property Claimed as exempt	YES	1			
D – Creditors Holding Secured Claims	YES	1		$ 15,000.00	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	YES	4		$ 12,343.00	
F - Creditors Holding Unsecured Nonpriority Claims	YES	3		$ 74,142.97	
G - Executory Contracts and Unexpired Leases	YES	1			
H - Codebtors	YES	1			
I - Current Income of Individual Debtor(s)	YES	1			$ 3,392.00
J - Current Expenditures of Individual Debtors(s)	YES	1			$ 3,215.00
TOTAL		17	$ 24,750.00	$ 101,485.97	

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

United States Bankruptcy Court
Western District of Washington

In re Douglas E. Engle
Debtor

Case No. _____

Chapter 13

STATISTICAL SUMMARY OF CERTAIN LIABILITIES AND RELATED DATA (28 U.S.C. § 159)

If you are an individual debtor whose debts are primarily consumer debts, as defined in § 101(8) of the Bankruptcy Code (11 U.S.C. §101(8)), filing a case under chapter 7, 11 or 13, you must report all information requested below.

☐ Check this box if you are an individual debtor whose debts are NOT primarily consumer debts. You are not required to report any information here.

This information is for statistical purposes only under 28 U.S.C. § 159.

Summarize the following types of liabilities, as reported in the Schedules, and total them.

Type of Liability	**Amount**
Domestic Support Obligations (from Schedule E)	$ 3,615.00
Taxes and Certain Other Debts Owed to Governmental Units (from Schedule E) (whether disputed or undisputed)	$ 8,728.00
Claims for Death or Personal Injury While Debtor Was Intoxicated (from Schedule E)	$ 0.00
Student Loan Obligations (from Schedule F)	$ 0.00
Domestic Support, Separation Agreement, and Divorce Decree Obligations Not Reported on Schedule E	$ 0.00
Obligations to Pension or Profit-Sharing, and Other Similar Obligations (from Schedule F)	$ 0.00
TOTAL	$ 12,343.00

State the Following:

Average Income (from Schedule I, Line 16)	$ 3,392.00
Average Expenses (from Schedule J, Line 18)	$ 3,215.00
Current Monthly Income (from Form 22A Line 12; **OR**, Form 22B Line 11; **OR**, Form 22C Line 20)	$ 7,454.66

State the Following:

1. Total from Schedule D, "UNSECURED PORTION, IF ANY" column		$ 10,000.00
2. Total from Schedule E, "AMOUNT ENTITLED TO PRIORITY" column.	$ 12,343.00	
3. Total from Schedule E, "AMOUNT NOT ENTITLED TO PRIORITY, IF ANY" column		$ 0.00
4. Total from Schedule F		$ 74,142.97
5. Total of non-priority unsecured debt (sum of 1, 3, and 4)		$ 84,142.97

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

In re Douglas E. Engle
Debtor

Case No. _____
(If known)

DECLARATION CONCERNING DEBTOR'S SCHEDULES

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 19 sheets *(total shown on summary page plus 2)*, and that they are true and correct to the best of my knowledge, information, and belief.

Date 5-4-07 Signature: /s/ Douglas E. Engle
Debtor:

Date _____ Signature: Not Applicable
(Joint Debtor, if any)

[If joint case, both spouses must sign.]

DECLARATION AND SIGNATURE OF NON-ATTORNEY BANKRUPTCY PETITION PREPARER (See 11 U.S.C. § 110)

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h) and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110 setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required by that section.

_____ _____
Printed or Typed Name and Title, if any, of Bankruptcy Petition Preparer

Social Security No. *(Required by 11 U.S.C. § 110.)*

If the bankruptcy petition preparer is not an individual, state the name, title (if any), address, and social security number of the officer, principal, responsible person, or partner who signs this document.

_____
_____
_____
Address

X _____ _____
Signature of Bankruptcy Petition Preparer Date

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this documen, unless the bankruptcy petition preparer is not an individualt:

If more than one person prepared this document, attach additional signed sheets conforming to the appropriate Official Form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF A CORPORATION OR PARTNERSHIP

I, the _____ [the president or other officer or an authorized agent of the corporation or a member or an authorized agent of the partnership] of the _____ [corporation or partnership] named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of _____sheets *(total shown on summary page plus 2)*,and that they are true and correct to the best of my knowledge, information, and belief.

Date _____ Signature: _____

_____
[Print or type name of individual signing on behalf of debtor.]

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement or concealing property: Fine of up to $500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§ 152 and 3571.

Bankruptcy2007 © 1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

UNITED STATES BANKRUPTCY COURT
Western District of Washington

In Re Douglas E. Engle

Case No. _____ (if known)

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. Do not include the name or address of a minor child in this statement. Indicate payments, transfers and the like to minor children by stating "a minor child." See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

---

1. Income from employment or operation of business

None ☐

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation ofthe debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the two years immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

	AMOUNT	SOURCE
2007	$32,000	Employment
2006	$80,000	Employment
2005	$16,700	Employment

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

2. Income other than from employment or operation of business

None ☐

State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the two years immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

	AMOUNT	SOURCE
2005	$10,000	IRA distribution
2006	$44,000	IRA distribution

3. Payments to creditors

None ☐

Complete a. or b., as appropriate, and c.

a. Individual or joint debtor(s) with primarily consumer debts: List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within 90 days immediately preceding the commencement of this case if the aggregate value of all property that constitutes or is affected by such transfer is not less than $600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
Chase Auto Finance PO Box 78067 Phoenix AZ 85062-8067	Monthly car payments	2900.00	0

None ☒

b. Debtor whose debts are not primarily consumer debts: List each payment or other transfer to any creditor made within 90 days immediately preceding the commencement of the case if the aggregate value of all property that constitutes or is affected by such transfer is not less than $5,475. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

None ☒ *c. All debtors:* List all payments made within one year immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING

4. Suits and administrative proceedings, executions, garnishments and attachments

None ☐ a. List all suits and administrative proceedings to which the debtor is or was a party within one year immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
In re Marriage of Engle and Letang 03-3-10880-8 SEA	Child support modification	King County Superior Court, Seattle WA	Resolved

None ☒ b. Describe all property that has been attached, garnished or seized under any legal or equitable process within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY

5. Repossessions, foreclosures and returns

None ☒ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

6. Assignments and Receiverships

None ☒ a. Describe any assignment of property for the benefit of creditors made within 120 days immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT

None ☒ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY

7. Gifts

None ☒ List all gifts or charitable contributions made within one year immediately preceding the commencement of this case, except ordinary and usual gifts to family members aggregating less than $200 in value per individual family member and charitable contributions aggregating less than $100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT

8. Losses

None ☒ List all losses from fire, theft, other casualty or gambling within one year immediately preceding the commencement of this case or since the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES, AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

9. Payments related to debt counseling or bankruptcy

None ☐ List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within one year immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYOR IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
James E. Dickmeyer Law Office of James E. Dickmeyer, PC 903 5th Avenue Suite 106 Kirkland WA 98033	March and April 2007	$1174 for filing fee and partial attorney fee
Credit Solutions Dallas TX		$_____

10. Other transfers

None ☐ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within two years immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
Joanne Vanderzanden 11515 NE 103rd Place Kirkland WA 98034 Relationship: Friend		Artwork pledged as collateral for loan
Joanne Vanderzanden 11515 NE 103rd Place Kirkland WA 98034 Relationship: Friend	April 2007	2002 Toyota Sequoia sold for $21,000 (debt balance)

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

b. List all property transferred by the debtor within ten years immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

None ☒

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY

11. Closed financial accounts

None ☒ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within one year immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING

12. Safe deposit boxes

None ☒ List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY

13. Setoffs

None ☒ List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within 90 days preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

14. Property held for another person

None ☒ List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY

15. Prior address of debtor

None ☐ If the debtor has moved within the three years immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
748 Kirkland Circle Kirkland WA 98033	Same	May 2004 through May 2005
10939 80th Pl. NE Kirkland WA 98034	Same	Through May 2004

16. Spouses and Former Spouses

None ☐ If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within eight years immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME
Lisa Letang

17. Environmental Sites

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

None ☒ a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

None ☒

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW

c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

None ☒

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION

18. Nature, location and name of business

None ☐

a. If the debtor is an individual, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partnership, sole proprietorship, or was self-employed in a trade, profession, or other activity either full- or part-time within six years immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within the six years immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within the six years immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within the six years immediately preceding the commencement of this case.

NAME	TAXPAYER I.D. NO. (EIN)	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
Self-employed	SSN	Same	Consulting, computer	October 2002 through October 2004

b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

None ☒

NAME	ADDRESS

[Questions 19 - 25 are not applicable to this case]

* * * * * *

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

[If completed by an individual or individual and spouse]

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct.

Date 5-4-07 Signature of Debtor /s/ Douglas E. Engle

DOUGLAS E. ENGLE

CERTIFICATION AND SIGNATURE OF NON-ATTORNEY BANKRUPTCY PETITION PREPARER (See 11 U.S.C. § 110)

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and required under 11U.S.C. §§ 110(b), 110(h), and 342(b); (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110 setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section.

Printed or Typed Name of Bankruptcy Petition Preparer

Social Security No.
(Required by 11 U.S.C. § 110(c).)

Address

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document:

If more than one person prepared this document, attach additional signed sheets conforming to the appropriate Official Form for each person.

X

Signature of Bankruptcy Petition Preparer Date

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. §156.

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

0 continuation sheets attached

Penalty for making a false statement: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §152 and 3571

Exhibit B

B 201 (04/09/06)

UNITED STATES BANKRUPTCY COURT
Western District of Washington

NOTICE TO INDIVIDUAL CONSUMER DEBTOR UNDER § 342(b) OF THE BANKRUPTCY CODE

In accordance with § 342(b) of the Bankruptcy Code, this notice: (1) Describes briefly the services available from credit counseling services; (2) Describes briefly the purposes, benefits and costs of the four types of bankruptcy proceedings you may commence; and (3) Informs you about bankruptcy crimes and notifies you that the Attorney General may examine all information you supply in connection with a bankruptcy case. You are cautioned that bankruptcy law is complicated and not easily described. Thus, you may wish to seek the advice of an attorney to learn of your rights and responsibilities should you decide to file a petition. Court employees cannot give you legal advice.

1. Services Available from Credit Counseling Agencies

With limited exceptions, § 109(h) of the Bankruptcy Code requires that all individual debtors who file for bankruptcy relief on or after October 17, 2005, receive a briefing that outlines the available opportunities for credit counseling and provides assistance in performing a budget analysis. The briefing must be given within 180 days **before** the bankruptcy filing. The briefing may be provided individually or in a group (including briefings conducted by telephone or on the Internet) and must be provided by a nonprofit budget and credit counseling agency approved by the United States trustee or bankruptcy administrator. The clerk of the bankruptcy court has a list that you may consult of the approved budget and credit counseling agencies.

In addition, after filing a bankruptcy case, an individual debtor generally must complete a financial management instructional course before he or she can receive a discharge. The clerk also has a list of approved financial management instructional courses.

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

2. The Four Chapters of the Bankruptcy Code Available to Individual Consumer Debtors

Chapter 7: Liquidation ($245 filing fee, $39 administrative fee, $15 trustee surcharge: Total fee $299)

1. Chapter 7 is designed for debtors in financial difficulty who do not have the ability to pay their existing debts. Debtors whose debts are primarily consumer debts are subject to a "means test" designed to determine whether the case should be permitted to proceed under chapter 7. If your income is greater than the median income for your state of residence and family size, in some cases, creditors have the right to file a motion requesting that the court dismiss your case under § 707(b) of the Code. It is up to the court to decide whether the case should be dismissed.

2. Under chapter 7, you may claim certain of your property as exempt under governing law. A trustee may have the right to take possession of and sell the remaining property that is not exempt and use the sale proceeds to pay your creditors.

3. The purpose of filing a chapter 7 case is to obtain a discharge of your existing debts. If, however, you are found to have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny your discharge and, if it does, the purpose for which you filed the bankruptcy petition will be defeated.

4. Even if you receive a general discharge, some particular debts are not discharged under the law. Therefore, you may still be responsible for most taxes and student loans; debts incurred to pay nondischargeable taxes; domestic support and property settlement obligations; most fines, penalties, forfeitures, and criminal restitution obligations; certain debts which are not properly listed in your bankruptcy papers; and debts for death or personal injury caused by operating a motor vehicle, vessel, or aircraft while intoxicated from alcohol or drugs. Also, if a creditor can prove that a debt arose from fraud, breach of fiduciary duty, or theft, or from a willful and malicious injury, the bankruptcy court may determine that the debt is not discharged.

Chapter 13: Repayment of All or Part of the Debts of an Individual with Regular Income ($235 filing fee, $39 administrative fee: Total fee $274)

1. Chapter 13 is designed for individuals with regular income who would like to pay all or part of their debts in installments over a period of time. You are only eligible for chapter 13 if your debts do not exceed certain dollar amounts set forth in the Bankruptcy Code.

Exhibit B

2. Under chapter 13, you must file with the court a plan to repay your creditors all or part of the money that you owe them, using your future earnings. The period allowed by the court to repay your debts may be three years or five years, depending upon your income and other factors. The court must approve your plan before it can take effect.

3. After completing the payments under your plan, your debts are generally discharged except for domestic support obligations; most student loans; certain taxes; most criminal fines and restitution obligations; certain debts which are not properly listed in your bankruptcy papers; certain debts for acts that caused death or personal injury; and certain long term secured obligations.

Chapter 11: Reorganization ($1000 filing fee, $39 administrative fee: Total fee $1039)

Chapter 11 is designed for the reorganization of a business but is also available to consumer debtors. Its provisions are quite complicated, and any decision by an individual to file a chapter 11 petition should be reviewed with an attorney.

Chapter 12: Family Farmer or Fisherman ($200 filing fee, $39 administrative fee: Total fee $239)

Chapter 12 is designed to permit family farmers and fishermen to repay their debts over a period of time from future earnings and is similar to chapter 13. The eligibility requirements are restrictive, limiting its use to those whose income arises primarily from a family-owned farm or commercial fishing operation.

3. Bankruptcy Crimes and Availability of Bankruptcy Papers to Law Enforcement Officials

A person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury, either orally or in writing, in connection with a bankruptcy case is subject to a fine, imprisonment, or both. All information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General acting through the Office of the United States Trustee, the Office of the United States Attorney, and other components and employees of the Department of Justice.

WARNING: Section 521(a)(1) of the Bankruptcy Code requires that you promptly file detailed information regarding your creditors, assets, liabilities, income, expenses and general financial condition. Your bankruptcy case may be dismissed if this information is not filed with the court within the time deadlines set by the Bankruptcy Code, the Bankruptcy Rules, and the local rules of the court.

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Certificate of [Non-Attorney] Bankruptcy Petition Preparer

I, the [non-attorney] bankruptcy petition preparer signing the debtor's petition, hereby certify that I delivered to the debtor this notice required by § 342(b) of the Bankruptcy Code.

_____
Printed Name and title, if any, of Bankruptcy Petition Preparer
Address:
_____

X_____
Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

_____
Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person, or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Certificate of the Debtor

I (We), the debtor(s), affirm that I (we) have received and read this notice.

Douglas E. Engle
Printed Name(s) of Debtor(s)

Case No. (if known) _____

X/s/ Douglas E. Engle 5-4-07
Signature of Debtor Date

X_____
Signature of Joint Debtor (if any) Date

Boudreau & Associates
5 Industrial Way
Salem NH 03079

Comp USA
Retail Services
PO Box 15521
Wilmington DE 19850-5521

David Montgomery, PsyD
433 State St.
Unit 2
Kirkland WA 98033

First USA/Bank One
c/o Chase Card Services
P.O. Box 15298
Wilmington, DE 19850-5298

Internal Revenue Service
Centralized Insolvency Operations
PO Box 21126
Philadelphia PA 19114-0326

Joanne Vanderzanden
11515 NE 103rd Place
Kirkland WA 98034

Law Offices of Roberta Doyle
9709 3rd Ave. NE
Suite 504
Seattle WA 98115-2027

Lisa Letang
10939 80th Place NE
Kirkland WA 98034-3501

LVNV Funding
c/o Frederick Hanna & Associates
1655 Enterprise Way
Marietta GA 30067

Mann Bracken, LLC
2727 Paces Ferry Road
Suite 1400
Atlanta GA 30339

Orthopedic Physician Associates
1229 Madison St.
Suite 1600
Seattle WA 98104

Satwant Singh Pandher
3114 Lombard Ave.
Everett WA 98201

Seattle Surgery Center
900 Terry Avenue
3rd Floor
Seattle WA 98104

Sherman Financial
PO Box 10525
Greenville SC 29601

State of Washington
Department of Social and Health Services
Division of Child Support
PO Box 11520
Tacoma, WA 98411-5520

Stephen Markowitz & Associates
Anesthesia Services
PO Box 84554
Seattle WA 98124-5854

Exhibit B

Official Form 22C (Chapter 13) (04/07)

In re Douglas E. Engle
Debtor(s)

Case Number: _____
(If known)

Check the box as directed in Parts II, Line 14 of this statement:
☐ The applicable commitment period is 3 years.
☑ The applicable commitment period is 5 years.
☑ Disposable income is determined under § 1325(b)(3).
☐ Disposable income not determined under § 1325(b)(3).
(Check the boxes as directed in Lines 17 and 23 of this statement.)

STATEMENT OF CURRENT MONTHLY INCOME AND CALCULATION OF COMMITMENT PERIOD AND DISPOSABLE INCOME

FOR USE IN CHAPTER 13

In addition to Schedule I and J, this statement must be completed by every individual Chapter 13 debtor, whether or not filing jointly. Joint debtors may complete one statement only.

Part I. REPORT OF INCOME

1 Marital/filing status. Check the box that applies and complete the balance of this part of this statement as directed.
a. ☑ Unmarried. Complete only Column A ("Debtor's Income") for Lines 2-10.
b. ☐ Married. Complete both Column A ("Debtor's Income") and Column B (Spouse's Income) for Lines 2-10.

	All figures must reflect average monthly income received from all sources, derived during the six calendar months prior to filing the bankruptcy case, ending on the last day of the month before the filing. If the amount of monthly income varied during the six months, you must divide the six-month total by six, and enter the result on the appropriate line.	Column A Debtor's Income	Column B Spouse's Income
2	Gross wages, salary, tips, bonuses, overtime, commissions.	$ 7,454.66	$ N.A.
3	Income from the operation of a business, profession or farm. Subtract Line b from Line a and enter the difference in the appropriate column(s) of Line 3. Do not enter a number less than zero. Do not include any part of the business expenses entered on Line b as a deduction in Part IV. a. Gross receipts $ 0.00 b. Ordinary and necessary business expenses $ 0.00 c. Business Income — Subtract Line b from Line a	$ 0.00	$ N.A.
4	Rents and other real property income. Subtract Line b from Line a and enter the difference in the appropriate column(s) of Line 4. Do not enter a number less than zero. Do not include any part of the operating expenses entered on Line b as a deduction in Part IV. a. Gross receipts $ 0.00 b. Ordinary and necessary operating expenses $ 0.00 c. Rent and other real property income — Subtract Line b from Line a	$ 0.00	$ N.A.
5	Interest, dividends and royalties.	$ 0.00	$ N.A.
6	Pension and retirement income.	$ 0.00	$ N.A.
7	Any amounts paid by another person or entity, on a regular basis, for the household expenses of the debtor or the debtor's dependents, including child or spousal support. Do not include amounts paid by the debtor's spouse.	$ 0.00	$ N.A.
8	Unemployment compensation. Enter the amount in the appropriate column(s) of Line 8. However, if you contend that unemployment compensation received by you or your spouse was a benefit under the Social Security Act, do not list the amount of such compensation in Column A or B, but instead state the amount in the space below: Unemployment compensation claimed to be a benefit under the Social Security Act — Debtor $ 0.00 — Spouse $ N.A.	$ 0.00	N.A.
9	Income from all other sources. Specify source and amount. If necessary, list additional sources on a separate page. Total and enter on Line 9. Do not include any benefits received under the Social Security Act or payments received as a victim of a war crime, crime against humanity, or as a victim of international or domestic terrorism. a. $ 0.00 b. $ 0.00	$ 0.00	$ N.A.
10	Subtotal. Add Lines 2 thru 9 in Column A, and, if Column B is completed, add Lines 2 through 9 in Column B. Enter the total(s).	$ 7,454.66	$ N.A.
11	Total. If Column B has been completed, add Line 10, Column A to Line 10, Column B, and enter the total. If Column B has not been completed, enter the amount from Line 10, Column A.	7,454.66	

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Part II. APPLICATION OF § 1325(b)(4) COMMITMENT PERIOD

12	Enter the Amount from Line 11.	$ 7,454.66
13	Marital Adjustment. If you are married, but are not filing jointly with your spouse, AND if you contend that calculation of the commitment period under §1325(b)(4) does not require inclusion of the income of your spouse, enter the amount of the income listed in Line 10, Column B that was NOT paid on a regular basis for the household expenses of you or your dependents. Otherwise, enter zero.	$ 0.00
14	Subtract Line 13 from Line 12 and enter the result.	$ 7,454.66
15	Annualized current monthly income for §1325(b)(4). Multiply the amount from Line 14 by the number 12 and enter the result.	$ 89,455.92
16	Applicable median family income. Enter the median family income for the applicable state and household size. (This information is available by family size at www.usdoj.gov/ust/ or from the clerk of the bankruptcy court.) a. Enter debtor's state of residence: Washington b. Enter debtor's household size: 2	$ 56,126.00
17	Application of §1325(b)(4). Check the applicable box and proceed as directed. ☐ The amount on Line 15 is less than or equal to the amount on Line 16. Check the box for "The applicable commitment period is 3 years" at the top of page 1 of this statement and continue with this statement. ☑ The amount on Line 15 is more than the amount on Line 16. Check the box for "The applicable commitment period is 5 years" at the top of page 1 of this statement and continue with this statement.	

Part III. APPLICATION OF § 1325(b)(3) FOR DETERMINING DISPOSABLE INCOME

18	Enter the Amount from Line11.	$ 7,454.66
19	Marital Adjustment. If you are married, but are not filing jointly with your spouse, enter the amount of income listed in Line 10, Column B that was NOT paid on a regular basis for the household expenses of you or your dependents. If you are unmarried or married and filing jointly with your spouse, enter zero.	$ 0.00
20	Current monthly income for §1325(b)(3). Subtract Line 19 from Line 18 and enter the result.	$ 7,454.66
21	Annualized current monthly income for §1325(b)(3). Multiply the amount from Line 20 by the number 12 and enter the result.	$ 89,455.92
22	Applicable median family income. Enter the amount from Line 16.	$ 56,126.00
23	Application of §1325(b)(4). Check the applicable box and proceed as directed. ☑ The amount on Line 21 is more than the amount on Line 22. Check the box for "Disposable Income is determined under §1325(b)(3)." at the top of page 1 of this statement and complete the remaining parts of this statement. ☐ The amount on Line 21 is not more than the amount on Line 22. Check the box for " Disposable income is not determined under §1325(b)(3)" at the top of page 1 of this statement and continue with Part VII of this statement. Do not complete Parts IV, V or VI.	

Part IV. CALCULATION OF DEDUCTIONS ALLOWED UNDER § 707(b)(2)

Subpart A: Deductions under Standards of the Internal Revenue Service (IRS)

24	National Standards: food, clothing, household supplies, personal care, and miscellaneous. Enter "Total" amount from IRS National Standards for Allowable Living Expenses for the applicable family size and income level. (This information is available at www.usdoj.gov/ust/ or from the clerk of the bankruptcy court.)	$ 1,306.00
25A	Local Standards: housing and utilities; non-mortgage expenses Enter amount of the IRS Housing and Utilities Standards; non-mortgage expenses for the applicable county and family size. (This information is available at www.usdoj.gov/ust/ or from the clerk of the bankruptcy court.)	$ 376.00

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

25B **Local Standards: housing and utilities; mortgage/rent expense.** Enter, in Line a below, the amount of the IRS Housing and Utilities Standards; mortgage/rent expense for your county and family size (this information is available at www.usdoj.gov/ust/ or from the clerk of the bankruptcy court); enter on Line b the total of the Average Monthly Payments for any debts secured by your home, as stated in Line 47; subtract Line b from Line a and enter the result in Line 25B. Do not enter an amount less than zero.

KING COUNTY

a.	IRS Housing and Utilities Standards; mortgage/rental expense	$ 1,205.00
b.	Average Monthly Payment for any debts secured by your home, if any, as stated in Line 47	$ 0.00
c.	Net mortgage/rental expense	Subtract Line b from Line a.

$ 1,205.00

26 **Local Standards: housing and utilities; adjustment.** If you contend that the process set out in Lines 25A and 25B does not accurately compute the allowance to which you are entitled under the IRS Housing and Utilities Standards, enter any additional amount to which you contend you are entitled, and state the basis for your contention in the space below:

_____

_____

_____

$ 0.00

27 **Local Standards: transportation; vehicle operation/public transportation expense.** You are entitled to an expense allowance in this category regardless of whether you pay the expenses of operating a vehicle and regardless of whether you use public transportation. SEATTLE

Check the number of vehicles for which you pay the operating expenses or for which the operating expenses are included as a contribution to your household expenses in Line 7. ☐ 0 ☐ 1 ☑ 2 or more.

Enter the amount from IRS Transportation Standards, Operating Costs & Public Transportation Costs for the applicable number of vehicles in the applicable Metropolitan Statistical Area or Census Region. (This information is available at www.usdoj.gov/ust/ or from the clerk of the bankruptcy court.)

$ 412.00

28 **Local Standards: transportation ownership/lease expense; Vehicle 1.** Check the number of vehicles for which you claim an ownership/lease expense. (You may not claim an ownership/lease expense for more than two vehicles.) ☐ 1 ☑ 2 or more.

Enter, in Line a below, the amount of the IRS Transportation Standards, Ownership Costs, First Car. (available at www.usdoj.gov/ust/ or from the clerk of the bankruptcy court); enter in Line b the total of the Average Monthly Payments for any debts secured by Vehicle 1, as stated in Line 47; subtract Line b from Line a and enter the result in Line 28. Do not enter an amount less than zero.

a.	IRS Transportation Standards, Ownership Costs, First Car	$ 471.00
b.	Average Monthly Payment for any debts secured by Vehicle 1, as stated in Line 47	$ 0.00
c.	Net ownership/lease expense for Vehicle 1	Subtract Line b from Line a.

$ 471.00

29 **Local Standards: transportation ownership/lease expense; Vehicle 2.** Complete this Line only if you checked the "2 or more" Box in Line 28

Enter, in Line a below, the amount of the IRS Transportation Standards, Ownership Costs, Second Car. (available at www.usdoj.gov/ust/ or from the clerk of the bankruptcy court); enter in Line b the total of that Average Monthly Payments for any debts secured by Vehicle 2, as stated in Line 47; subtract Line b from Line a and enter the result in Line 29. Do not enter an amount less than zero.

a.	IRS Transportation Standards, Ownership Costs, Second Car	$ 332.00
b.	Average Monthly Payment for any debts secured by Vehicle 2, as stated in Line 47	$ 0.00
c.	Net ownership/lease expense for Vehicle 2	Subtract Line b from Line a.

0.00

30 **Other Necessary Expenses: taxes.** Enter the total average monthly expense that you actually incur for all for all federal, state and local taxes, other than real estate and sales taxes, such as income taxes, self employment taxes, social security taxes, and Medicare taxes. Do not include real estate or sales

$ 2,120.00

31 **Other Necessary Expenses: mandatory payroll deductions.** Enter the total average monthly payroll deductions that are required for your employment, such as mandatory retirement contributions, union dues, and uniform costs. Do not include discretionary amounts, such as non-mandatory 401(k) contributions.

$ 0.00

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

32	**Other Necessary Expenses: life insurance.** Enter average monthly premiums that you actually pay for term life insurance for yourself. Do not include premiums on your dependents, for whole life or for any other form of insurance.	$ 164.00
33	**Other Necessary Expenses: court-ordered payments.** Enter the total monthly amount that you are required to pay pursuant to court order, such as spousal or child support payments. Do not include payments on past due support obligations included in Line 49.	$ 1,985.00
34	**Other Necessary Expenses: education for employment or for a physically or mentally challenged child.** Enter the total monthly amount that you actually expend for education that is a condition of employment and for education that is required for a physically or mentally challenged dependent child for whom no public education providing similar services is available.	$ 0.00
35	**Other Necessary Expenses: childcare.** Enter the average monthly amount that you actually expend on childcare—such as baby-sitting, day care, nursery and preschool. Do not include other educational payments.	$ 250.00
36	**Other Necessary Expenses: health care.** Enter the average monthly amount that you actually expend on health care expenses that are not reimbursed by insurance or paid by a health savings account. Do not include payments for health insurance or health savings accounts listed in Line 39.	$ 0.00
37	**Other Necessary Expenses: telecommunication services.** Enter the average monthly amount that you actually pay for telecommunications services other than your basic home telephone service – such as cell phones, pagers, call waiting, caller id, special long distance, or internet service—to the extent necessary for your health and welfare or that of your dependents. Do not include any amount previously deducted.	$ 0.00
38	**Total Expenses Allowed under IRS Standards.** Enter the total of Lines 24 through 37.	$ 8,289.00
	Subpart B: Additional Expense Deductions under § 707(b) **Note: Do not include any expenses that you have listed in Lines 24-37**	
39	**Health Insurance, Disability Insurance and Health Savings Account Expenses.** List and total the average monthly amounts that you actually pay for yourself, your spouse, or your dependents in following categories.	
	a. Health Insurance — $ 63.00	
	b. Disability Insurance — $ 0.00	
	c. Health Savings Account — $ 400.00	
	Total: Add Lines a, b and c	$ 463.00
40	**Continued contributions to the care of household or family members.** Enter the actual monthly expenses that you will continue to pay for the reasonable and necessary care and support of an elderly, chronically ill, or disabled member of your household or member of your immediate family who is unable to pay for such expenses. Do not include payments listed in Line 34.	$ 0.00
41	**Protection against family violence.** Enter any average monthly expenses that you actually incurred to maintain the safety of your family under the Family Violence Prevention and Services Act or other applicable federal law. The nature of these expenses is required bo be kept confidential by the court.	$ 0.00
42	**Home energy costs.** Enter the average monthly amount, in excess of the allowance specified by IRS Local Standards for Housing and Utilities that you actually expend for home energy costs. You must provide your case trustee with documentation demonstrating that the additional amount claimed is reasonable and necessary.	$ 0.00
43	**Education expenses for dependent children under 18.** Enter the average monthly expenses that you actually incur, not to exceed $137.50 per child, in providing elementary and secondary education for your dependent children less than 18 years of age. You must provide your case trustee with documentation demonstrating that the amount claimed is reasonable and necessary and not already accounted for in the IRS Standards.	$ 125.00
44	**Additional food and clothing expense.** Enter the average monthly amount by which your food and clothing expenses exceed the combined allowances for food and apparel in the IRS National Standards, not to exceed five percent of those combined allowances. (This information is available at www.usdoj.gov/ust/ or from the clerk of the bankruptcy court.) You must provide your case trustee with documentation demonstrating that the additional amount claimed is reasonable and necessary.	$ 0.00
45	**Continued charitable contributions.** Enter the amount that you will continue to contribute in the form of cash or financial instruments to a charitable organization as defined in 26 U.S.C. § 170(c)(1)-(2)	$ 0.00
46	**Total Additional Expense Deductions under § 707(b).** Enter the total of Lines 39 through 45.	$ 588.00

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Subpart C: Deductions for Debt Payment

47 **Future payments on secured claims.** For each of your debts that is secured by an interest in property that you own, list the name of creditor, identify the property securing the debt, and state the Average Monthly Payment. The Average Monthly Payment is the total of all amounts contractually due to each Secured Creditor in the 60 months following the filing of the bankruptcy case, divided by 60. Mortgage debts should include payments of taxes and insurance required by the mortgage. If necessary, list additional entries on a separate page.

	Name of Creditor	Property Securing the Debt	60-month Average Payment
a.			$ 0.00
b.			$ 0.00
c.			$ 0.00
			Total: Add Lines a, b and c

$ 0.00

48 **Past due payments on secured claims.** If any of debts listed in Line 47 are secured by your primary residence, a motor vehicle, or other property necessary for your support or the support of your dependents, you may include in your deduction 1/60th of any amount (the "cure amount") that you must pay the creditor in addition to the payments listed in Line 47, in order to maintain possession of the property. The cure amount would include any sums in default that must be paid in order to avoid repossession or foreclosure. List and total any such amounts in the following chart. If necessary, list additional entries on a separate page.

	Name of Creditor	Property Securing the Debt in Default	1/60th of the Cure
a.			$ 0.00
b.			$ 0.00
c.			$ 0.00
			Total: Add Lines a, b and c

$ 0.00

49 **Payments on priority claims.** Enter the total amount of all priority claims (including priority child support and alimony claims), divided by 60. $ 145.83

50 **Chapter 13 administrative expenses.** Multiply the amount in Line a by the amount in Line b, and enter the resulting administrative expense.

a.	Projected average monthly Chapter 13 plan payment.	$ 165.00
b.	Current multiplier for your district as determined under schedules issued by the Executive Office for United States Trustees. (This information is available at www.usdoj.gov/ust/ or from the clerk of the bankruptcy court.)	x 7.2 %
c.	Average monthly administrative expense of Chapter 13 case	Total: Multiply Lines a and b

$ 11.88

51 **Total Deductions for Debt Payment.** Enter the total of Lines 47 through 50. $ 157.71

Subpart D: Total Deductions Allowed under § 707(b)(2)

52 **Total of all deductions allowed under § 707(b)(2).** Enter the total of Lines 38, 46, and 51. $ 9,034.71

Part VI. DETERMINATION OF DISPOSABLE INCOME UNDER § 1325(b)(2)

53	**Total current monthly income.** Enter the amount from Line 20.	$ 7,454.66
54	**Support income.** Enter the monthly average of any child support payments, foster care payments, or disability payments for a dependent child, included in Line 7, that you received in accordance with applicable nonbankruptcy law, to the extent reasonably necessary to be expended for such child.	$ 0.00
55	**Qualified retirement deductions.** Enter the monthly average of (a) all contributions or wage deductions made to qualified retirement plans, as specified in § 541(b)(7) and (b) all repayments of loans from retirement plans, as specified in § 362(b)(19).	$ 0.00
56	**Total of all deductions allowed under § 707(b)(2).** Enter the amount from Line 52.	$ 9,034.71
57	**Total adjustments to determine disposable income.** Add the amounts on Lines 54, 55, and 56 and enter the result.	$ 9,034.71

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

58	Monthly Disposable Income Under § 1325(b)(2). Subtract Line 57 from Line 53 and enter the result.	$ -1,580.05

Part VI: ADDITIONAL EXPENSE CLAIMS

59 Other Expenses. List and describe any monthly expenses, not otherwise stated in this form, that are required for the health and welfare of you and your family and that you contend should be an additional deduction from your current monthly income under § 707(b)(2)(A)(ii)(I). If necessary, list additional sources on a separate page. All figures should reflect your average monthly expense for each item. Total the expenses.

	Expense Description	Monthly Amount
a.		$ 0.00
b.		$ 0.00
c.		$ 0.00
	Total: Add Lines a, b and c	$ 0.00

Part VII: VERIFICATION

60 I declare under penalty of perjury that the information provided in this statement is true and correct. *(If this a joint case, both debtors must sign.)*

Date: 5-4-07 Signature: /s/ Douglas E. Engle
(Debtor)

Date: _____ Signature: _____
(Joint Debtor, if any)

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Form 22 Continuation Sheet

Income Month 1			Income Month 2		
Gross wages, salary, tips...	7,849.00	0.00	Gross wages, salary, tips...	7,849.00	0.00
Income from business...	0.00	0.00	Income from business...	0.00	0.00
Rents and real property income...	0.00	0.00	Rents and real property income...	0.00	0.00
Interest, dividends...	0.00	0.00	Interest, dividends...	0.00	0.00
Pension, retirement...	0.00	0.00	Pension, retirement...	0.00	0.00
Contributions to HH Exp...	0.00	0.00	Contributions to HH Exp...	0.00	0.00
Unemployment...	0.00	0.00	Unemployment...	0.00	0.00
Other Income...	0.00	0.00	Other Income...	0.00	0.00

Income Month 3			Income Month 4		
Gross wages, salary, tips...	7,849.00	0.00	Gross wages, salary, tips...	7,849.00	0.00
Income from business...	0.00	0.00	Income from business...	0.00	0.00
Rents and real property income...	0.00	0.00	Rents and real property income...	0.00	0.00
Interest, dividends...	0.00	0.00	Interest, dividends...	0.00	0.00
Pension, retirement...	0.00	0.00	Pension, retirement...	0.00	0.00
Contributions to HH Exp...	0.00	0.00	Contributions to HH Exp...	0.00	0.00
Unemployment...	0.00	0.00	Unemployment...	0.00	0.00
Other Income...	0.00	0.00	Other Income...	0.00	0.00

Income Month 5			Income Month 6		
Gross wages, salary, tips...	6,666.00	0.00	Gross wages, salary, tips...	6,666.00	0.00
Income from business...	0.00	0.00	Income from business...	0.00	0.00
Rents and real property income...	0.00	0.00	Rents and real property income...	0.00	0.00
Interest, dividends...	0.00	0.00	Interest, dividends...	0.00	0.00
Pension, retirement...	0.00	0.00	Pension, retirement...	0.00	0.00
Contributions to HH Exp...	0.00	0.00	Contributions to HH Exp...	0.00	0.00
Unemployment...	0.00	0.00	Unemployment...	0.00	0.00
Other Income...	0.00	0.00	Other Income...	0.00	0.00

Additional Items as Designated, if any

Remarks

Bankruptcy2007 ©1991-2007, New Hope Software, Inc., ver. 4.2.3-694 - 31213 - PDF-XChange 2.5 DE

Exhibit B

Judge: Karen A. Overstreet
Chapter: 13

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In Re:	Case No:
DOUGLAS E. ENGLE	CHAPTER 13 PLAN
Debtor	__X__ Original _____ Amended
	Date: May 4, 2007

1. Plan Payments: No later than 30 days after the filing of the Plan or the order for relief, whichever date is earlier, the Debtor will commence making payments to the Trustee as follows:

AMOUNT: $83 ; FREQUENCY: ___Monthly; __X__ Semi-Monthly; ___Bi-Weekly; ___ Weekly

TAX REFUNDS: Debtor ___COMMITS; __X__ DOES NOT COMMIT; all tax refunds to funding the Plan. Committed refunds shall be paid in addition to the plan payment stated above. If no selection is made, tax refunds are committed.

PAYMENTS: Plan payments shall be deducted from the Debtor's wages unless otherwise agreed to by the Trustee or ordered by the Court.

OTHER: _____

2. Plan Duration: Debtor estimates the Plan will run approximately 60 months. Plan may be extended up to 60 months after the first payment is due if necessary to complete the Plan.

3. Distribution of Plan Payments: The Trustee shall disburse funds received in the following order:

A. ADMINISTRATIVE EXPENSES:

1. Trustee. The percentage set pursuant to 28 USC §586(e).

2. Other administrative expenses. As allowed pursuant to 11 USC §§ 507(a)(2) or 707(b).

3. Attorney's Fees: Original attorney's fees of $1800, of which $900 remains unpaid and which shall be paid (a) __X__ Prior to all creditors; (b) _____ Monthly payments of $_____; (c) ____ All remaining funds available after designated monthly payments to the following creditors:_____. If no selection is made, fees will be paid after monthly payments specified in Paragraphs 3B and 3C.(d) _____ Other:_____.

B. CURRENT DOMESTIC SUPPORT OBLIGATION: Payments to creditors whose claims are filed and allowed pursuant to 11 USC § 502(a) or court order as follows (if left blank, no payments shall be made by the Trustee):

Creditor	**Monthly amount**
See sections 6 and 10	

C. SECURED CLAIMS: Payments to creditors whose claims are filed and allowed pursuant to 11 USC § 502(a) or court order, as stated below. Unless ranked otherwise, payments to creditors will be disbursed at the same level. Secured creditors shall retain their liens until the payment of the underlying debt, determined under nonbankruptcy law, or discharge under 11 USC § 1328, as appropriate. Secured creditors, other than current mortgage payments and continuing payments and except as provided in 26 USC §6621(a)(2) and 11 USC §

JAMES E. DICKMEYER, PC
903 Fifth Avenue Suite 106
Kirkland, Washington 98033
(425) 889-1324

Exhibit B

1322(b)(2) as limited by 11 USC § 1325(a), will be paid the amount of their claim or the value of their collateral, whichever is less, plus per annum uncompounded interest from the Petition filing date. Interest rate and monthly payment in the Plan control unless a creditor timely files an objection to confirmation. Value of collateral stated in the Proof of Claim controls unless otherwise ordered following timely objection to claim. The unsecured portion of any claim shall be paid as a nonpriority unsecured claim unless entitled to priority by law. **Any creditors holding allowed secured claims not specified below shall not receive payment from the Trustee.** If the interest rate is left blank, the applicable interest rate shall be 12%.

1. Payments That Will Continue Beyond The Term Of The Plan (Interest included in payments at contract rate, if applicable): **None**

2. Mortgage Arrearage /Property Tax Arrearage Payments: **None**

3. Other Claims Secured by Personal Property: **None**

(a). Unless written consent to the alternative treatment as set forth below is filed with the court, the trustee shall pay the contract balance as stated in the Proof of Claim for a purchase-money security interest in any motor vehicle acquired for the personal use of the debtor within 910 days preceding the filing date of the Petition or in other personal property acquired within one year preceding the filing date of the Petition as follows. Debtor stipulate that pre-confirmation adequate protection payments shall be paid by the Trustee as specified. If no amount is specified, the Trustee shall pay the amount stated as the "Equal Periodic Payment".

(i). Payment of contractual balance

Rank	Equal Periodic Payment	Creditor	Description of Collateral	Pre-Confirmation Adequate Protection Payment	Interest Rate

(ii). Proposed Alternative Treatment, which shall not be binding upon the creditor without written consent filed with the court.

Rank	Equal Periodic Payment	Creditor	Debtor(s) Value of Collateral	Description of Collateral	Pre-Confirmation Adeq. Protection Payment	Interest Rate

(b). The following secured claims are **not** for a motor vehicle acquired for the personal use of the Debtor within 910 days preceding the filing date of the Petition and are **not** for other personal property acquired within one year preceding the filing date of the Petition. Debtor stipulates that pre-confirmation adequate protection payments shall be paid by the Trustee as specified. If no amount is specified, the Trustee shall pay the amount stated as the "Equal Periodic Payment". **None**

Rank	Equal Periodic Payment	Creditor	Debtor(s) Value of Collateral	Description of Collateral	Pre-Confirmation Adeq. Protection Payment	Interest Rate

D. PRIORITY CLAIMS: Payment in full, on a pro rata basis, of filed and allowed claims entitled to priority in the order stated in 11 USC § 507(a): **Provided, however, that payment of the child support arrearage of $5100 shall be paid at the rate of $50 per month outside the plan through existing order to withhold against the debtor's wages. The $50 monthly arrearage payment shall continue beyond the plan.**

E. NONPRIORITY UNSECURED CLAIMS: From the balance remaining after the above payments, the Trustee shall pay filed and allowed nonpriority unsecured claims as follows:

JAMES E. DICKMEYER, PC
903 Fifth Avenue Suite 106
Kirkland, Washington 98033
(425) 889-1324

Exhibit B

1. Specially Classified Unsecured Claims. The Trustee shall pay prior to other nonpriority unsecured claims as follows: **None**

2. Other Unsecured Claims. The Debtor will pay 100% to claimants in this class, or pay projected disposable income for no less than the Applicable Commitment Period of either 36 or 60 months as stated below (choose a. or b., but not both):

(a). % paid to unsecureds: 100% ____ OR

(b). Pursuant to 11 USC § 1325(b), debtor's projected disposable income during the applicable commitment period of no fewer than 60 months is $ less than zero, and not less than that total amount shall be distributed to allowed nonpriority unsecured claims. Plan would thus yield approximately 0% to nonpriority unsecureds. Percentage may vary depending upon funds available after payments required under Paragraphs 3A-3E1 and upon total of claims filed.

4. Secured Property Surrendered: The secured property described below will be surrendered to the following named creditors on confirmation. Upon confirmation, all creditors to which the debtor is surrendering property pursuant to this paragraph are granted relief from the automatic stay to enforce their security interest against the property including taking possession and sale: **None**

5. Executory Contracts and Leases: The Debtor will assume or reject executory nonresidential contracts or unexpired leases as noted below. Assumption will be by separate motion and order, and any cure and/or continuing payments will be paid directly by the Debtor under Paragraph 6, unless otherwise specified in Paragraph 10 with language designating that payments will be made by the Trustee, the amount and frequency of the payments, the ranking level for such payments with regard to other creditors, the length of the term for continuing payments and the interest rate, if any, for cure payments. Any executory contract or unexpired lease not assumed pursuant to 11 USC § 365(d) is rejected. If rejected, the Debtor shall surrender any collateral or leased property and any duly filed and allowed unsecured claim for damages shall be paid under Paragraph 3E2: **None**

6. Payments Made by Debtor and not by the Trustee: The following creditors shall be paid directly by the Debtor according to the terms of the contract or support or withholding order, and shall receive no payments from the Trustee. (Payment stated shall not bind any party)

A. DOMESTIC SUPPORT OBLIGATIONS: The claims of the following creditors owed domestic support obligations shall be paid directly by the Debtor as follows:

Creditor	Current Monthly Support Obligation	Monthly Arrearage Payment
Lisa Letang	$5109	$50.00

B. OTHER DIRECT PAYMENTS:

Creditor	Nature of Debt	Amount of Claim	Monthly Payment
Joanne Vanderzanden	Auto lease		$200

7. Revestment of Property: Unless otherwise provided in Paragraph 10, during the pendency of the plan all property of the estate as defined by 11 USC § 1306(a) shall remain vested in the Debtor, except that earnings and income necessary to complete the terms of the Plan shall remain vested in the Trustee until discharge. The Debtor shall not, without approval of the Court, sell or otherwise dispose of or transfer real property other than in accordance with the terms of the confirmed Plan.

8. Liquidation Analysis Pursuant to 11 USC § 1325(a)(4): No less than $8700 shall be distributed to priority and nonpriority unsecured claims. Under 11 USC §§ 1325(a)(4) and 726(a)(5), interest on allowed unsecured claims under Paragraphs 3D and 3E shall be paid at the rate of 0% per annum from the Petition filing date (no interest shall be paid if left blank).

JAMES E. DICKMEYER, PC
903 Fifth Avenue Suite 106
Kirkland, Washington 98033
(425) 889-1324

Exhibit B

9. Certification:

A. The Debtor certifies that all post-petition Domestic Support Obligations have been paid in full on the date of this Plan and will be paid in full at the time of the confirmation hearing. Debtor acknowledges that timely payment of such post-petition Domestic Support Obligations is a condition of Plan confirmation pursuant to 11 USC § 1325(a)(8).

B. The Debtor or his attorney certifies that this Plan does not alter the provisions of Local Bankruptcy Form 13-3 except as follows:

10. Other Plan Provisions: (must be separately numbered)

The child support arrearage of $5109 shall be paid at the rate of $50 per month outside the plan, and through and pursuant to the Order/Notice to Withhold Income for Child Support dated March 7, 2007.

/s/ James E. Dickmeyer	*/s/ Douglas E. Engle*		*5-4-07*
Attorney for Debtor(s)	DEBTOR	Last 4 digits SS#	Date
WSBA #14318			
5-4-07			
Date			

JAMES E. DICKMEYER, PC
903 Fifth Avenue Suite 106
Kirkland, Washington 98033
(425) 889-1324

Exhibit B

Judge: Karen A. Overstreet
Chapter: 13

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In Re:	Case No: 07-12437-KAO
DOUGLAS E. ENGLE	CHAPTER 13 PLAN
Debtor	_____ Original __X__ Amended
	Date: July 18, 2007

1. Plan Payments: No later than 30 days after the filing of the Plan or the order for relief, whichever date is earlier, the Debtor will commence making payments to the Trustee as follows:

AMOUNT: $167 ; FREQUENCY: __X__ Monthly; ___ Semi-Monthly; ___ Bi-Weekly; ___ Weekly

TAX REFUNDS: Debtor ___COMMITS; __X__ DOES NOT COMMIT; all tax refunds to funding the Plan. Committed refunds shall be paid in addition to the plan payment stated above. If no selection is made, tax refunds are committed.

PAYMENTS: Plan payments shall be deducted from the Debtor's wages unless otherwise agreed to by the Trustee or ordered by the Court.

OTHER: _____

2. Plan Duration: Debtor estimates the Plan will run approximately 60 months. Plan may be extended up to 60 months after the first payment is due if necessary to complete the Plan.

3. Distribution of Plan Payments: The Trustee shall disburse funds received in the following order:

A. ADMINISTRATIVE EXPENSES:

1. Trustee. The percentage set pursuant to 28 USC §586(e).

2. Other administrative expenses. As allowed pursuant to 11 USC §§ 507(a)(2) or 707(b).

3. Attorney's Fees: Original attorney's fees of $1800, of which $900 remains unpaid and which shall be paid (a) __X__ Prior to all creditors; (b) _____ Monthly payments of $_____; (c) ____ All remaining funds available after designated monthly payments to the following creditors:_____. If no selection is made, fees will be paid after monthly payments specified in Paragraphs 3B and 3C.(d) _____ Other:_____.

B. CURRENT DOMESTIC SUPPORT OBLIGATION: Payments to creditors whose claims are filed and allowed pursuant to 11 USC §502(a) or court order as follows (if left blank, no payments shall be made by the Trustee):

Creditor	**Monthly amount**
See sections 6 and 10	

C. SECURED CLAIMS: Payments to creditors whose claims are filed and allowed pursuant to 11 USC § 502(a) or court order, as stated below. Unless ranked otherwise, payments to creditors will be disbursed at the same level. Secured creditors shall retain their liens until the payment of the underlying debt, determined under nonbankruptcy law, or discharge under 11 USC § 1328, as appropriate. Secured creditors, other than current mortgage payments and continuing payments and except as provided in 26 USC §6621(a)(2) and 11 USC

JAMES E. DICKMEYER, PC
903 Fifth Avenue Suite 106
Kirkland, Washington 98033
(425) 889-2324

Exhibit B

§1322(b)(2) as limited by 11 USC §1325(a), will be paid the amount of their claim or the value of their collateral, whichever is less, plus per annum uncompounded interest from the Petition filing date. Interest rate and monthly payment in the Plan control unless a creditor timely files an objection to confirmation. Value of collateral stated in the Proof of Claim controls unless otherwise ordered following timely objection to claim. The unsecured portion of any claim shall be paid as a nonpriority unsecured claim unless entitled to priority by law. **Any creditors holding allowed secured claims not specified below shall not receive payment from the Trustee.** If the interest rate is left blank, the applicable interest rate shall be 12%.

1. Payments That Will Continue Beyond The Term Of The Plan (Interest included in payments at contract rate, if applicable): **None**

2. Mortgage Arrearage /Property Tax Arrearage Payments: **None**

3. Other Claims Secured by Personal Property: **None**

(a). Unless written consent to the alternative treatment as set forth below is filed with the court, the trustee shall pay the contract balance as stated in the Proof of Claim for a purchase-money security interest in any motor vehicle acquired for the personal use of the debtor within 910 days preceding the filing date of the Petition or in other personal property acquired within one year preceding the filing date of the Petition as follows. Debtor stipulates that pre-confirmation adequate protection payments shall be paid by the Trustee as specified. If no amount is specified, the Trustee shall pay the amount stated as the "Equal Periodic Payment". **None**

(i) Payment of contractual balance **N/A**

(ii) Proposed Alternative Treatment, which shall not be binding upon the creditor without written consent filed with the court. **N/A**

(b). The following secured claims are **not** for a motor vehicle acquired for the personal use of the Debtor within 910 days preceding the filing date of the Petition and are **not** for other personal property acquired within one year preceding the filing date of the Petition. Debtor stipulates that pre-confirmation adequate protection payments shall be paid by the Trustee as specified. If no amount is specified, the Trustee shall pay the amount stated as the "Equal Periodic Payment". **None**

D. PRIORITY CLAIMS: Payment in full, on a pro rata basis, of filed and allowed claims entitled to priority in the order stated in 11 USC § 507(a): **Provided, however, that payment of the child support arrearage of $3900 shall be paid at the rate of $100 per month outside the plan through the existing order to withhold against the debtor's wages.**

E. NONPRIORITY UNSECURED CLAIMS: From the balance remaining after the above payments, the Trustee shall pay filed and allowed nonpriority unsecured claims as follows:

1. Specially Classified Unsecured Claims. The Trustee shall pay prior to other nonpriority unsecured claims as follows: **None**

2. Other Unsecured Claims. The Debtor will pay 100% to claimants in this class, or pay projected disposable income for no less than the Applicable Commitment Period of either 36 or 60 months as stated below (choose a. or b., but not both):

(a). % paid to unsecureds: 100% ____ OR

(b). Pursuant to 11 USC § 1325(b), debtor's projected disposable income during the applicable commitment period of no fewer than 60 months is **$0**, and not less than that total amount shall be distributed to allowed nonpriority unsecured claims. Plan would thus yield approximately 0% to nonpriority unsecureds. Percentage may vary depending upon funds available after payments required under Paragraphs 3A-3E1 and upon total of claims filed.

JAMES E. DICKMEYER, PC
903 Fifth Avenue Suite 106
Kirkland, Washington 98033
(425) 889-2324

Exhibit B

4. Secured Property Surrendered: The secured property described below will be surrendered to the following named creditors on confirmation. Upon confirmation, all creditors to which the debtor is surrendering property pursuant to this paragraph are granted relief from the automatic stay to enforce their security interest against the property including taking possession and sale: **None**

5. Executory Contracts and Leases: The Debtor will assume or reject executory nonresidential contracts or unexpired leases as noted below. Assumption will be by separate motion and order, and any cure and/or continuing payments will be paid directly by the Debtor under Paragraph 6, unless otherwise specified in Paragraph 10 with language designating that payments will be made by the Trustee, the amount and frequency of the payments, the ranking level for such payments with regard to other creditors, the length of the term for continuing payments and the interest rate, if any, for cure payments. Any executory contract or unexpired lease not assumed pursuant to 11 USC § 365(d) is rejected. If rejected, the Debtor shall surrender any collateral or leased property and any duly filed and allowed unsecured claim for damages shall be paid under Paragraph 3E2: **None**

6. Payments Made by Debtor and not by the Trustee: The following creditors shall be paid directly by the Debtor according to the terms of the contract or support or withholding order, and shall receive no payments from the Trustee. (Payment stated shall not bind any party except that payment of the child support arrearage as provided herein shall be binding on the creditor and her collection agent).

A. DOMESTIC SUPPORT OBLIGATIONS: The claims of the following creditors owed domestic support obligations shall be paid directly by the Debtor as follows:

Creditor	Current Monthly Support Obligation	Monthly Arrearage Payment
Lisa Letang	$1935	$100.00

(Note: the treatment accorded the payment of back child support, claimed in the amount of $3900, shall be as provided in section 10 of the Plan)

B. OTHER DIRECT PAYMENTS:

Creditor	Nature of Debt	Amount of Claim	Monthly Payment
Joanne Vanderzanden	Auto lease		$200
Kirkland Municipal Court	Restitution	$864	$80

7. Revestment of Property: Unless otherwise provided in Paragraph 10, during the pendency of the plan all property of the estate as defined by 11 USC § 1306(a) shall remain vested in the Debtor, except that earnings and income necessary to complete the terms of the Plan shall remain vested in the Trustee until discharge. The Debtor shall not, without approval of the Court, sell or otherwise dispose of or transfer real property other than in accordance with the terms of the confirmed Plan.

8. Liquidation Analysis Pursuant to 11 USC § 1325(a)(4): Unsecured creditors would receive $0 if the estate of the debtor were liquidated under Chapter 7. No less than $8700 shall be distributed under the Plan to unsecured priority claims. No payment shall be made to general unsecured claims. Under 11 USC §§1325(a)(4) and 726(a)(5), interest on allowed unsecured claims under Paragraphs 3D and 3E shall be paid at the rate of 0% per annum from the Petition filing date (no interest shall be paid if left blank).

9. Certification:

A. The Debtor certifies that all post-petition Domestic Support Obligations have been paid in full on the date of this Plan and will be paid in full at the time of the confirmation hearing. Debtor acknowledges that timely payment of such post-petition Domestic Support Obligations is a condition of Plan confirmation pursuant to 11 USC §1325(a)(8).

B. The Debtor or his attorney certifies that this Plan does not alter the provisions of Local Bankruptcy Form 13-3 except as follows: **Section 8 is modified to specify what unsecured creditors would**

JAMES E. DICKMEYER, PC
903 Fifth Avenue Suite 106
Kirkland, Washington 98033
(425) 889-2324

Exhibit B

receive if this case were a Chapter 7 case and to clarify that Plan payments shall be paid only on unsecured priority claims; Section 10 modifies section 6(A) and binds Lisa Letang and the Division of Child Support to accept $100 per month on the debtor's child support arrearage.

10. Other Plan Provisions: (must be separately numbered)

The child support arrearage of $3900 shall be paid at the rate of $100 per month outside the plan, and through and pursuant to the Order/Notice to Withhold Income for Child Support dated March 7, 2007.

/s/ James E. Dickmeyer	*/s/ Douglas E. Engle*	*8610*	*7-18-07*
Attorney for Debtor(s) WSBA #14318	DEBTOR	Last 4 digits SS#	Date

7-18-07
Date

JAMES E. DICKMEYER, PC
903 Fifth Avenue Suite 106
Kirkland, Washington 98033
(425) 889-2324

Exhibit B

Judge: Karen A. Overstreet
Chapter: 13

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re: DOUGLAS E ENGLE Debtor.	IN CHAPTER 13 PROCEEDING NO. 07-12437 ORDER CONFIRMING CHAPTER 13 PLAN

This Matter having come on for hearing this date before the undersigned bankruptcy Judge, and the Court having heard the arguments, if any, for and against confirmation of the plan proposed herein, and having heard the Trustee's recommendations concerning the plan, the Court does therefore hereby ORDER:

1. That subject to the terms of this order, the plan proposed by the debtor dated 07-18-07 is hereby confirmed;

2. That original attorney fees are set in the amount of $1,800.00;

3. That the debtor shall incur no additional debt except after obtaining prior Court permission;

4. That the debtor shall inform the Trustee of any change in circumstances, or receipt of additional income, and shall further comply with any requests of the Trustee with respect to additional financial information the Trustee may require;

5. That the Trustee shall charge such percentage fee as may periodically be fixed by the Attorney General pursuant to 28 U.S.C. section 586(e);

6. That during the pendency of the plan hereby confirmed, all property of the estate, as defined by 11 U.S.C. section 1306(a), shall remain vested in the debtor, under the exclusive jurisdiction of the Court, and further, that the debtor shall not, without specific approval of the Court, lease, sell, transfer, encumber or otherwise dispose of such property;

7. That all disposable income received by the debtor beginning on the date the first payment is due under the plan shall be applied as payments under the plan pursuant to 11 U.S.C. section 1325(b)(1)(B), unless the Court orders otherwise.

Dated: September 10, 2007

Karen A. Overstreet

Karen A. Overstreet, Judge

Presented by:

/s/ *K. Michael Fitzgerald*
K. Michael Fitzgerald,
WSBA #8115
Chapter 13 Trustee

Chapter 13 Bankruptcy Trustee
600 University St. #2200
Seattle,WA 98101
(206) 624-5124 Fax: (206) 624-5282

Exhibit B

EXHIBIT 9

State of Washington Secretary of State, Statement of Administrative Dissolution
Eastside Community Rail, LLC; c/o Douglas Engle, dated July 1, 2016

STATE of WASHINGTON *SECRETARY of STATE*

Entity Name:

EASTSIDE COMMUNITY RAIL, LLC
C/O DOUGLAS ENGLE
1011 MAPLE AVE
SNOHOMISH WA 98290

U.B.I. Number:
603 083 727

STATEMENT OF ADMINISTRATIVE DISSOLUTION

In accordance with the Revised Code of Washington RCW 23.95.605 - 610 the above entity is hereby administratively dissolved as of:

July 01, 2016

This action was taken due to the failure of the entity to file a required report within the time set forth by law.

A copy of this statement is on file in this office:

Office of the Secretary of State
Corporations & Charities Division
PO Box 40234
Olympia, Washington 98504-0234
(360) 725-0377

Under RCW 23.95.625, a domestic entity that is administratively dissolved may apply for reinstatement no later than five years after the effective date of dissolution noted above. RCW 23.95.625 identifies the requirements for an application for reinstatement. You may also visit our website for more information at: www.sos.wa.gov/corps.

Given under my hand and the seal of the State of Washington at Olympia, the State Capital.

Kim Wyman, Secretary of State

Office of the Secretary of State
Corporations & Charities Division

EASTSIDE COMMUNITY RAIL, LLC

UBI #	603 083 727
Status	ADMINISTRATIVELY DISSOLVED
Expiration Date	2/29/2016
Dissolution Date	7/1/2016
Period of Duration	PERPETUAL
Business Type	WA LIMITED LIABILITY COMPANY
Date of Incorporation	2/2/2011
State of Incorporation	WASHINGTON
Registered Agent	DOUGLAS ENGLE 1011 MAPLE AVE SNOHOMISH, WA 98290
Governing Persons	DOUGLAS ENGLE — GOVERNOR ERNEST WILSON — GOVERNOR

Current as of:
5/25/2018 12:49 PM

EXHIBIT 10

State of Washington Secretary of State
Certificate of Revocation of Authority to do Business in Washington
Telegraph Hill Investments, LLC; c/o Douglas Engle, dated August 1, 2012

STATE of WASHINGTON *SECRETARY of STATE*

Corporation Name:

TELEGRAPH HILL INVESTMENTS, LLC
c/o DOUGLAS ENGLE
832 LAKE ST S
KIRKLAND WA 98033

U.B.I. Number:
603 091 584

CERTIFICATE OF REVOCATION OF AUTHORITY TO DO BUSINESS IN WASHINGTON

In accordance with RCW 23B.15.310, the certificate of authority of the above corporation is hereby revoked as of August 01, 2012.

This action was taken due to the failure of the corporation to file an annual list of officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division
Office of the Secretary of State
PO Box 40234
Olympia, Washington 98504-0234
(360) 725-0377

Given under my hand and the seal of the State of Washington at Olympia, the State Capital.

Sam Reed

Sam Reed, Secretary of State

Consumer Alert: Be aware of misleading letters asking for money from your business. See our NEWS RELEASE for more information. (/office/news-releases.aspx#/news/1289)

Office of the Secretary of State
Corporations & Charities Division

TELEGRAPH HILL INVESTMENTS, LLC

UBI #	603 091 584
Status	TERMINATED
Expiration Date	4/30/2012
Dissolution Date	8/1/2012
Period of Duration	PERPETUAL
Business Type	FOREIGN LIMITED LIABILITY COMPANY
Date of Incorporation	4/27/2011
State of Incorporation	WYOMING
Registered Agent	DOUGLAS ENGLE 832 LAKE ST S KIRKLAND, WA 98033
Governing Persons	JOANNE ENGLE — GOVERNOR DOUGLAS ENGLE — GOVERNOR

Current as of:
6/14/2018 2:18 PM

EXHIBIT 11

Quit Claim Deed – Woodinville North Freight Portion
BNSF Railway Company to Port of Seattle, dated 18 December 2009

After Recording Return To:
Port of Seattle, Legal Department
PO Box 1209
Seattle, WA 98111
Attn: Isabel R Safora

200912210438 16 PGS
12/21/2009 2:41pm $77.00
SNOHOMISH COUNTY, WASHINGTON

Quit Claim Deed
Woodinville North
Freight Portion

226604

PNWT W-20611-9

Grantor: BNSF Railway Company

Grantee: Port of Seattle

Abbreviated Legal: 0000000000100 IOP

SW1/4 18-28-6
Lot 4 and 5 Block 2 Snohomish City Eastern Part Vol. 1 page 7
Govt Lots 1 and 2, and the NW ¼ of 19-28-6
NE and SE 24-28-5
NE 25-28-5
Govt 1,2,3,5, and 6 of 30-28-6
Govt 3,4,8 and SW1/4 and NW1/4 31-28-6
Pnt Lot 139 Cathcart 9X39
Gvt 4,5,6,7 of 6-27-6
Gvt 1,2,3,4,and the SW ¼ of 7-27-6
Gvt 2,3,4 and NW ¼ of 18-27-6
Gvt 1,2 of 19-27-6
NE of 12-27-5
NE, SW, SE of 24-27-5
Gvt 4 of 31-27-5
NW, SW of 25-27-5
NE, NW, SW of 26-27-5
NW of 35-27-5
NE, SE, SW of 34-27-5
In Snohomish County

UNOFFICIAL DOCUMENT

No. 5308698 12/21/2009 2:16 PM 788,006.32
Thank you for your payment.
GERI

No. 5308698 12/21/2009 2:16 PM 788,006.32
Thank you for your payment.
GERI

After Recording Return To:
Port of Seattle, Legal Department
P. O. Box 1209
Seattle, WA 98111
Attn: Isabel R. Safora

Said document(s) were filed for record by Pacific N.W. Title as accommodation only. It has not been examined as to proper execution or as to its effect upon title.

PNWT 10-20011-G

QUIT CLAIM DEED
Woodinville North
Freight Portion

Grantor: BNSF RAILWAY COMPANY ("BNSF")

Grantee: PORT OF SEATTLE ("Port")

Legal Description: See Exhibit A attached hereto and incorporated herein (the "Property").

Grantor, for and in consideration of TEN AND NO/100 DOLLARS ($10.00) conveys and quit claims to Grantee, the Property, situated in the County of King, State of Washington, together with all after acquired title of the Grantor therein;

EXCEPTING AND RESERVING THEREFROM, an exclusive easement for freight rail purposes for Grantor and its successors and assigns, subject to the covenant for Railbanking Requirements in the Event of Abandonment set forth herein.

Port and BNSF are parties to that certain Purchase and Sale Agreement dated as of May 12, 2008, as amended, concerning the Property. Port and BNSF for themselves and their respective successors and assigns hereby covenant and agree that the provisions of Sections 6 and 7 of said Agreement attached hereto in Exhibit B, are incorporated herein by reference (with all references to Port and/or County together therein deemed to be references to Port only) and that all these provisions shall be covenants running with the land that are enforceable by Port, BNSF and their respective successors and assigns. Port and BNSF for themselves and their respective successors and assigns hereby further covenant and agree that the provisions of the Railbanking Requirements in Event of Abandonment, also required by the Purchase and Sale Agreement and attached hereto in Exhibit B are incorporated herein by reference and shall be covenants running with the land that are enforceable by the parties identified therein, and their respective successors and assigns, and are for the benefit of the Property and the other portions of the Washington Branch Line and Redmond Spur Right of Ways being acquired by Port from BNSF by deeds dated as of the date set forth herein.

[Remainder of Page Intentionally Left Blank]

Unofficial Document

IN WITNESS WHEREOF, BNSF and Port have executed this Deed as of the 16 day of December, 2009.

BNSF RAILWAY COMPANY

By _____
Its: Senior General Attorney

PORT OF SEATTLE

By _____
Its _____

UNOFFICIAL DOCUMENT

STATE OF Washington)
) ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that David T. Rankin is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Senior General Attorney of BNSF Railway Company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12-17-09

STEPHANI A. OWENS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 29, 2013

Notary Public Stephani A. Owens
Print Name Stephani A Owens
My commission expires 4-29-2013

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

I certify that I know or have satisfactory evidence that Jaye Yashitani is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the CEO of the Port of Seattle to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Dec. 17, 2009

JULIE KATHRYN THOMAS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
7-22-11

Notary Public Julie Kathryn Thomas
Print Name Julie Kathryn Thomas
My commission expires 7-22-11

(Use this space for notarial stamp/seal)

Exhibit A to Deed for Freight Portion

All that portion of BNSF Railway Company's (formerly Northern Pacific Railway Company) Snohomish (MP 38.25) to Woodinville (MP 23.8), 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 Snohomish County and King County, Washington, more particularly described as follows, to-wit:

SNOHOMISH COUNTY

That portion of that certain 60.0 foot wide Branch Line right of way being 30.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across State Street, as said street is shown on plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor, lying southerly of the Easterly prolongation of the centerline of vacated Commercial Street, as said Commercial Street is shown on said plat; also

That portion of the Southerly half of vacated Commercial Street as said street is shown on the plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington; vacated by ordinance No. 354 of the City of Snohomish, State of Washington, passed May 16, 1911, described as follows:

Beginning at the northeast corner of Lot 5, Block 2 of said plat of Snohomish City Eastern Part; thence Westerly, along the northerly line of said Lot 5, a distance of 20 feet, more or less, to a point 50 feet distant westerly, when measured at right angles from the centerline of State Street, as said State Street is shown on said plat; thence Northerly, along a line 50 feet westerly from the center line of said State Street, 30 feet, more or less to the centerline of said Commercial Street; thence Easterly, along said centerline of Commercial Street, 20 feet, more or less to the northerly prolongation of the east line of said Lot 5, thence Southerly, along said northerly prolongation, 30 feet, more or less, to Point of Beginning; also,

Lots 4 and 5, of Block 2 as shown on plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington; also,

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by the Southwesterly Bank of the Snohomish River, an bounded Southwesterly by a line parallel with and distant 50.0 feet Northeasterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, together with all right, title and interest if any, to accommodate said railway company's facilities and operations over and across the Snohomish River; also

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by a line parallel with and distant 150.0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, and bounded Southerly by the Southerly line of said Government Lot 4; also

A triangular shaped tract of land being that portion of Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by a line parallel with and distant 150.0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, bounded Northwesterly by a line parallel with and distant 25 feet Easterly from, measured at right angles to said Railway Company's Branch Line right of way Main Track centerline as originally located and constructed and bounded Southerly by the Southerly line of said Government Lot 4; also

That certain 0.11 acre strip of land described in deed dated September 9, 1903 from J. H. Shadinger and Hattie E. Shadinger to Northern Pacific Railway Company recorded September 19 in Book 80, Page 296, records of Snohomish County, Washington, said 0.11 acre strip of land being described in said deed for reference as follows:

"A strip of land eighty (80) feet in width across that certain thrity-three (33) foot strip of land in Lot four (4), Section eighteen (18), Township twenty-eight (28) north, Range six (6) east, W.M., which lies immediately south of, parallel with and contiguous to the right of way of the Great Northern Railway Company across said subdivision; said eighty (80) foot strip of land having for its east and west boundaries two lines that are parallel with and respectively distant twenty-six (26) feet on the northeasterly side and fifty-four (54) feet on the southwesterly side of the center line of the proposed track which is to connect the Great Northern Railway with the Northern Pacific Railway as the same is located, staked and constructed over and across said subdivision; containing 0.11 acres, more or less."; also,

That certain 1.94 acre strip of land described in deed dated September 9, 1903 from Kate G. Ford, D. A. Ford, Ruth S. Ford and D. A. Ford as sole executor to Northern Pacific Railway Company recorded September 19 in Book 80, Page 298, records of Snohomish County, Washington, said 1.94 acre strip of land being described in said deed for reference as follows:

"All that portion of Lot four (4), Section eighteen (18) and of Lot one (1) (or the northwest quarter of the northwest quarter) of Section nineteen (19), Township twenty-eight (28) north, Range six (6) east, W.M., lying westerly of the Northern Pacific Railway Company's right of way and southerly of a line drawn parallel with and thirty-three (33) feet distant southerly from the south line of the Great Northern Railway Company's right of way and between lines drawn parallel with and respectively distant twenty-six (26) feet easterly from and fifty-four (54) feet westerly from the center line of the proposed track which is to connect the Northern Pacific Railway with the Great Northern Railway as the same is now located, staked out and to be constructed over and across said premises; said strip of land containing 1.94 acres, more or less.", also;

That certain .08 acre strip of land described in deed dated April 25, 1908 from Robert Henry and Margaret R. Henry to Northern Pacific Railway Company recorded June 1, 1908 in Book 110 of Deeds, Page 509, records of the County Auditor, Snohomish County, Washington, said .08 acre strip of land being described in said deed for reference as follows:

"A strip of land thirty (30) feet wide described as follows: Beginning at a point on the section line between Sections 18 and 19, Township 28 North, Range 6 East, Willamette Meridian, fifty-five (55) feet distant measured at right angles from the center line of the main track of the said Railway Company as the same is now located, constructed, maintained and operated through said sections; thence northeasterly on a line parallel with and fifty-five (55) feet distant from said center line one hundred ten (110) feet, more or less, to the south line of the Tacoma Power Company's right of way; thence southeasterly along the south line of said Tacoma Power Company's right of way thirty (30) feet to the westerly line of the present right of way of said Northern Pacific Railway Company, which line at that point is twenty-five (25) feet from the center line of the main track of said Railway Company; thence southwesterly along said

westerly line of the right of way one hundred ten (110) feet, more or less, to the point where said right of way widens to fifty (50) feet on each side of said center line; thence westerly twenty-five (25) feet to point of intersection with the above described section line; thence west along said section line five (5) feet, more or less, to place of beginning, said strip being situated in Lot four (4) Section eighteen (18) and Lot one (1) Section nineteen (19) all in Township twenty-eight (28) North, Range six (6) East, Willamette Meridian and containing eight hundredths (.08) of an acre, more or less."; also,

That portion of said Railway Company's property in Government Lot 4, Section 18, Township 28 North, Range 6 East, W.M., Snohomish County, Washington, bounded Northeasterly and Southwesterly by two lines drawn parallel with and distant Southwesterly 150.0 feet and 183.0 feet, respectively, from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed and bounded Southeasterly and Northwesterly by two lines drawn parallel with and distant Northwesterly 25.0 feet and 50.0 feet, respectively, from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; also,

That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W. M., Snohomish County, Washington, bounded Northerly by the North line of said Section 19, and bounded Westerly by the West line of said Section 19; also,

That portion of said Railway Company's property in Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W. M., Snohomish County, Washington, bounded as follows: Westerly by a line parallel with and distant 50.0 feet Easterly from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; Northerly by the North line of said Section 19 and Easterly by the following described line:

Beginning at a point on a line parallel with and distant 50.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, opposite Station 512+68.45, said point of beginning being the point of a curve to the left having a radius of 621.20 feet; thence westerly, along the arc of said curve to the left and consuming a central angle of 90°57'06", an arc distance of 986.10 feet to the point of tangency of said curve, said point of tangency being 125 feet easterly, when measured at right angles from Station 1963+97.51 on said Railway Company's Branch Line Main Track centerline; thence southerly, along a line drawn parallel and/or concentric with and 125 feet easterly, when measured at right angles and/or radially, from said Branch Line Main Track centerline, to a point opposite Station 1956+00 on said Railway Company's Branch Line Main Track centerline; thence westerly, along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet; thence southerly, along a line drawn concentric with and 100 feet easterly, when measured radially, from the centerline of said Railway Company's Branch Line Main Track centerline, to a point opposite Station 1953+00 on the centerline of said Railway Company's Branch Line Main Track centerline; thence westerly along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet; thence southerly, along a line drawn concentric with and 75 feet easterly, when measured radially from said Railway Company's Branch Line Main Track centerline to the west line of said Section 19, also being the terminus of the herein described line.

EXCEPTING THEREFROM, a strip of land 30 feet wide, the center line of which is 435 feet north from and parallel with the East and West centerline of said Section 19, extending from the west line of said Section 19 to the East boundary of said hereinabove described tract; **ALSO EXCEPTING THEREFROM**, that portion of said hereinabove described tract lying northerly of a line parallel with

and distant 150.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, also,

That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½E½ Section 24, the E½NE¼ Section 25, all in Township 28 North, Range 5 East, W. M., bounded Northerly by the East line of said E½E½ Section 24, and bounded Southerly by the East line of said E½NE¼ Section 25; 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 Government Lots 1, 2, 3, 5, 6, of Section 30, Township 28 North, Range 6 East, W. M., bounded Westerly by the West lines of said Lots 1 an 2 and bounded Southerly by the South line of said Lot 5; also,

That portion of that certain 110.0 foot wide Branch Line right of way, being 60.0 feet Westerly and 50.0 feet Easterly of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 8 of Section 31, Township 28 North, Range 6 East, W. M., bounded Northerly and Southerly by the North and South lines of said Lot 8; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 3, the NE¼SW¼ and the SE¼NW¼, Section 31, Township 28 North, Range 6 East, W. M., bounded Northerly by the North line of said SE¼NW¼ Section 31, and bounded Southerly by the South line of said Government Lot 3 and its easterly prolongation; also,

That certain 2.0 acre tract of land described in deed dated April 13, 1918 from John S. Eby to the Northern Pacific Railway Company, recorded April 20, 1918 in Volume 180 of Deeds, Page 451, records of Snahomish County, Washington, said tract being described in said deed for reference as follows:

"That property of the grantor (being the north nine hundred forty-five and five tenths (945.5) feet, more or less, of the south eleven hundred forty-three and five tenths (1143.5) feet of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, west of the present right of way of said Railway Company lying between lines parallel with and distant respectively one hundred (100) and one hundred fifty (150) feet westerly from the center line of the present main track of said Railway Company, as the same is now constructed and operated over and across said section; also that portion of said N½ of SW¼ lying between lines parallel with and distant respectively one hundred fifty (150) and two hundred (200) feet westerly from said above named main track center line and between a line parallel with and distant one hundred ninety-eight (198) feet northerly from the south line of said government subdivision and a line drawn at right angles to said main track center line at a point distant twenty-one hundred thirty-four and eight tenths (2134.8) feet northerly from its point intersection with the south line of said section 31, containing in all two (2) acres, more or less."; also,

That certain 0.35 acre tract of land described in deed dated March 25, 1918 from John Grinier and Alice Grinier to the Northern Pacific Railway Company, recorded April 10, 1918 in Volume 180 of Deeds, Page 401, records of Snohomish County, Washington, said tract being described in said deed for reference as follows:

"A strip of land of the Westerly side of and adjacent to the present two hundred (200) foot right of way of said Railway Company in the south six (6) acres (or the south one hundred ninety-eight (198) feet more

or less, of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, said strip of land being more particularly described as follows:

"Beginning at a point on the south line of said N½ of SW ¼, one hundred (100) feet distant westerly, measured at right angles, from the present main track of said Railway Company, as the same is now, constructed and operated over and across said section; thence northerly on a line parallel with and one hundred (100) feet distant westerly from said center line to the north line of the property of said grantors (being the north line of the south 198 feet, more or less of the above named government subdivision); thence west along said north line to a point two hundred (200) feet distant westerly, measured at right angles, from said main track center line; thence southeasterly in a straight line to a point on the south line of said above named government subdivision fifty-five (55) feet west of the point of beginning; thence east to the point of beginning, containing thirty-five hundredths (35/100) acres, more or less."; also,

That certain tract of land described in deed dated December 15, 1937 from Ella L. Moulton to the Northern Pacific Railway Company recorded February 19, 1938 in Volume 238 of Deeds, Page 102, records of Snohomish County, Washington, said tract of land being descrbed in said deed for reference as follows:

"That portion of Tract No. 139 as shown on the official plat of CATHCART on file and of record in the office of the Auditor of said County situate within the south half of southwest quarter (S½ of SW¼) of section thirty-one (31) in township twenty-eight (28) north of range six (6) east of the Willamette Meridian, lying easterly of a line parallel with and distant fifty (50) feet westerly measured at right angles, from the center line of the present main track of the Northern Pacific Railway Company as the same is now constructed and operated over and across said section thirty-one."; 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 Government Lot 4 in Section 31, Township 28 North, Range 6 East, W. M., Government Lots 4, 5, 6 and 7 in Section 6, Government Lots 1, 2, 3, 4 and the SE¼SW¼ Section 7, Government Lots 2, 3, 4 and the E½NW¼ Section 18, Government Lots 1 and 2 Section 19, all in Township 27 North, Range 6 East, W. M., the E½E½NE¼ Section 12, and the SE¼NE¼ and the NE¼SE¼ Section 24, all in Township 27 North, Range 5 East, W. M., bounded Northerly by the North line of said Government Lot 4 in Section 31, and bounded Southerly the West line of said NE¼SE¼ Section 24; also

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SE¼ Section 24, Township 27 North, Range 5 East, W. M., bounded Easterly and Westerly by the East and West lines of said W½SE¼ Section 24, **EXCEPTING THEREFROM**, that portion of said 200.0 foot wide Station Ground property lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as now located and constructed; also

That portion of that certain 100.0 foot wide Maltby Station Ground property, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½SW¼ Section 24, Township 27 North, Range 5 East, W. M., bounded Northerly by the East line of said SW¼ Section 24 and bounded Southerly by the South Line of said SW¼ Section 24, **EXCEPTING THEREFROM**, that portion lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as originally located and constructed, bounded Northeasterly by the East line of said SW¼ Section 24, and bounded Southwesterly by the Easterly edge of the travelway of the Street connecting 91st Avenue SE with Yew

Way in the City of Maltby, Washington, as now located and constructed in a generally Southerly direction from 91st Avenue SE, and about 100 feet Southwesterly of the North-South quarter line of said Section 24, as measured along said Main Track centerline; also,

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼ Section 25, Township 27 North, Range 5 East, W. M., bounded Northerly and Southerly by the North and South lines of said NW¼ Section 25; 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 the NW¼NE¼SW¼ Section 25, Township 27 North, Range 5 East, W. M., bounded Northerly and Westerly by the North and West lines of said NW¼NE¼SW¼ Section 25; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼SW¼ Section 25, the NE¼SE¼ and the NE¼ Section 26, all in Township 27 North, Range 5 East, W. M., bounded on the East by the East line of said NW¼SW¼ Section 25, and bounded on the West by the West line of said NE¼ Section 26; 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 the SE¼NW¼ and the NW¼NE¼SW¼ Section 26, Township 27 North, Range 5 East, W. M., bounded Easterly by the East line of said SE¼NW¼ Section 26, and bounded Westerly by the West line of said NW¼NE¼SW¼ Section 26; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SW¼ Section 26, and the NW¼NW¼ Section 35, all in Township 27 North, Range 5 East, W. M., bounded on the East by the East line of said W½SW¼ Section 26, and bounded on the South by the South line of said NW¼NW¼ Section 35, **EXCEPTING THEREFROM**, that portion lying Westerly of a line parallel and/or concentric with and distant 50.0 feet Westerly from, measured at right angles and/or radially to said Railway Company's Main Track centerline as originally located and constructed, bounded on the North by the North line of said Section 35, and bounded on the South by a line radial to said Main Track centerline at a point 530.0 feet South of the North line of said Section 35, as measured along said Main Track centerline; 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 the SW¼NW¼ Section 35, the SE¼SE¼NE¼ and the NE¼SE¼ Section 34, all in Township 27 North, Range 5 East, W. M., bounded on the North by the North line of said SW¼NW¼ Section 35, and bounded on the South by the South line of said NE¼SE¼ Section 34; also,

That portion of that certain 50.0 foot wide Branch Line right of way, being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the SE¼SE¼ Section 34, Township 27 North, Range 5 East, W. M., bounded on the North by the North line of said SE¼SE¼ Section 34, and bounded on the South by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline; 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 the S½SE¼ and the SE¼SW¼ Section 34, Township 27 North, Range 5 East, W. M., bounded on the North by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline, and bounded on the South by the South line of said Section 34, said line also being the South line of Snohomish County Washington.

KING COUNTY

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 S½N½, and the E½SW¼ Section 3, the NW¼ 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 NW¼ 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 E½SW¼ 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, Township 26 North, Range 5 East, W. M., bounded on the East by the East line of said 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 a distance of 400 feet, more or less, to a point in the southeasterly line of the present right of way of the Northern Pacific Railway, thence southwesterly along said right of way line to point of beginning; containing 0.32 acres, more or less."

A 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 Dees, 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 records of King County, Washington, said 100 foot wide strip being described as follows:

That certain 0.03 acre triangular tract of land described in deed dated 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 of 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 to Deed for Freight Portion

COVENANTS

Section 6. Condition of Property.

(a) Port and County have been, or by Closing will have been, allowed to make an inspection of the Property. Subject to BNSF's express representations, warranties and obligations under this Agreement and the Deed, **PORT AND COUNTY ARE PURCHASING THEIR INTERESTS IN THE PROPERTY IN AN "AS-IS WITH ALL FAULTS" BASIS WITH ANY AND ALL PATENT AND LATENT DEFECTS, ARE NOT RELYING ON, AND HEREBY WAIVE ANY WARRANTY OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER REPRESENTATION OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER FROM BNSF 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 (defined below) or other laws, statutes, ordinances, decrees, regulations and other requirements applicable to the Property; the presence of any Hazardous Substances (defined 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 permits, orders, or other agreements, affecting the Property (collectively, the "**Condition of the Property**").

(b) Port and County individually represent and warrant for itself to BNSF that except for BNSF's express representations, warranties and obligations under this Agreement and the Deed, Port and County each has not relied and will not rely on, and BNSF 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 BNSF, the manager of the Property, or any real estate broker or agent representing or purporting to represent BNSF, to whomever made or given, directly or indirectly, orally or in writing.

(c) Subject to BNSF's express representations, warranties and obligations under this Agreement and the Deed Port and County assume the risk that Hazardous Substances or other adverse matters may affect the Property that were not revealed by Port's or County's inspection and except to the extent of BNSF's express representations, warranties and obligations under this Agreement and the Deed, Port and County each waives, releases and discharges forever BNSF and BNSF's officers, directors, shareholders, employees and agents (collectively, "**BNSF Parties**") from any and all present or future claims or demands, and any and all damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "**Losses**"), which Port or County might have asserted or alleged against BNSF Parties arising from or in any way related to the Condition of the Property or 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 transfer. 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. 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.

BNSF, Port and County acknowledge that the compensation to be paid to BNSF for the Property reflects that the Property is being conveyed subject to the provisions of this Section 6 which provisions shall be included in the deed and which shall be covenants running with the Land.

Section 7. Environmental Obligations.

(a) Consistent with Section 4.2 of this Agreement, if, prior to the expiration of the Review Period, the Port or County notifies BNSF in writing of an existing condition affecting the Property (an "**Identified Condition**") that is unacceptable to the Port or County, as determined by the Port and County in their respective sole and absolute discretion, and BNSF does not verify in writing by the earlier of: (i) fifteen (15) business days thereafter or the end of the Review Period, that such Condition is a condition that BNSF is obligated to Cure in a manner acceptable to the identifying Party pursuant to this Section 7, then the Port or County may terminate this Agreement and the South Agreement together, by written notice to BNSF in accordance with the provisions of Section 4.2 of this Agreement. If the Port or County timely notifies BNSF in writing of an Identified Condition, the Port, County and BNSF shall negotiate diligently and in good faith to reach agreement on Curing such condition. If the portion of the Property affected by an Identified Condition can be excluded from the sale without materially interfering with Port's and County's future use of the Property, as determined by the Port and County (as applicable) in their respective sole and absolute discretion, then BNSF may affect Cure prior to Closing by excluding such affected portion of the Property without any price adjustment and to the extent so excluded BNSF shall have satisfied its obligations under this Agreement to Cure the portion of the Property so excluded, provided, however, that any such Cure by exclusion must first be agreed to in writing by the Port (and County, if it relates to the Railbanked Portion.) If Port and County do not terminate this Agreement under Sections 4.2 and 7(a) and proceed to Closing, they shall not be deemed to have waived or released BNSF from any obligations to Cure set forth in Section 7(c), below.

(b) BNSF shall be responsible to investigate, remediate, respond to or otherwise cure (collectively, "**Cure**") as and when required by and in accordance with Environmental Laws any Identified Condition that concerns a release of Hazardous Substances on the Property occurring prior to the Closing or a violation of Environmental Laws concerning the Property occurring prior to the Closing to the extent that BNSF has agreed to Cure, and to the standards that BNSF has agreed to satisfy, in writing prior to the expiration of the Review Period. Notwithstanding the preceding sentence, BNSF shall not be responsible to Cure any such Identified Conditions to the extent Port or County or their respective agents, or contractors materially exacerbate such Identified Condition during construction performed by or for Port or County, excluding superficial or *de minimis* activity performed by Port or County. Further, BNSF shall not be responsible to Cure any Identified Condition that was not caused by BNSF or its agents, contractors or invitees. Port and County shall cooperate with BNFS in its efforts to Cure any Identified Condition concerning a release of Hazardous Substances on the Property.

(c) (i) For Hazardous Substances released on the Property that BNSF has not agreed to

Cure prior to Closing, whether or not BNSF has been notified under Section 7 (a) that such releases are an Identified Condition, BNSF shall pay to the Port or County the costs to investigate, remediate, respond to or otherwise cure (collectively "**Remediate**" or "**Remediation**") any such Hazardous Substance releases, or any violation of Environmental Laws prior to Closing, to the extent occurring as a result of the operations of BNSF or its corporate predecessors, or the agents, employees, invitees or contractors of BNSF or its corporate predecessors. BNSF shall pay to the Port or County such costs to Remediate as and when required by and in accordance with Environmental Laws to standards for the Property that the applicable regulatory agency would apply had the Property continued to be used as a freight railroad, and to standards for other affected properties that the applicable regulatory agency would apply for such properties. BNSF shall not be responsible for (1) any costs of Remediation to the extent the Port or County or their respective agents, contractors or invitees materially exacerbate the released Hazardous Substances during construction performed by or for Port or County (excluding superficial or *de minimis* activity performed by Port or County), or (2) any duplication of efforts by County or Port or their respective agents, contractors or invitees.

(ii) As among BNSF, Port and County, any Remediation for which this Section 7(c) applies would be carried out by the Port or County. BNSF shall cooperate with such Remediation.

(iii) The obligations of BNSF under this Section 7(c) apply only to Remediation ordered or approved by the applicable regulatory agency, provided that for Remediation approved by the applicable regulatory agency BNSF shall have agreed in writing to the Remediation prior to such approval, which agreement by BNSF shall not be unreasonably withheld, conditioned or delayed. The obligations of BNSF, Port and County under this Section 7(c) also apply regardless of which entity is issued an order by the applicable regulatory agency.

(d) Other than BNSF's obligations under this Section 7, as among BNSF, Port and County, Port and County will be responsible for the all other costs of Remediation of Hazardous Substances released on or from the Property or violations of Environmental Laws.

(e) The Section 7 obligations running from BNSF to the Port and County, and the Section 7 rights running to BNSF from the Port and the County, will be allocated as between the Port and County in the manner separately agreed to by the Port and the County.

(f) The provisions of this Section 7 shall be included in the Deed and shall run with the land.

Railbanking Requirements in Event of Abandonment. If the holder of the reserved freight easement or its successor, assignee or designee or other entity carrying out common carrier freight service on the Property (each an "Abandonment Applicant") elects to seek authority from the Surface Transportation Board or any successor agency to abandon or discontinue its freight common carrier obligation over some or all of the Property, then such Abandonment Applicant shall consent to a request by any or each of County, the Port, the Central Puget Sound Regional Transit Authority or the successor or designee of any of them (each a "Trail Use Applicant") for the implementation of interim trail use in accordance with Section 8(d) of the National Trails System Act, codified at 16 U.S.C. 1247(d), and 49 C.F.R. 1152.29, as such provisions may be amended or interpreted by binding judicial or administrative authority ("Railbanking Laws"), provided the Trail Use Applicant meets all requirements of the Railbanking Laws, including that the Trail Use Applicant agrees to a trail use agreement as required by the Railbanking Laws. The Abandonment Applicant shall cooperate with any or each Trail Use Applicant in any application for authority to implement interim trail use over all or any portion of the Property on which the Abandonment Applicant seeks authority to abandon or discontinue its freight common carrier obligation. If the holder of the reserved freight easement or its successor, assignee or designee or other entity carrying out common carrier freight service on the Property ceases operations but fails within a reasonable

period of time to (a) seek abandonment authority, and (b) respond to inquiries from any potential Trail Use Applicant as to the status of its operations, any Trail Use Applicant may elect to seek authority from the Surface Transportation Board or any successor agency for a third-party abandonment and interim trail use over some or all of the Property on which operations have ceased. The holder of the freight easement or its successor, assignee or designee or other entity carrying out common carrier freight service on the Property shall not oppose any such action by a Trail Use Applicant if the holder has ceased operations.

UNOFFICIAL DOCUMENT

EXHIBIT 12

Quit Claim Deed – Ptn BNSF Railway Company's Snohomish to Woodinville, Washington
Branch Line right-of-way lying within Snohomish County
Port of Seattle to Snohomish County, dated March 17, 2016
Bill of Sale, dated 3/24/2016

TR 005.000 CL

1098613

Return Address:

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

201603250418 11 PGS
03/25/2016 2:36pm $83.00
SNOHOMISH COUNTY, WASHINGTON

No. 8644761 3/25/2016 2:22 PM 10.00
Thank you for your payment.
PAT

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

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

Snohomish County: Ptn BNSF Railway Company's Snohomish to Woodinville, Washington Branch Line right-of-way lying within the following:
SW ¼ Sec.18,T28N,R.6E; LOT 4 & 5, BLK 2, Snohomish City Eastern Part, VOL 1 PG 7; GOVT LOT 1 & 2, & NW ¼ SEC19,T28N,R6E; NE ¼ & SE ¼ SEC24,T28N,R5E; NE ¼ SEC25,T28N,R5E; GOVT LOT 1, 2, 3, 5 & 6 SEC30, T28N,R6E; GOVT LOT 3, 4, 8 & SW ¼ & NW ¼ SEC31,T28N,R6E; PTN TR 139 Plat of Cathcart; GOVT LOT 4, 5, 6 & 7 SEC6,T27N,R6E; GOVT LOT 1, 2, 3, & 4 & SW ¼ of SEC7,T27N,R6E; NE ¼ of SEC12,T27N,R5E; GOVT LOT 2, 3 & 4 & NW ¼ of SEC18,T27N,R6E; GOVT LOT 1 & 2 SEC19,T27N,R6E; NE ¼, SW ¼, & SE ¼ of SEC24,T27N,R5E; NW ¼ & SW ¼, SEC25,T27N,R5E; SEC26,T27N,R5E; NW ¼ of SEC35,T27N,R5E; NE ¼, SE ¼, SW ¼ SEC 34,T27N,R5E.

Assessor's Property Tax Parcel/Account Number
0000000000100

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, SNOHOMISH COUNTY, a political subdivision of the State of Washington, certain real property located in Snohomish County, Washington, as more fully described on Exhibit A (the "Property"), subject to matters of record, and together with any interest therein which the Grantor may hereafter acquire.

DATED March 17, 2016.

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

By Theodore J. Fick
Name: Theodore J. Fick
Title: Chief Executive Officer

SNOHOMISH COUNTY:
ACCEPTED AND APPROVED

3/24/16
Snohomish County Executive

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

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 17th day of March, 2016, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Theodore J. Fick, to me known to be the person who signed as Chief Executive Officer 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 he was duly ~~elected~~, qualified and acting as said officer or member of the municipal corporation, and that he 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.

CARLENE TUDOR LEE NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 9-30-19

Carlene Tudor Lee
(Signature of Notary)

Carlene Tudor Lee
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Washington, residing at Seattle.
My appointment expires: 9-30-19.

EXHIBIT A
SNOHOMISH COUNTY

DESCRIPTION OF PROPERTY

All that portion of BNSF Railway Company's (formerly Northern Pacific Railway Company) City of Snohomish *(MP 38.3)* to Snohomish County King County line *(MP 26.384)*, 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 Snohomish County, Washington, more particularly described as follows, to-wit

That portion of that certain 60.0 foot wide Branch Line right of way being 30.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across State Street, as said street is shown on plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor, lying southerly of the Easterly prolongation of the centerline of vacated Commercial Street, as said Commercial Street is shown on said plat; also,

That portion of the Southerly half of vacated Commercial Street as said street is shown on the plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor, vacated by ordinance No. 354 of the City of Snohomish, State of Washington, passed May 16, 1911, described as follows:

Beginning at the northeast corner of Lot *5*, Block 2 of said plat of Snohomish City Eastern Part, thence Westerly, along the northerly line of said Lot 5, a distance of 20 feet, more or less, to a point 50 feet distant westerly, when measured at right angles from the centerline of State Street, as said State Street is shown on said plat; thence Northerly, along a line 50 feet westerly from the center line of said State Street, 30 feet, more or less to the centerline of said Commercial Street; thence Easterly, along said centerline of Commercial Street, 20 feet, more or less to the northerly prolongation of the east line of said Lot 5, thence Southerly, along said northerly prolongation, 30 feet, more or less, to Point of Beginning; also,

Lots 4 and 5, of Block 2 as shown on plat of Snohomish City Eastern Part, recorded as Instrument No 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor; also,

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by the Southwesterly Bank of the Snohomish River, and bounded Southwesterly by a line parallel with and distant 50.0 feet Northeasterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, together with all right, title and interest if any, to accommodate said railway company's facilities and operations over and across the Snohomish River; also,

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by a line parallel with and distant 150.0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, and bounded Southerly by the Southerly line of said Government Lot 4; also,

A triangular shaped tract of land being that portion of Government Lot 4, Section 18, Township 28 North, Range 6 East, W.M., bounded Northeasterly by a line parallel with and distant 150.0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, bounded Northwesterly by a line parallel with and distant 25 feet Easterly from, measured at right angles to said Railway Company's Branch Line right of way Main Track centerline as originally located and constructed and bounded Southerly by the Southerly line of said Government Lot 4; also,

That certain 0.11 acre strip of land described in deed dated September 9, 1903 from J. H. Shadinger and Hattie E. Shadinger to Northern Pacific Railway Company recorded September 19 in Book 80, Page 296, records of Snohomish County, Washington, said 0.11 acre strip of land being described in said deed for reference as follows:

"A strip of land eighty (80) feet in width across that certain thirty-three (33) foot strip of land in Lot four (4), Section eighteen (18), Township twenty-eight (28) north, Range six (6) east, W.M., which lies immediately south of, parallel with and contiguous to the right of way of the Great Northern Railway Company across said subdivision, said eighty (80) foot strip of land having for its east and west boundaries two lines that are parallel with and respectively distant twenty-six (26) feet on the northeasterly side and fifty-four (54) feet on the southwesterly side of the center line of the proposed track which is to connect the Great Northern Railway with the Northern Pacific Railway as the same is located, staked and constructed over and across said subdivision, containing 0.11 acres, more or less"; also,

That certain 1.94 acre strip of land described in deed dated September 9, 1903 from Kate G. Ford, D. A. Ford, Ruth S. Ford and D. A. Ford as sole executor to Northern Pacific Railway Company recorded September 19 in Book 80, Page 298, records of Snohomish County, Washington, said 1.94 acre strip of land being described in said deed for reference as follows:

"All that portion of Lot four (4), Section eighteen (18) and of Lot one (1) (or the northwest quarter of the northwest quarter) of Section nineteen (19), Township twenty-eight (28) north, Range six (6) east, W. M., lying westerly of the Northern Pacific Railway Company's right of way and southerly of a line drawn parallel with and thirty-three (33) feet distant southerly from the south line of the Great Northern Railway Company's right of way and between lines drawn parallel with and respectively distant twenty-six (26) feet easterly from and fifty-four (54) feet westerly from the centerline of the proposed track which is to connect the Northern Pacific Railway with the Great

Northern Railway as the same is now located, staked out and to be constructed over and across said premises, said strip of land containing 1.94 acres, more or less"; also,

That certain 0.08 acre strip of land described in deed dated April 25, 1908 from Robert Henry and Margaret R. Henry to Northern Pacific Railway Company recorded June 1, 1908 in Book 110 of Deeds, Page 509, records of the County Auditor, Snohomish County, Washington, said 0.08 acre strip of land being described in said deed for reference as follows:

"A strip of land thirty (30) feet wide described as follows: Beginning at a point on the section line between Sections 18 and 19, Township 28 North, Range 6 East, Willamette Meridian, fifty-five (55) feet distant measured at right angles from the center line of the main track of the said Railway Company as the same is now located, constructed, maintained and operated through said sections; thence northeasterly on a line parallel with and fifty-five (55) feet distant from said center line one hundred ten (110) feet, more or less, to the south line of the Tacoma Power Company's right of way, thence southeasterly along the south line of said Tacoma Power Company's right of way thirty (30) feet to the westerly line of the present right of way of said Northern Pacific Railway Company, which line at that point is twenty-five (25) feet from the center line of the main track of said Railway Company, thence southwesterly along said westerly line of the right of way one hundred ten (110) feet, more or less, to the point where said right of way widens to fifty (50) feet on each side of said center line; thence westerly twenty-five (25) feet to point of intersection with the above described section line, thence west along said section line five (5) feet, more or less, to place of beginning, said strip being situated in Lot four (4) Section eighteen (18) and Lot one (1) Section nineteen (19) all in Township twenty-eight (28) North, Range six (6) East, Willamette Meridian and containing eight hundredths (0.08) of an acre, more or less."; also,

That portion of said Railway Company's property in Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., Snohomish County, Washington, bounded Northeasterly and Southwesterly by two lines drawn parallel with and distant Southwesterly 150.0 feet and 183.0 feet, respectively, from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed and bounded Southeasterly and Northwesterly by two lines drawn parallel with and distant Northwesterly 25.0 feet and 50.0 feet, respectively, from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; also,

That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County. Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W. M., Snohomish County, Washington, bounded Northerly by the North line of said Section 19, and bounded Westerly by the West line of said Section 19; also,

That portion of said Railway Company's property in Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W. M., Snohomish County, Washington, bounded as follows: Westerly by a line parallel with and distant 50.0 feet Easterly from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed;

Northerly by the North line of said Section 19 and Easterly by the following described line:

Beginning at a point on a line parallel with and distant 50.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to

Spokane Main Track centerline, as originally located and constructed, opposite Station 512+68.45, said point of beginning being the point of a curve to the left having a radius of 621.20 feet; thence westerly, along the arc of said curve to the left and consuming a central angle of 90°57'06", an arc distance of 986.10 feet to the point of tangency of said curve, said point of tangency being 125 feet easterly, when measured at right angles from Station 1963+97.51 on said Railway Company's Branch Line Main Track centerline; thence southerly, along a line drawn parallel and/or concentric with and 125 feet easterly, when measured at right angles and/or radially, from said Branch Line Main Track centerline, to a point opposite Station 1956+00 on said Railway Company's Branch Line Main Track centerline, thence westerly, along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet; thence southerly, along a line drawn concentric with and 100 feet easterly, when measured radially, from the centerline of said Railway Company's Branch Line Main Track centerline, to a point opposite Station 1953+00 on the centerline of said Railway Company's Branch Line Main Track centerline; thence westerly along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet, thence southerly, along a line drawn concentric with and 75 feet easterly, when measured radially from said Railway Company's Branch Line Main Track centerline to the west line of said Section 19, also being the terminus of the herein described line.

EXCEPTING THEREFROM, a strip of land 30 feet wide, the center line of which is 435 feet north from and parallel with the East and West centerline of said Section 19, extending from the west line of said Section 19 to the East boundary of said hereinabove described tract; **ALSO EXCEPTING THEREFROM,** that portion of said hereinabove described tract lying northerly of a line parallel with and distant 150.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed; also,

That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E1/2E1/2 Section 24, the E1/2NE1/4 Section 25, all in Township 28 North, Range 5 East, W. M., bounded Northerly by the East line of said E1/2E1/2 Section 24, and bounded Southerly by the East line of said E1/2NE1/4 Section 25; 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 Government Lots 1, 2, 3, 5, 6, of Section 30, Township 28 North, Range 6 East, W. M., bounded Westerly by the West lines of said Lots 1 and 2 and bounded Southerly by the South line of said Lot 5; also,

That portion of that certain 110.0 foot wide Branch Line right of way, being 60.0 feet Westerly and 50.0 feet Easterly of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 8 of Section 31, Township 28 North, Range 6 East, W. M., bounded Northerly and Southerly by the North and South lines of said Lot 8; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 3, the NE¼SW¼ and the SE¼NW¼, Section 31, Township 28 North, Range 6 East, W. M., bounded Northerly by the North line of said SE¼NW¼ Section 31, and bounded Southerly by the South line of said Government Lot 3 and its easterly prolongation; also,

That certain 2.0 acre tract of land described in deed dated April 13, 1918 from John S. Eby to the Northern Pacific Railway Company, recorded April 20, 1918 in Volume 180 of Deeds, Page 451, records of Snohomish County, Washington, said tract being described in said deed for reference as follows:

"That property of the grantor (being the north nine hundred forty-five and five tenths (945.5) feet, more or less, of the south eleven hundred forty-three and five tenths (1143.5) feet of the north-half of the southwest quarter (N ½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) North, Range six (6) East of the Willamette Meridian, west of the present right of way of said Railway Company lying between lines parallel with and distant respectively one hundred (100) and one hundred fifty (150) feet westerly from the center line of the present main track of said Railway Company, as the same is now constructed and operated over and across said section, also that portion of said N ½ of SW ¼ lying between lines parallel with and distant respectively one hundred fifty (150) and two hundred (200) feet westerly from said above named main track center line and between a line parallel with and distant one hundred ninety-eight (198) feet northerly from the south line of said government subdivision and a line drawn at right angles to said main track center line at a point distant twenty-one hundred thirty-four and eight tenths (2134.8) feet northerly from its point intersection with the south line of said section 31, containing in all two (2) acres, more or less"; also,

That certain 0.35 acre tract of land described in deed dated March 25, 1918 from John Grinier and Alice Grinier to the Northern Pacific Railway Company, recorded April 10, 1918 in Volume 180 of Deeds, Page 401, records of Snohomish County, Washington, said tract being described in said deed for reference as follows:

"A strip of land of the Westerly side of and adjacent to the present two hundred (200) foot right of way of said Railway Company in the south six (6) acres (or the south one hundred ninety-eight (198) feet more or less, of the north-half of the southwest quarter (N½ of SW¼) of section thirty-one (31) in Township twenty-eight (28) North, Range six (6) East of the Willamette Meridian, said strip of land being more particularly described as follows:

"Beginning at a point on the south line of said N ½ of SW ¼, one hundred (100) feet distant westerly, measured at right angles, from the present main track of said Railway Company, as the same is now, constructed and operated over and across said section; thence northerly on a line parallel with and one hundred (100) feet distant westerly from said center line to the north line of the property of

said grantors (being the north line of the south 198 feet, more or less of the above named government subdivision); thence west along said north line to a point two hundred (200) feet distant westerly, measured at right angles, from said main track center line; thence southeasterly in a straight line to a point on the south line of said above named government subdivision fifty-five (55) feet west of the point of beginning; thence east to the point of beginning, containing thirty-five hundredths (35/100) acres, more or less"; also,

That certain tract of land described in deed dated December 15, 1937 from Ella L. Moulton to the Northern Pacific Railway Company recorded February 19, 1938 in Volume 238 of Deeds, Page 102, records of Snohomish County, Washington, said tract of land being described in said deed for reference as follows:

"That portion of Tract No 139 as shown on the official plat of CATHCART on file and of record in the office of the Auditor of said County situate within the south half of southwest quarter (S½ of SW¼) of Section thirty-one (31) in Township twenty-eight (28) North, Range six (6) East of the Willamette Meridian, lying easterly of a line parallel with and distant fifty (50) feet westerly measured at right angles, from the center line of the present main track of the Northern Pacific Railway Company as the same is now constructed and operated over and across said section thirty-one"; 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 Government Lot 4 in Section 31, Township 28 North, Range 6 East, W M, Government Lots 4, 5, 6 and 7 in Section 6, Government Lots 1, 2, 3, 4 and the SE¼SW¼ Section 7, Government Lots 2, 3, 4 and the E½NW¼ Section 18, Government Lots 1 and 2 Section 19, all in Township 27 North, Range 6 East, W. M., the E½E½NE¼ Section 12, and the SE¼NE¼ and the NE¼SE¼ Section 24, all in Township 27 North, Range 5 East, W. M., bounded Northerly by the North line of said Government Lot 4 in Section 31, and bounded Southerly the West line of said NE¼SE¼ Section 24; also,

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SE¼ Section 24, Township 27 North, Range 5 East, W M, bounded Easterly and Westerly by the East and West lines of said W½SE¼ Section 24, **EXCEPTING THEREFROM**, that portion of said 200.0 foot wide Station Ground property lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as now located and constructed; also,

That portion of that certain 100.0 foot wide Maltby Station Ground property, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½SW¼ Section 24, Township 27 North, Range 5 East, W. M., bounded Northerly by the East line of said SW¼ Section 24 and bounded Southerly by the South Line of said SW¼ Section 24, **EXCEPTING THEREFROM**, that portion lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as originally located and constructed, bounded Northeasterly by the East line of said SW¼ Section 24, and bounded Southwesterly by the Easterly edge of the travelway of the Street connecting

91st Avenue SE with Yew Way in the City of Maltby, Washington, as now located and constructed in a generally Southerly direction from 91st Avenue SE, and about 100 feet Southwesterly of the North-South quarter line of said Section 24, as measured along said Main Track centerline; also,

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼ Section 25, Township 27 North, Range 5 East, W. M., bounded Northerly and Southerly by the North and South lines of said NW¼ Section 25; 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 the NW¼NE¼SW¼ Section 25, Township 27 North, Range 5 East, W. M., bounded Northerly and Westerly by the North and West lines of said NW¼NE¼SW¼ Section 25; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼SW¼ Section 25, the NE¼SE¼ and the NE ¼ Section 26, all in Township 27 North, Range 5 East, W. M., bounded on the East by the East line of said NW¼SW¼ Section 25, and bounded on the West by the West line of said NE¼ Section 26; 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 the SE¼NW¼ and the NE¼SW¼ Section 26, Township 27 North, Range 5 East, W. M., bounded Easterly by the East line of said SE¼NW¼ Section 26, and bounded Westerly by the West Line of said NE ¼SW ¼ Section 26; also,

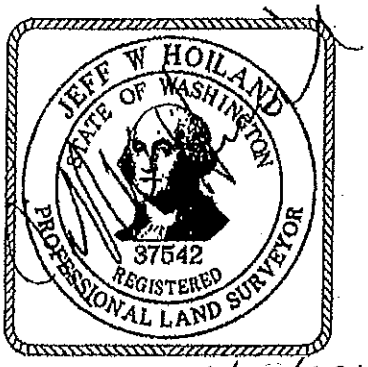
That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SW¼ Section 26, and the NW¼NW¼ Section 35, all in Township 27 North, Range 5 East, W.M.; bounded on the East by the East line of said W½SW¼ Section 26, and bounded on the South by the South line of said NW¼NW¼ Section 35; **EXCEPTING THEREFROM**, that portion lying Westerly of a line parallel and/or concentric with and distant 50.0 feet Westerly from, measured at right angles and/or radially to said Railway Company's Main Track centerline as originally located and constructed, bounded on the North by the North line of said Section 35, and bounded on the South by a line radial to said Main Track centerline at a point 530.0 feet South of the North line of said Section 35, as measured along said Main Track centerline; 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 the SW¼NW¼ Section 35, the SE¼SE¼NE¼ and the NE¼SE¼ Section 34, all in Township 27 North, Range 5 East, W.M., bounded on the North by the North line of said SW¼NW¼ Section 35, and bounded on the South by the South line of said NE¼SE¼ Section 34; also,

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the

SE¼SE¼ Section 34, Township 27 North, Range 5 East, W.M., bounded on the North by the North line of said SE¼SE¼ Section 34, and bounded on the South by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline; 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 the S½SE¼ and the SE¼SW¼ Section 34, Township 27 North, Range 5 East, W.M., bounded on the North by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline, and bounded on the South by the South line of said Section 34, said line also being the South line of Snohomish County Washington.



2/25/2016

BILL OF SALE

THIS BILL OF SALE is made this 24th day of March, 2016, by and between the Port of Seattle, a municipal corporation of the State of Washington (the "Port") and Snohomish County, a political subdivision of the State of Washington (the "County").

A. The Port and the County have entered into that certain Real Estate and Purchase and Sale Agreement dated March 8, 2016 (the "Agreement"), pursuant to which the Port has agreed to convey and quitclaim to the County and the County has agreed to accept certain real property located in Snohomish County, Washington, as more particularly described in the Agreement (the "Property").

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

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

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

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

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

IN WITNESS WHEREOF, the Port and the County 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

By Theodore J. Fick
Name: Theodore J. Fick
Title: Chief Executive Officer

COUNTY:

Snohomish County, a political subdivision of the State of Washington

By Marcie Isenberg 3/24/16
Name: Marcie Isenberg
Title: Deputy County Executive

EXHIBIT 13

Seventh Amendment to Purchase and Sale Agreement, made 17 December 2009
between BNSF Railway Company, the Port of Seattle and King County

SEVENTH AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS SEVENTH AMENDMENT TO PURCHASE AND SALE AGREEMENT is made and entered into as of this 17 day of December, 2009, by and between BNSF RAILWAY COMPANY ("BNSF"), the PORT OF SEATTLE, a municipal corporation of the State of Washington ("Port") and KING COUNTY, a political subdivision of the State of Washington ("County").

RECITALS

A. On May 12, 2008, BNSF, the Port and the County entered into: (i) a Purchase and Sale Agreement, as amended, ("North Agreement") whereby the Port agreed to acquire portions of BNSF's property known as the Woodinville Subdivision ("Subdivision"); and (ii) a Donation Agreement, as amended, whereby BNSF agreed to donate to the Port other portions of the Subdivision. The County desires to use the Railbanked Portion of the Subdivision for public trail and other transportation purposes. At Closing, the Port will grant the County a Public Multipurpose Easement for the County's use of the Railbanked and Wilburton Portions of the Subdivision.

B. At the Port's request and pursuant to the First, Second, Third, Fourth, Fifth and Sixth Amendments to Purchase and Sale Agreement and the First, Second, Third, Fourth, Fifth and Sixth Amendments to Donation Agreement, the parties previously extended the Closing Date of the North Agreement and of the Donation Agreement to March 31, 2009, June 30, 2009, July 8, 2009, July 15, 2009, July 22, 2009 and December 15, 2009 respectively.

NOW, THEREFORE, in consideration of their mutual promises, the parties hereby agree as follows:

1. The definition of Closing Date in Section 1.1 of the North Agreement is amended to read as follows:

Closing Date shall be December 18, 2009.

2. The first paragraph of Section 2 of the North Agreement is amended to read as follows:

BNSF agrees to sell to Port, and Port agrees to purchase from BNSF, the Property. Port shall pay to BNSF $81,449,000 (EIGHTY ONE MILLION FOUR HUNDRED AND FOURTY-NINE THOUSAND DOLLARS) (the "Purchase Price"). The Purchase Price shall be paid as follows:

3. Section 3.4 of the North Agreement is amended by replacing the sum of $2,000,000 with the sum of $1,450,000.

4. The first sentence of Section 8.1(b) of the North Agreement is amended to read as follows:

> BNSF will assign and transfer the retained Freight Easement to the TPO selected by BNSF at the Port's request and approved by the Port ("**Freight Easement Designee**") and named in the Freight Easement Sale Agreement at such time on or after Closing when the Freight Easement Designee: is ready to accept such assignment and transfer and assume the common carrier obligation on the Freight Portion; *provided,* if the Freight Easement Designee is not prepared to accept such assignment and transfer then BNSF shall continue to perform its common carrier obligations until such time as a new Freight Easement Designee is chosen in the manner as set forth in this Agreement or BNSF has obtained discontinuance or abandonment authority with respect to the common carrier obligation on the Freight Portion. Until a new Freight Easement Designee is so chosen or discontinuance or abandonment authority is obtained, no passenger rail or pedestrian, bike or other recreational uses will be allowed on the Freight Portion.

5. The first sentence of Section 8.2(c) of the North Agreement is deleted.

6. Section 14 of the North Agreement is amended by adding the following Section 14.18:

> After deducting costs to bring the Freight Portion to a marketable condition, including any costs associated with Surface Transportation Board requirements, the Port, its successors or assigns shall pay to BNSF one-half not to exceed 25 MILLION DOLLARS, of all consideration received by Port or its successors and assigns for conveyance or grant of any interest in, or right to use or occupy, any portion of the Freight Portion (described in Exhibit A to the Deed for Freight Portion) other than for conveyances or grants (a) arising out of the currently pending regional sale process by which the Port will convey certain interests in the corridor to a number of public and private stakeholders as memorialized in the Memorandum of Agreement dated November 5, 2009, for the purpose of recouping a portion of the Port's investment in the Freight Portion, or (b) for purposes of pedestrian or other recreational trail uses. Such amounts shall be paid within 30 days after receipt by the Port of consideration for such conveyance or grant and shall bear interest at a rate equal to 10 percent per annum until paid.

7. Exhibit B-1, the Form of Deed for Freight Portion shall be modified at Closing to incorporate the following covenant, which shall run with the land and be enforceable by the parties identified herein, and to which the exclusive easement for freight rail purposes shall be subject:

Railbanking Requirements in Event of Abandonment. If the holder of the reserved freight easement or its successor, assignee or designee or other entity carrying out common carrier freight service on the Property (each an "Abandonment Applicant") elects to seek authority from the Surface Transportation Board or any successor agency to abandon or discontinue its freight common carrier obligation over some or all of the Property, then such Abandonment Applicant shall consent to a request by any or each of County, the Port, the Central Puget Sound Regional Transit Authority or the successor or designee of any of them (each a "Trail Use Applicant") for the implementation of interim trail use in accordance with Section 8(d) of the National Trails System Act, codified at 16 U.S.C. 1247(d), and 49 C.F.R. 1152.29, as such provisions may be amended or interpreted by binding judicial or administrative authority ("Railbanking Laws"), provided the Trail Use Applicant meets all requirements of the Railbanking Laws, including that the Trail Use Applicant agrees to a trail use agreement as required by the Railbanking Laws. The Abandonment Applicant shall cooperate with any or each Trail Use Applicant in any application for authority to implement interim trail use over all or any portion of the Property on which the Abandonment Applicant seeks authority to abandon or discontinue its freight common carrier obligation. If the holder of the reserved freight easement or its successor, assignee or designee or other entity carrying out common carrier freight service on the Property ceases operations but fails within a reasonable period of time to (a) seek abandonment authority, and (b) respond to inquiries from any potential Trail Use Applicant as to the status of its operations, any Trail Use Applicant may elect to seek authority from the Surface Transportation Board or any successor agency for a third-party abandonment and interim trail use over some or all of the Property on which operations have ceased. The holder of the freight easement or its successor, assignee or designee or other entity carrying out common carrier freight service on the Property shall not oppose any such action by a Trail Use Applicant if the holder has ceased operations.

8. Section 14 of the North Agreement is further amended by adding the following as Section 14.19:

14.19 Port and its successors and assigns agree:

As to the Redmond Spur:

(a) Prior to beginning salvage activities,

(i) To consult with Washington Department of Ecology ("WDE") regarding possible impacts of abandonment activities on wetlands located along the line and to ensure compliance with the Clean Water Act's National Pollution Discharge Elimination System ("NPDES") permitting requirements, and

(ii) To consult with the Army Corps of Engineers ("Corps") regarding possible impacts of abandonment activities to water bodies and wetlands, and to ensure compliance with Corps permitting requirements; and

(b) In the event that any unanticipated archaeological sites, human remains, funerary items or associated artifacts are discovered during salvage activities, Port shall immediately cease all work and notify the STB's Section of Environmental Analysis ("SEA"), interested Federally recognized tribes and the Washington State Historic Preservation Officer ("SHPO"), pursuant to 36 CFR 800.13(b). SEA shall then consult with the SHPO, interested Federally recognized tribes, Port, and any other consulting parties, if any, to determine whether appropriate mitigation measures are necessary.

9. Except as amended herein, all other terms, covenants and conditions of the Agreement shall remain in full force and effect.

10. Counterparts. This Seventh Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Amendment to Purchase and Sale Agreement as of the date first written above.

BNSF RAILWAY COMPANY

By: _____
Name: Richard E. Weicher
Title: Vice President & General Counsel – Regulatory

PORT OF SEATTLE

By: _____
Name: Tay Yoshitani
Title: Chief Executive Officer

KING COUNTY

By: _____
Name: Dow Constantine
Title: King County Executive

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Amendment to Purchase and Sale Agreement as of the date first written above.

BNSF RAILWAY COMPANY

By: Richard E. Weicher

Name: Richard E. Weicher
Title: Vice President & General Counsel – Regulatory

PORT OF SEATTLE

By: _____
Name: Tay Yoshitani
Title: Chief Executive Officer

KING COUNTY

By: _____
Name:
Title:

EXHIBIT 14

Operations and Maintenance Agreement Between Port of Seattle and GNP Rly. Inc.
Dated 18 December 2009

OPERATIONS AND MAINTENANCE AGREEMENT
BETWEEN
PORT OF SEATTLE
AND
GNP RLY. INC.

TABLE OF CONTENTS

SECTION 1. Definitions 2

SECTION 2. Rail Service 4

SECTION 3. Maintenance, Repair and Replacement Obligations 6

SECTION 4. Construction of Additions and Alterations 7

SECTION 5. Operations 7

SECTION 6. Access 8

SECTION 7. Liability 9

SECTION 8. Insurance 13

SECTION 9. Compensation and Billing 17

SECTION 10. Coordination Committee 18

SECTION 11. Binding Arbitration 19

SECTION 12. Term and Termination 20

SIGNATURES 25

EXHIBITS

Exhibit A 27

OPERATIONS AND MAINTENANCE AGREEMENT
BETWEEN
PORT OF SEATTLE
AND
GNP RLY. INC.

This Operations and Maintenance Agreement (the "Agreement") is entered into as of the 18 day of DECEMBER, 2009 ("Execution Date"), between the PORT OF SEATTLE, a Washington Municipal Corporation ("Port"), and GNP RLY. INC., a Washington corporation ("TPO").

Recitals

A. Pursuant to the Purchase and Sale Agreement between Port and BNSF Railway Company, a Delaware corporation ("BNSF"), dated May 12, 2008, as amended; Port acquired certain rights-of-way from BNSF ("Port Property") and BNSF reserved for itself certain freight easement rights under the Quitclaim Deed ("Deed") to the Port; and

B. BNSF has conveyed its freight easement rights to TPO by quit claim deed dated of even date herewith ("Easement"). The Easement gives TPO the right to operate on a portion of the Port Property (as defined in Section 1.4 below, the "Corridor"), and

C. TPO intends to use the Corridor to provide Freight Rail Service and Excursion Rail Service (defined below); and

D. Pursuant to a Railroad Right-of-Way License Agreement ("License") between Port dated of even date herewith, attached hereto and incorporated herein as **Exhibit A**, TPO intends to use the Excursion Spur (as defined in the License) to provide Excursion Rail Service on the Excursion Spur, which is "railbanked" as set forth more fully in Recital D of the License.

E. The parties desire to set forth in this Agreement their respective rights and obligations with respect to TPO's use of the Corridor and adjacent Port Property for Freight Rail Service and related activities.

F. The TPO has been qualified by the Surface Transportation Board ("STB") and is willing to provide railroad freight transportation service to the public upon the terms and conditions contained herein.

G. The TPO intends to work in partnership with local governments, economic development authorities, shippers and Class 1 railroads to develop innovative and efficient operating and shipping methods and improvements in order to provide competitive rail service for the region's rail shippers.

Agreement

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

SECTION 1. Definitions.

1.1 "Additions and Alterations" means any improvements constructed by or on behalf of either party on the Corridor after the Execution Date, including, without limitation, additions, alterations and betterments of any Facilities, and any construction, reconstruction, modifications and renewals thereof or any reconstruction, modification or renewal of additional Facilities, but excluding maintenance items.

1.2 "Automatic Warning Devices" means traffic control devices at railroad-street at-grade crossings and at railroad-pedestrian at-grade crossings, including, without limitation, any combination of flashing light signals, bells, automatic gates, active advance warning devices, highway traffic signals and their associated activation and control devices, control relays and batteries, microprocessor technology, and associated electrical circuitry.

1.3 "BNSF" is defined in Recital A.

1.4 "Corridor" means the portion of rail line to which TPO acquired certain rights pursuant to the Easement, located between milepost 23.8 in Woodinville, King County, Washington to milepost 38.25 in Snohomish, Snohomish County, Washington.

1.5 "Deed" is defined in Recital A.

1.6 "Easement" is defined in Recital A.

1.7 "Environmental Laws" means any and all applicable laws, statutes, regulations, enforceable requirements, orders, decrees, judgments, injunctions, permits, approvals, authorizations, licenses, permissions or binding agreements issued, promulgated or entered into by any governmental agency having jurisdiction over the environmental condition of the Corridor, relating to the environment, to preservation or reclamation of natural resources, or to the management, release or threatened release of contaminants or noxious odors, including, without limitation, the Hazardous Materials Transportation Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, and the Hazardous and Solid Waste Amendments of 1984, the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, the Clean Air Act of 1970, as amended by the Clean Air Act Amendments of 1990, the Toxic Substances Control Act of 1976, and any similar or implementing state law, and all amendments or regulations promulgated thereunder.

1.8 "Excluded Conduct" is defined in Section 7.4.

1.9 "Excursion Rail Service" means the deployment and operation of trains using the facilities for excursion passenger service and not for commuter rail passenger service or any other service.

1.10 "Execution Date" means the date on which this Agreement is executed and becomes effective.

1.11 "Facilities" means all rails, fastenings, switches, switch mechanisms and frogs with associated materials, ties, ballast, signals and communications devices (and associated equipment), Additions and Alterations, drainage facilities, Automatic Warning Devices, traction power substations, overhead catenary systems, bumpers, roadbed, embankments, bridges, trestles, culverts, buildings and any other structures or things necessary for the support thereof and, if any portion thereof is located in a thoroughfare, the term includes pavement, crossing planks and other similar materials or facilities used in lieu of pavement or other street surfacing materials at vehicular and pedestrian crossings of tracks, and any and all structures and facilities required by lawful authority in connection with the construction, renewal, maintenance and operation of any of the foregoing.

1.12 "FRA" means the Federal Railroad Administration.

1.13 "Freight Rail Service" means only (a)the common carrier freight rail operations conducted by TPO or TPO's tenants or assignees on the Corridor and (b) the head and tail operations associated therewith and conducted on the Excursion Spur in accordance with the License, and no other freight service.

1.14 "Hazardous Materials" means any material or substance: (a) the presence of which requires investigation or remediation under any Environmental Law; or (b) which is defined as a "hazardous waste," "hazardous substance," "pollutant" or "contaminant" under any Environmental Law; or (c) the presence of which on, under or over adjacent properties constitutes a trespass by the owners of the Corridor and poses a hazard to the health or safety of persons on adjacent properties; or (d) the presence of which on, under, or over the Corridor causes a nuisance on adjacent properties and poses a hazard to the health or safety of persons on adjacent properties.

1.15 "Invoice" is defined in Section 9.1.

1.16 "Loss" or "Losses" means all losses, damages, claims, demands, costs, liabilities, judgments, fines, fees (including, without limitation, reasonable attorneys' fees) and expenses (including, without limitation, costs of investigation, defense expenses at arbitration, trial or appeal and without institution of arbitration or suit, and, with respect to damage or destruction of property, cleanup, repair and replacement expenses) of any nature arising from or in connection with death of or injury to persons, including, without limitation, employees or tenants of the parties, or damage to or destruction of property, including, without limitation, property owned by either of the parties or their tenants, in connection with Freight Rail Service or Excursion Rail Service on the Corridor.

1.17 "Port" is defined in the preamble.

1.18 "Port Property" means the rights-of-way acquired by Port from BNSF under the Deed that are subject to TPO's rights under this Agreement; provided, that if Port transfers individual parcel(s) to third parties not affiliated with Port, and the transferred parcel(s) do not remain subject to this Agreement as provided in Section 12.12, such individual parcel(s) shall not be deemed "Port Property."

1.19 "Track" means any and all main track, sidings, yards, spurs and other track constructed or to be constructed upon and across the Corridor.

1.20 "TPO" is defined in the preamble.

SECTION 2. Rail Service.

2.1 TPO's Rights and Obligations.

TPO shall have the exclusive right and obligation (subject to TPO's unfettered right to abandon or discontinue Freight Rail Service) to provide, by itself and/or by or through any entity designated by TPO and approved by the Port, Freight Rail Service and/or Excursion Rail Service on and over the Corridor. TPO, and/or its designee, shall also have the right to:

a) Modify, construct, maintain, replace, remove and operate the Tracks upon and across the Corridor in order to fulfill common carrier obligations to existing and prospective shippers and receivers of freight, at the expense of entities other than Port.

b) Perform any work prescribed by any FRA inspector.

c) Use existing Tracks in the Corridor for switching cars to or from industries served by industry tracks, which use includes setting out or picking up cars ; provided, that TPO shall not transport or store on the Corridor or on Port Property any toxic inhalation hazards ("TIHs") or poison inhalation hazards ("PIHs").

d) In the event that construction of any Tracks or TPO's operations requires the construction of new Port Facilities, or modifications to, or relocations of Port's existing Facilities, such construction, modifications and/or relocations shall be at the expense of entities other than Port.

e) The design, construction, modification or removal of any Tracks and any new, modified or relocated Port Facilities necessitated thereby, shall be subject to Port's prior review and approval, which approval shall not be unreasonably withheld, conditioned or delayed.

f) Use existing Tracks in the Corridor for performing Excursion Rail Service described in Sections 1.9 and 5.1. TPO or its designee shall commence Excursion Rail Service on the Corridor no later than six (6) months after the Execution Date, unless TPO and the Port agree, in writing, to a later date.

g) The parties acknowledge that TPO intends to designate Ballard Terminal Railroad Company, LLC. ("Ballard Shortlines") as the entity that will conduct the

Freight Rail Service authorized under this Agreement. Prior to commencement of Freight Rail Service by Ballard Shortlines on the Corridor, TPO shall provide for the Port's approval a copy of the signed agreement between TPO and Ballard Shortlines for such operations. The agreement between TPO and Ballard Shortlines shall incorporate and be subject to all of the terms and provisions of this Agreement.

h) TPO acknowledges and agrees that, consistent with Section 2.2, Port may enter into agreements with one or more third parties for certain non-freight, passenger transportation uses on the Corridor (e.g., commuter rail service) during the term of this Agreement, that are not inconsistent with TPO's rights under this Agreement and do not materially interfere with TPO's right and obligation to operate Freight Rail Service on the Corridor. TPO shall cooperate with those parties authorized by the Port to ensure the accommodation of such passenger transportation uses on the Corridor.

2.2 Port's Rights and Obligations.

a) Port expressly declines to assume any obligation to provide common carrier freight rail service on the Corridor. Neither Port nor any person or entity other than TPO (or its permitted successors or assigns) shall be permitted to provide any type of freight rail service on the Corridor.

b) Port, at Port's election, may perform a semi-annual joint inspection of the Corridor by representatives of the Port upon reasonable advance notice for the first two (2) years, and annual joint inspections thereafter. Appropriate representatives from both Port and the TPO shall participate in and cooperate with the joint inspection(s) via hi-rail or other suitable means of railroad track inspection. The Port may perform more frequent inspections of the Corridor, at its election, at any time during the term of the Agreement so long as the following conditions are met: (1) Port provides advance notice to TPO in accordance with Section 6.1 e); (2) Port complies with all reasonable safety requirements of the TPO or as required by law applicable to the Corridor; (3) Port obtains the appropriate authorizations from TPO to be on the designated portions of the Corridor; (4) TPO will be allowed to participate in any inspection; and (5) the inspections are planned and coordinated with TPO to minimize any interference with TPO's operations on the Corridor. The Port may request, at its sole discretion, that the inspections be performed by an authorized FRA inspector, whose findings shall be binding on the Port and the TPO.

c) In the event the TPO fails to or is unable to perform any work it is required to perform under this Agreement, the Port may perform such work. Any such work by Port shall be performed in accordance with TPO's schedule and design, (as approved by Port under Section 2.1 above, and the reasonable documented out-of-pocket cost thereof shall be reimbursed by TPO to Port in accordance with Section .

d) Port shall have the right to contract with third parties for certain non-freight, passenger transportation uses on the Corridor (e.g., commuter rail service) during the term of this Agreement, and to grant easements, licenses or permits affecting the Corridor as long as such use, easements, licenses or permits do not interfere with or create safety hazards for TPO's continuous and uninterrupted use of the Corridor under the terms of this Agreement.

SECTION 3. Maintenance, Repair and Replacement Obligations.

3.1 General Maintenance, Repair and Replacement Obligations.

a) Except as otherwise provided in this Agreement, TPO shall provide general maintenance and maintenance of way services, including without limitation, inspection, maintenance, repair, installation, alteration and replacement (as necessary) of all Tracks and Facilities, including without limitation, Automatic Warning Devices and grade crossings (including embankments, crossing panels or planking, pavement and curbing) to the extent the same are subject to governmental requirements in connection with grade crossings, located within the Port Property, including the Corridor, in accordance with all applicable laws, rules and regulations, and in a condition reasonably suitable for TPO's intended use of the Corridor.

b) Notwithstanding the provisions of Section 3.1 above, any damage to or destruction of Facilities caused by a party or its employees, contractors, invitees or licensees shall be repaired or replaced at the sole cost of such party.

c) The TPO shall allow the Port to conduct inspections of the Corridor as provided in Section 2.2 b).

3.2 Remedies.

a) In the event that TPO, as the responsible party for maintenance, repair and replacement of any item, fails to perform its maintenance obligations under this Agreement, and such failure results in an imminent and substantial danger to human health or safety or to property, Port shall promptly notify TPO and the FRA. If TPO fails to perform its maintenance obligations, Port may perform such obligations immediately upon notifying TPO by telephone at the number set forth below. Port shall be entitled to full reimbursement from TPO within thirty (30) days after submission of a written Invoice therefor.

b) In the event that TPO or Port discovers, or receive notice of, any malfunction of, or damage to, Automatic Warning Devices, the discovering party shall promptly notify the other party by telephone at the telephone number set forth below, and TPO shall follow its usual response practices in the event of any malfunction of, or damage to, Automatic Warning Devices.

Port Duty Officer Telephone No.:_____

TPO Duty Officer Telephone No.:_____

3.3 Grade Crossing Reconstruction.

The parties acknowledge that certain maintenance procedures may cause an increase in the surface elevation of grade crossings, and that TPO may, from time to time, need to perform additional maintenance or reconstruction work in order to prevent unsafe elevation differentials between the tracks used by TPO and other tracks. TPO will be responsible for any such maintenance and reconstruction work of any such grade crossings.

SECTION 4. Construction of Additions and Alterations.

4.1 Design and Construction Standards.

The design and construction of any Additions and Alterations on the Corridor shall comply with all applicable laws, rules and regulations. The party constructing Additions and Alterations shall follow its customary safety procedures and shall use reasonable efforts to perform work on Additions and Alterations at such times and in such manner as not to materially interfere with, delay or endanger the equipment, Facilities or other facilities of the other party.

4.2 Design Review.

In the course of designing Additions and Alterations, the constructing party shall reasonably notify and consult with the other party with respect to the design and construction of the Additions and Alterations. If requested by the other party, the constructing party shall deliver to the other party for review and comment copies of each set of plans for Additions and Alterations during the planning and design process. The other party shall notify the constructing party in writing within fifteen (15) days after its receipt of the plans as to whether it wishes to comment on the plans. If so, then the other party shall have the right to provide the constructing party, within thirty (30) days after the other party's receipt of any such set of plans, written comments and suggestions regarding such plans. If the other party timely disapproves such plans, the parties shall meet within fifteen (15) days after disapproval to negotiate in good faith to develop plans acceptable to both. If the parties are unable to agree upon changes to the plans, either party may submit the matter to arbitration pursuant to . Upon completion of final plans, the constructing party shall give a copy of the final plans to the other party for review to ensure the incorporation of all agreed-upon changes to the plans.

4.3 Grade Separation Projects.

In the event of a public grade separation project, TPO shall be solely responsible for any costs assessed thereunder. If TPO determines that a proposed grade separation project is desirable and is not feasible unless TPO contributes more than the costs that would be assessed to TPO under applicable laws, then Port agrees to consider in good faith the desirability of the proposed project and whether TPO's additional contribution should be reimbursed by Port; provided, however, that Port shall have no obligation to reimburse TPO for such additional contribution except to consider it in good faith as provided above.

SECTION 5. Operations.

5.1 TPO's Operations.

TPO shall have exclusive authority to manage, direct and control all activities on the Corridor to provide Freight Rail Service, and Excursion Rail Service, including, without limitation, the operations of all trains, locomotives, rail cars and rail equipment, and the movement and speed of the same on the Corridor.

SECTION 6. Access.

6.1 Reciprocal Access and Notice Rights.

Subject to the procedures set forth below, and to be in compliance with all applicable rules and regulations of the FRA, the parties shall have the following reciprocal access rights:

a) Port may enter upon the Corridor for the purposes set forth in Sections 2.2 and 3.2.

b) In the event the Port becomes aware of or is notified of an emergency of any kind, Port shall provide immediate notice of such events to TPO's duty officer at the contact number set forth in Section 3.2.

c) Security personnel of either party in pursuit of a criminal suspect may enter upon the Corridor for the purposes of apprehending the suspect.

d) TPO may enter upon the Port Property for the purposes set forth in this Agreement.

e) Except for emergencies when reasonable notice under the circumstances shall be given, Port shall give TPO at least forty-eight (48) hours' prior telephonic notice of any entry onto the Corridor, and shall not enter upon the Corridor until a valid work permit is issued by TPO. If flagging is necessary, no entry shall be made until TPO has made arrangements for flagging.

f) Any entry by Port (or its contractors, invitees or licensees) on any portion of the Corridor within twenty feet (20') of the track center of the Corridor shall be subject to the notice and flagging requirements under subparagraph above, unless the parties agree to an alternative procedure.

g) Hazardous Materials may be brought by TPO onto the Corridor only to the extent necessary for the purposes for which entry is allowed under Section 7.1 , and in all events in compliance with all applicable Environmental Laws. Notwithstanding the foregoing, TPO shall not transport, bring onto, or store on the Corridor or Port Property any THIs or PHIs.

h) In the event of leakage, spillage, release, discharge or disposal of any Hazardous Materials by TPO (including, without limitation, by explosion), TPO shall give Port prompt notice of such event, and at its sole cost and expense, clean or remediate Port's property to the standards required by law or by any governmental agency or public body having jurisdiction in the matter. Should any such leakage, spillage, release, discharge or disposal result in a fine, penalty, cost, or charge, TPO shall promptly and fully pay such fine, penalty, cost or charge. TPO shall be responsible for any such leakage, spillage, release, discharge or disposal by any third party it admits to the Corridor. TPO shall indemnify, protect, defend, and hold harmless Port, its trustees, directors, officers, employees, agents, contractors, parent corporations and subsidiaries from and against any and all liabilities or claims for all loss, damage, injury, and death arising as a result of any such leakage, spillage, release, discharge or disposal. The

provisions of this Section 6.1 h) are in addition to and not in limitation of the provisions of hereof, and shall survive the termination of this Agreement.

SECTION 7. Liability.

7.1 Hazardous Materials and Environmental Liability.

a) If the performance of this Agreement creates any solid or Hazardous Materials (e.g., the removal of any materials from the trains that require disposal), said Hazardous Materials shall be properly disposed of in accordance with federal, state and local laws, at the expense of the TPO. In no event shall the Port be identified as the generator of the Hazardous Materials. The TPO shall notify the Port of any such Hazardous Materials and the Port shall receive a copy of the results of any tests conducted on the wastes. The TPO shall hold harmless, indemnify and defend the Port from any claims, costs, damages, fines or other penalties arising from the disposal of any Hazardous Materials created by the performance of this Agreement, regardless of the absence of negligence or other malfeasance by TPO. This provision shall survive the termination or expiration of this Agreement.

b) At no time during the term of this Agreement shall the TPO or its designee, without first obtaining the written consent of the Port, maintain, treat, dispose of, store or have on the Corridor and/or Port Property, or permit any other party to have, maintain, treat, dispose of, or store on the Corridor and/or Port Property, anything which is classified by federal, state or local laws as Hazardous Materials or which requires a permit for the storage, treatment, disposal, handling or maintenance of it from any government authority. This excludes (1) transport or storage of materials by or on rail as long as said transport or storage complies with all Environmental Laws, including the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, *et seq.*, and Sections 2.1 c) and 6.1 g) of this Agreement, and (2) petroleum products, lubricants, antifreeze and such other materials that may be normally consumed in the daily operations of a railroad. Any permits required in compliance with this provision and all federal, state or local laws shall be obtained at TPO's sole cost.

c) The TPO further agrees to indemnify and hold Port harmless from all costs, expenses, liabilities, demands, claims, causes of action at law or in equity whatsoever arising from its, or any of its contractors, agents or invitees', treatment, disposal, storage, maintenance or handling of any Hazardous Materials on the Corridor and/or Port Property during the term of this Agreement, including, but not limited to, the cost of clean-up, environmental damage assessments, defense and reasonable attorney's fees. The Port agrees to cooperate in the prosecution and collection of all costs, expenses, liabilities, demands, and claims, associated with any treatment, disposal, storage, maintenance or handling of any Hazardous Materials on the Corridor and/or Port Property, including, but not limited to, the cost of clean-up, environmental assessments, defense and reasonable attorney's fees, prior to occupancy by the TPO, against any identified responsible party.

d) The provisions of Sections 7.2 through 7.6 shall in no way limit or reduce the application, enforceability or effect of this Section 7.1.

7.2 Assumption of Responsibility.

a) Except as otherwise expressly provided in this , TPO will assume all Losses and will indemnify Port for all Losses which arise from TPO's presence on the Corridor or on Port Property without regard to fault, failure, negligence, misconduct, malfeasance, or misfeasance of TPO or its employees, agents or servants.

b) The allocation of responsibility for Losses under this applies only to Losses proximately caused by incidents occurring on or adjacent to the Corridor or Port Property, and arising out of TPO's presence on the Corridor, or on Port Property.

c) All costs and expenses incurred in connection with the investigation, adjustment and defense of any claim or suit shall be included as part of the Loss for which responsibility is assumed under the terms of this , including, without limitation, salaries or wages and associated benefits of, and out-of-pocket expenses incurred by or with respect to, employees of either party engaged directly in such work and a reasonable amount of allocated salaries and wages of employees providing support services to the employees so engaged directly in such work.

7.3 Allocation of Responsibilities.

a) Invitees. Losses arising out of personal injury (including bodily injury and death) to, or property damage suffered by, an invitee of either party shall be the responsibility of and borne and paid solely by TPO, except as otherwise provided in Section 7.3 a) i and Section 7.4. Consultants and contractors of TPO, and any person who is on, or has property on, a train or other rolling stock operated by or for the account of TPO or admitted to operate on the Corridor (other than an employee of TPO engaged in performing duties for TPO), shall rebuttably be presumed to be an invitee of TPO.

i. If an invitee of Port is negligent and causes Losses to TPO or Port, Port will be responsible for such Losses and will indemnify TPO.

b) Persons Other Than Invitees. Except as provided in Section 7.4, Losses arising out of personal injury (including bodily injury and death) to, or property damage directly suffered by any person who is not an invitee of Port or TPO (including, without limitation, Port, TPO, employees of Port or TPO while engaged in the performance of their duties as an employee, persons in adjacent public streets (including public sidewalks), and trespassers), shall be the responsibility of and borne and paid exclusively by TPO.

c) Unenforceability. If any of the provisions of this Section 7.3 would otherwise be prohibited by or unenforceable under the laws of Washington State (including a determination by a final judgment of a Washington State court with jurisdiction that indemnification under the circumstances involved is against the public policy of Washington State), the indemnity provided by such provision shall be deemed to be limited to and operative only to the maximum extent permitted by law. Without limitation, if it is determined by a final judgment of a Washington State court with jurisdiction that any law or public policy of Washington State prohibits the indemnification of a party for its own sole negligence in any instance covered by the provisions of this Section 7.3, those provisions shall be deemed to

exclude indemnification for such party's sole negligence but to permit full indemnification, as specified in this Section 7.3, if both parties were negligent.

7.4 Excluded Conduct.

"Excluded Conduct" shall mean conduct by a supervisory level or higher employee of one of the parties, where such conduct is alleged in a properly filed complaint by a plaintiff or plaintiffs as the basis for an award of exemplary or punitive damages under Washington State law, and actually results in an award of exemplary or punitive damages by a jury after trial of the issues and exhaustion of judicial appeals which would permit the award of exemplary or punitive damages. Neither party shall be indemnified for any Loss resulting from its own Excluded Conduct, and in any such case such party shall be responsible for and bear the Loss in proportion to its relative degree of fault and be responsible for and bear all exemplary or punitive damages, if any, resulting from its Excluded Conduct. If a party asserts that the other was guilty of Excluded Conduct and denies liability for indemnification of the other party based thereon, the party asserting such Excluded Conduct shall have the burden of proof in establishing such conduct.

7.5 Scope of Indemnification.

a) In any case where a party is required under the provisions of this to bear a Loss, it shall pay, satisfy and discharge such Loss and all judgments that may be rendered by reason thereof and all costs, charges and expenses incident thereto, and such party shall forever indemnify, defend and hold harmless the other party and its commissioners, trustees, directors, officers, agents, employees, shareholders, parent corporations, subsidiaries and affiliated companies, or governmental entities from, against and with respect to any and all Losses which arise out of or result from the incident giving rise thereto.

b) TPO hereby waives any immunity TPO may have under applicable workers' compensation benefit or disability laws (including but not limited to Title 51 RCW) in connection with the foregoing indemnity. Such waiver shall not prevent TPO from asserting such immunity against any other person or entities. TPO AND PORT AGREE AND ACKNOWLEDGE THAT THIS PROVISION IS THE PRODUCT OF MUTUAL NEGOTIATION.

c) TPO shall indemnify, hold harmless and defend Port from any and all Railroad Unemployment Insurance Act (45 U.S.C.A. §§ 351 et seq.), Railroad Retirement Act (45 U.S.C. §231 et seq.), Railway Labor Act (45 U.S.C. Sec. 151 et. seq.), Federal Employers Liability Act (45 U.S.C. Sec 51 et. seq.), common carrier obligations pursuant to (49 U.S.C. Sec. 10101 et. seq.), and any Federal rail safety legislation, that arise from TPO's use of the Corridor and the Port Property.

7.6 Procedure.

a) If any claim or demand (short of a lawsuit) shall be made by any person against an indemnified party under this , the indemnified party shall, within thirty (30) days after actual notice of such claim or demand, cause written notice thereof to be given to the indemnifying party, provided that failure to notify the indemnifying party shall not relieve the

indemnifying party from any liability which it may have to the indemnified party under this except to the extent that the rights of the indemnifying party are in fact prejudiced by such failure. The indemnifying party shall have the right, at its sole cost and expense, to control (including the selection of counsel reasonably satisfactory to the indemnified party) or to participate in the defense of, negotiate or settle, any such claim or demand, and the parties agree to cooperate fully with each other in connection with any such defense, negotiation or settlement. In any event, the indemnified party shall not make any settlement of any claims or demands which might give rise to liability on the part of the indemnifying party under this without either providing the indemnifying party with a full release with respect to such liability or obtaining the prior written consent of the indemnifying party, which consent shall not be unreasonably withheld, conditioned or delayed.

b) In the event any lawsuit is commenced against either party for or on account of any Loss for which the other party may be solely or jointly liable under this Agreement, the party sued shall give the other party timely written notice of the pendency of such action, and thereupon the party so notified may assume or join in the defense thereof. If the party so notified is liable therefor under this Agreement, then, to the extent of such liability, such party shall defend, indemnify and save harmless the party so sued from Losses in accordance with the liability allocations set forth in this Agreement. Neither party shall be bound by any judgment against the other party unless it shall have been so notified and shall have had reasonable opportunity to assume or join in the defense of the action. When so notified and the opportunity to assume or join in the defense of the action has been afforded, the party so notified shall, to the extent of its liability under this Agreement, be bound by the final judgment of the court in such action.

c) Subject to the provisions of Section 7.6 a), on each occasion that the indemnified party is entitled to indemnification or reimbursement under this , the indemnifying party shall, at each such time, promptly pay the amount of such indemnification or reimbursement. If the indemnified party is entitled to indemnification under this and the indemnifying party does not elect to control any legal proceeding in connection therewith, the indemnifying party shall pay to the indemnified party an amount equal to the indemnified party's reasonable legal fees and other costs and expenses arising as a result of such proceeding.

d) Any dispute between the parties as to the right to indemnification or the amount to which it is entitled pursuant to such right with respect to any matter shall be submitted to arbitration pursuant to of this Agreement.

7.7 Compliance with Laws.

Both parties shall comply with all applicable federal, state and local laws and regulations, and all applicable rules, regulations or orders promulgated by any court, agency, municipality, board or commission. If any failure of either party to comply with such laws, regulations, rules or orders in respect to that party's use of the Corridor results in any fine, penalty, cost or charge being assessed against the other party, or any Loss, the party which failed to comply agrees to reimburse promptly and indemnify, protect, defend (with counsel reasonably acceptable to the indemnified party) and hold harmless the other party for such amount.

7.8 Delay/Interruption of Service.

Port shall not be held liable for any delay or interruption to the trains, locomotives or cars of TPO unless due to Excluded Conduct or except as otherwise provided for in Section 7.3 i.

7.9 No Limitation on Risk Allocation.

The provisions of this Section 7 shall apply notwithstanding the provisions of Section 8. In no event shall the indemnification provisions of this Section 7 be limited to the insurance coverage required under Section 8.

7.10 Statutory Defenses.

All statutory defenses and limitations applicable to Port shall be retained by Port with respect to parties other than TPO, and none are intended to be waived with respect to parties other than TPO by Port under this Agreement.

7.11 Survival.

The provisions of this Section 7 shall survive the termination or expiration of this Agreement.

SECTION 8. Insurance.

8.1 Freight Rail Service Coverage.

TPO shall obtain and maintain freight service general liability insurance written on an "occurrence" basis, with minimum limits of Five Million Dollars ($5,000,000) per occurrence. The Port shall be listed as an additional insured for ongoing and completed operations. Coverage shall include contractual liability coverage with no exclusions relative to rail operation. Coverage for punitive damages shall be included to the extent such coverage is permitted under Washington State law. Insurance shall be placed with a company having a current A. M. Best's Insurance Guide Rating of at least "A" or equivalent, and admitted as an insurer by the Washington State Office of the Insurance Commissioner. TPO may self-insure to an amount not to exceed One Million Dollars ($1,000,000) provided that total coverage limits (self-insurance plus excess liability insurance) are at least to the amounts stated within this Section; provided further, that this sentence shall not inure to the benefit of TPO's successors or assigns without the reasonable written consent of the Port.

a) The policy required under this Section 8.1 shall include general liability property damage and bodily injury coverage for operation of Freight Rail Service along with any related operation, maintenance, and construction on or about the Corridor and Port Property by the TPO. If the policy excludes maintenance and construction on or about the Corridor and Port Property, a separate railroad protective liability policy shall be issued in the name of the Port with minimum limits of Two Million Dollars ($ 2,000,000) per occurrence for bodily injury and property damage, and Five Million Dollars ($ 5,000,000) in the aggregate.

b) The policy required under this Section 8.1 shall also include pollution coverage whether incurred during operations or during maintenance or construction. If the general liability policy contains pollution exclusion, a separate pollution policy shall be purchased with minimum limits of Three Million Dollars ($3,000,000) per occurrence, and Five Million Dollars ($5,000,000) in the aggregate.

c) The policy limits required under this Section 8.1 shall be adjusted by the parties every three (3) years to reflect industry standards, liability claim trends and market conditions.

8.2 Excursion Rail Service Coverage.

TPO shall obtain and maintain general liability insurance with an excursion/passenger endorsement, and written on an "occurrence" basis, with minimum limits of Twenty-five Million Dollars ($25,000,000) per occurrence and in the aggregate for all Excursion Rail Service in which total passenger and crew count is 50 or less; and Fifty Million Dollars ($50,000,000) per occurrence and in the aggregate for all Excursion Rail Service in which total passenger and crew count exceeds 50. The Port shall be listed as an additional insured for ongoing and completed operations. Coverage shall include contractual liability coverage with no exclusions relative to rail operation. Coverage for punitive damages shall be included to the extent such coverage is permitted under Washington State law. Insurance shall be placed with a company having a current A. M. Best's Insurance Guide Rating of at least "A" or equivalent, and admitted as an insurer by the Washington State Office of the Insurance Commissioner. TPO may self-insure to an amount not to exceed Five Million Dollars ($5,000,000) provided that total coverage limits (self-insurance plus excess liability insurance) are at least to the amounts stated within this Section; provided further, that this sentence shall not inure to the benefit of TPO's successors or assigns without the reasonable written consent of Port.

a) The policy required under this Section 8.2 shall include general liability property damage and bodily injury coverage for operation of Excursion Rail Service along with any related operation, maintenance, and construction, on or about the Corridor and Port Property by the TPO. If the policy excludes maintenance and construction on or about the Corridor and Port Property, a separate railroad protective liability policy shall be issued in the name of the Port with minimum limits of Two Million Dollars ($ 2,000,000) per occurrence for bodily injury and property damage, and Six Million Dollars ($ 6,000,000) in the aggregate.

b) The policy required under this Section 8.2 shall also include pollution coverage whether incurred during operations or during maintenance or construction. If the general liability policy contains pollution exclusion, a separate pollution policy shall be purchased with minimum limits of Three Million Dollars ($3,000,000) per occurrence, and Six Million Dollars ($6,000,000) in the aggregate.

c) The policy limits required under this Section 8.2 shall be adjusted by the parties every three (3) years to reflect industry standards, liability claim trends and market conditions.

8.3 Automobile Coverage.

TPO shall maintain general automobile liability insurance of not less than One Million Dollars ($1,000,000) per occurrence, combined single limit for bodily injury and property damage using ISO Form CA 00 01 (or equivalent). Coverage shall extend to all owned, non-owned, hired, leased, rented, or borrowed vehicles. The policy shall contain a waiver of subrogation in favor of the Port.

8.4 Evidence of Insurance.

Prior to the Execution Date , and annually thereafter, TPO shall forward evidence of insurance as required in this Section including evidence of the Port's status as an additional insured for the Freight Rail Service and Excursion Rail Service policies; and a written copy of the waiver of subrogation for the automobile liability policy. Upon request from the Port, TPO shall forward certified copies, within 30 days of the request from the Port, of any binders, policies, and declarations of insurance that is required by this Agreement.

8.5 No Port Deductible.

No policies obtained by TPO for this Agreement shall contain a deductible obligation for the Port. If the policy is issued with a deductible option, the TPO shall be liable for all deductibles, as well as any applicable allocated loss adjustment expenses if applicable. All costs incurred by a program of self-insurance, including self-insurance as identified in Sections 8.1 and 8.2 are to be borne by TPO.

8.6 Additional Documentation – Self Insurance.

If self-insurance is utilized for a portion of the coverage permitted in Sections 8.1 and 8.2, evidence must be provided to the Port of the TPO's net worth, a copy of the most recent audited financials, and a written description of the self-insurance program. This must be submitted with the other documentation required in Section 8.4.

8.7 Applicability of Workers' Compensation.

TPO is fully responsible for ascertaining the applicability of Title 51 Industrial Insurance, of the Revised Code of Washington, as well any federal laws that pertain to workers compensation coverage for railroad employees and operators, such as the Federal Employers' Liability Act (FELA). TPO shall comply with all required workers compensation requirements whether through purchase of commercial insurance or as a qualified self insurer. In the event FELA is the applicable coverage under this Agreement, TPO shall provide the Port with evidence of coverage. An insurance certificate shall be additionally required to show evidence of other applicable worker compensation coverage.

a) In the event Title 51 of the Revised Code of Washington applies to this Agreement, TPO shall submit a current employer liability certificate as issued by the Washington Department of Labor and Industries that shows the status of TPO worker compensation account prior to the Execution Date of this Agreement. TPO shall list here their UBI Number 602-672-764 and their State Worker Compensation Account Number

_____.TPO shall also provide the Port with Washington State Stop Gap employers' liability insurance. This shall be in an amount of One Million Dollars ($1,000,000) per accident and One Million Dollars ($1,000,000) per disease using ISO CG 04 42 11 03 or equivalent. This coverage may be provided by endorsing the primary general liability policies identified in Sections 8.1 and 8.2. To the extent applicable, there shall be no exclusions relative to railroad workers or workers covered under the Federal Employers' Liability Act.

8.8 Primary Insurance.

TPO's insurance shall be primary with respect to its obligations under this Agreement and non-contributory with respect to any coverage the Port may have.

8.9 Maintaining Insurance Requirements.

TPO's insurance requirements shall be maintained for the full term of this Agreement and shall not be permitted to expire or be canceled or materially changed. Each such insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in coverage or limits except after thirty (30) days' prior written notice has been given to each insured and additional insured, including the Port.

8.10 Statutory Defenses.

All statutory defenses and limitations applicable to TPO shall be retained by TPO with respect to parties other than the Port, and none are intended to be waived by TPO with respect to parties other than the Port by the acquisition of insurance by TPO or under this Agreement.

8.11 Failure to Maintain Insurance.

A failure of TPO to maintain the insurance required by this Section 8 shall not relieve TPO of any of its liabilities or obligations under this Agreement.

8.12 Waiver of Subrogation.

Every policy of insurance required under this Agreement to be held by TPO shall include a waiver of all rights of subrogation against the Port.

8.13 Other Insurance.

TPO shall require that all of its contractors and sub-subcontractors carry a railroad protective liability policy with minimum limits of Two Million Dollars ($ 2,000,000) per occurrence for bodily injury and property damage, and with an aggregate policy limit of no less than Six Million Dollars ($6,000,000). Said policy shall name the Port as an additional insured.

SECTION 9. Compensation and Billing.

9.1 Invoices.

Any Invoice or Invoices submitted to the parties under this Agreement ("Invoice" or "Invoices") must be itemized with a detailed description of the work performed, the date of such work, the person performing such work, the time expended and the associated hourly billing rate or charge for such work, and any reimbursable expenses (including, without limitation, the cost of materials used) incurred in the performance of the work. The party requesting reimbursement shall certify that it has actually incurred the expenses set out in its Invoice. Invoices for reimbursable expenses may not exceed the out-of-pocket expense for such items. Invoices shall be paid within thirty (30) days after receipt thereof by the payor. If a party disputes any items on an Invoice, that party may deduct the disputed item from the payment, but shall not delay payment for the undisputed portions. The amounts and reasons for such deductions, if any, shall be documented to the other party within thirty (30) days after receipt of the Invoice. Once documentation is given for the disputed amounts, and accepted by the paying party, the disputed amounts shall be paid by the paying party with fifteen (15) days after receipt of the documentation. No Invoice shall be submitted later than one hundred twenty (120) days after the last day of the calendar month in which the reimbursable expense or cost covered thereby is incurred.

9.2 Audit.

So much of the books, accounts and records (except for privileged or confidential records) of each party hereto as are related to the subject matter of this Agreement shall at all reasonable times be open to inspection and audit by the authorized representatives and agents of the parties. All accounting records and other supporting papers shall be maintained for a minimum of three (3) years from the date thereof. If work relating to this Agreement is funded in whole or in part by a federal grant, the Comptroller General of the United States and authorized representatives of the federal agency furnishing the grant shall have the right to examine and audit such books, accounts, and records in accordance with applicable federal laws and regulations.

9.3 Supporting Documentation.

Upon request, a party disputing the accuracy of any Invoice shall be entitled to receive from the invoicing party copies of such supporting documentation and/or records as are kept in the ordinary course of the invoicing party's business and which are reasonably necessary to verify the accuracy of the Invoice as rendered.

9.4 Fees.

9.4 Fees. TPO shall pay the Port:

a) A fee of Ten Thousand Dollars ($10,000.00) payable on the closing of the transaction between the Port and BNSF referenced in Recital A; and

b) A quarterly fee based on the TPO's traffic volume calculated as follows:

$10.00 per loaded freight car; and

$.10 per excursion passenger carried. For purposes of this Section 9.4, the term "excursion passengers" shall include passengers carried by another operator pursuant to a contract with TPO; and

5% of gross miscellaneous revenue, including but not limited to, car storage revenue.

c) Additional Fee: TPO represents and warrants that its written application for RRIF financing, which it has heretofor submitted to the FRA, expressly anticipates using a portion of the RRIF funds to pay the Additional Fee described herein, and that 45 USC §822(b)(1), provides that . RRIF funds may be used to **(A)** acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings, and shops; **(B)** refinance outstanding debt incurred for the purposes described in subparagraph (A); or **(C)** develop or establish new intermodal or railroad facilities.". Upon TPO receiving documentation from the FRA acknowledging receipt of any required credit risk premium payment by TPO and approving the disbursement of RRIF loan financing to TPO for the Additional Fee, an additional fee of Nine Hundred Ninety Thousand Dollars ($990,000.00) shall be payable to the Port within thirty (30) days of said disbursement; This fee shall be in addition to the fees and payments required under Section 9.4 b):

d) All fees payable by TPO under Sections 9.4 b) shall be payable at the end of the quarter following the quarter during which the fees accrued. For example, fees for Quarter 1 (January-March) shall be payable at the end of Quarter 2 (April-June), or on June 30th. Notwithstanding the foregoing, any fees owed at the termination or expiration of the Agreement shall be paid to the Port within 30 days of said expiration or termination.

e) When submitting payments to the Port under Sections 9.4 b), TPO shall include a statement of its traffic and passenger volumes, including all car counts and tonnages in support of the amount of the fees.

f) All fees referenced in this Section 9.4 are the same and are not in addition to the fees payable under Section 10.4 of the License.

SECTION 10. Coordination.

10.1 Coordination Committee.

Port and TPO shall establish a Coordination Committee consisting of at least two (2) representatives of each party. The Coordination Committee shall be a forum for the parties to share information, discuss matters submitted by one party to the other party for review and/or approval, and seek resolution of any issues between the parties with respect to this Agreement. The Coordination Committee shall meet regularly (in person or telephonically) and also as necessary to address issues between the parties that require prompt resolution.

SECTION 11. Binding Arbitration.

11.1 Controversies Subject to Arbitration.

Any and all claims, disputes or controversies between Port and TPO arising out of or concerning the interpretation, application, or implementation of this Agreement that cannot be resolved by the parties through the Coordination Committee or by negotiations shall be submitted to binding arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, except as otherwise provided in this Section. If the AAA discontinues promulgation of the Commercial Arbitration Rules, the parties shall use the AAA's designated successor rules, and if the AAA does not designate successor rules, the parties shall agree on other rules. The judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

11.2 Selection of Arbitrator.

In the event a claim, dispute or controversy arises, either party may serve a written demand for arbitration upon the other party. If the claim, dispute or controversy is not resolved by the parties within thirty (30) days after the service of the demand, the matter shall be deemed submitted to arbitration. If within forty (40) days after service of the demand, the parties have not selected a single arbitrator, each party shall within an additional ten (10) days thereafter select an arbitrator. In such case, if either party has not selected an arbitrator within ten (10) days after receipt of notice that the other party has selected an arbitrator, the arbitrator selected by the other party shall arbitrate the claim, dispute or controversy. The two selected arbitrators shall select a third arbitrator. If the two arbitrators are unable to agree upon the third arbitrator within ten (10) days of the selection of the two selected arbitrators, the AAA shall select the third arbitrator. The arbitrator(s) shall be disinterested.

11.3 Expedited Arbitration Schedule.

a) In the event either party reasonably finds that the issues of any claim, dispute or controversy are likely to directly, imminently, materially and adversely affect human health or safety, either party may request, in the arbitration demand delivered pursuant to Section 11.2, an expedited arbitration procedure as set forth in this Section solely for the purpose of obtaining a provisional remedy that by law or in equity could be imposed in a court proceeding against a rail carrier subject to the jurisdiction of the Surface Transportation Board (e.g., temporary restraining order, preliminary injunction or injunction).

b) Within five (5) days after service of a demand for expedited arbitration, the parties shall agree on an arbitrator. If the parties fail to agree on an arbitrator within such five (5) day period, each party shall within two (2) days thereafter select an arbitrator. In such case, if either party has not selected an arbitrator within two (2) days after receipt of notice that the other party has selected an arbitrator, the arbitrator selected by the other party shall arbitrate the claim, dispute or controversy. Otherwise, the two selected arbitrators shall select a third arbitrator. If the two arbitrators are unable to agree upon the third arbitrator within two (2) days of the deadline for the selection of the two selected arbitrators, the AAA shall select the third arbitrator. The arbitrator(s) shall be disinterested.

c) The expedited arbitration hearing shall commence no later than ten (10) days after service of a demand for expedited arbitration and shall be concluded on the same day. The arbitration decision shall be rendered by the arbitrator(s) in writing on or before the day following the arbitration hearing.

d) Prior to rendering any decision, the arbitrator must find that the issues of the claim, dispute or controversy are likely to directly, imminently, materially and adversely affect human health or safety. In the event the arbitrator finds that the foregoing criteria have not been met, the proceeding shall be dismissed without prejudice and the parties shall proceed with the arbitration procedure and schedule set forth in Sections 11.1 and 11.2 and; provided, however, that no new demand for arbitration need be served by the party demanding arbitration.

11.4 Pending Resolution.

During the pendency of such arbitration proceedings, the business and the operations to be conducted, and compensation for service under this Agreement, to the extent that they are the subject of such controversy, shall continue to be transacted, used and paid in the manner and form existing prior to the arising of such controversy, unless the arbitrator shall make a preliminary ruling to the contrary.

11.5 Cost of Arbitration.

Each party solely shall bear the attorneys' fees, costs and expenses incurred by it in connection with such arbitration; provided, however, the arbitrator shall have the power to award attorneys' fees and costs to either party if the arbitrator determines in its reasonable discretion that the position of the other party to the arbitration was frivolous.

SECTION 12. Term and Termination.

12.1 Term.

The initial term of this Agreement shall expire on the 10th anniversary of the Execution Date. So long as TPO is not in default with respect to a material term or condition of this Agreement, TPO may elect to continue this Agreement for one (1) additional renewal term of ten (10) years by giving Port written notice of such intent at least one (1) year prior to the expiration of the initial term. *Notwithstanding* the foregoing, this Agreement shall terminate 60 days after written notice by Port to TPO that TPO is in default with respect to a material term or condition of this Agreement, which default has not been cured on or prior to such 60th day.

12.2 Termination for Abandonment.

In the event that TPO, or a permitted successor or assign, lawfully abandons, discontinues or otherwise lawfully ceases to provide Freight Rail Service on the Corridor by obtaining any necessary authority or exemption from the Surface Transportation Board ("STB"), Port may choose to (1) terminate this Agreement upon ninety (90) days written notice to TPO; or

(2) terminate all the rights of TPO, or that of a permitted successor or assign, to provide Freight Rail Service over the Corridor under this Agreement. Notwithstanding the previous sentence, after the termination of this Agreement under this Section, TPO may, with Port's approval, continue to provide Excursion Rail Service over the Corridor. In all events, TPO shall remain liable for all accrued or continuing obligations under this Agreement, and all obligations required upon termination and surrender of the Corridor.

12.3 Offers of Financial Assistance ("OFA").

In the event TPO, or a permitted successor or assign, seeks STB authority (or an exemption therefrom) to abandon any portion or segment of the Corridor, if TPO receives an OFA with respect thereto, TPO shall promptly notify Port, Port (or its designee) shall submit its own OFA and TPO shall accept the OFA submitted by Port (or its designee) for the offer amount of $1.

12.4 Railbanking.

In the event TPO, or a permitted successor or assign, seeks STB authority (or an exemption therefrom) to abandon any portion or segment of the Corridor, if Port, King County ("County"), or the designee of either of them timely files with the STB a Statement of Willingness to Assume Financial Responsibility ("SWAFR") meeting the requirements of the STB's regulations, TPO shall file with the STB: (i) an expression of willingness to enter into a railbanking/trail use agreement; (ii) a statement that TPO and Port, or TPO and County, or TPO and such designee, have entered into such an agreement; and (iii) a request that the STB issue a Notice of Interim Trail Use ("NITU") or a Certificate of Interim Trail Use ("CITU") (as appropriate). Upon the effective date of each such NITU or CITU, TPO shall transfer to Port (or Port's designee) TPO's right to restart freight rail service on the portion of the Corridor that is the subject of the SWAFR.

12.5 Binding Successors; Assignment.

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective permitted successors and assigns, except that TPO may not assign its rights and obligations under this Agreement without the prior written consent of Port, which consent may not be unreasonably denied, delayed or conditioned. Any assignment, encumbrance or other transfer in violation of the foregoing shall be void. Port may assign its rights and obligations under this Agreement freely.

12.6 Notices.

Except as otherwise expressly provided in this Agreement, all notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered personally to the party to whom notice is given, or (b) at the earlier of actual receipt or the third business day following deposit in the United States mail, postage prepaid. Notices and other communications shall be directed to the parties at the addresses shown below. A party may change its person designated to receive notice or its address from time to time by giving notice to the other party in accordance with the procedures set forth in this Section.

Port: Port of Seattle
P. O. Box 1209
Real Estate Division
Seattle, WA 98111
Telephone No. 206-728-3722

If delivered:
Port of Seattle
2711 Alaskan Way
Seattle, WA 98121

TPO: GNP Rly. Inc.
403 Garfield Street #20
Tacoma, WA 98444
Attention: Thomas Payne
Telephone No. 253-459-9702

12.7 Headings.

The section and subsection headings in this Agreement are for convenience only and shall not be used in its interpretation or considered part of this Agreement.

12.8 Integration, Amendment, and Waiver.

This Agreement controls all the rights and obligations of TPO and Port as to the operation of Freight Rail Service and Excursion Rail Service on the Corridor. (The License controls all the rights and obligations of TPO and Port as to the operation of Excursion Rail Service on the Excursion Spur and Extended Excursion Spur, if applicable). This Agreement is the entire agreement, and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties concerning the subject matter hereof. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both of the parties. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

12.9 Counterparts.

This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Facsimile signatures shall be deemed original for all purposes.

12.10 Governing Law.

This Agreement shall be construed and interpreted in accordance with the laws of Washington State and/or federal law, where applicable.

12.11 Time of Essence.

Time is of the essence of each and every provision of this Agreement.

12.12 Agreement Runs with Land; Recordation.

This Agreement is made for the benefit of the Corridor and shall run with the land, except that any parcel transferred by the Port to an unaffiliated person or entity for purposes other than rail operations or trail use that does not contain any facilities used in connection with the rail operations intended by this Agreement shall be deemed removed from the Corridor or Port Property as applicable. This Agreement shall bind and inure to the benefit of the parties' respective successors in interest in the Corridor to the extent stated in the prior sentence. This Agreement shall be recorded, and each party, upon request of the other party, agrees to execute a document in recordable form evidencing the removal of any parcel from the Corridor or the Port Property.

12.13 Not for the Benefit of Others.

This Agreement and each and every provision herein is for the exclusive benefit of the parties hereto and not for the benefit of any third party, except that the provisions related to railbanking in Section 12.4 are for the benefit of the County. Nothing herein shall be construed to create or increase any right in any third party to recover by way of damages or otherwise against either of the parties hereto, except for the rights of the County under Section 12.4.

12.14 Attorneys' Fees.

If any legal action or any arbitration or other proceeding is brought for the enforcement or interpretation of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs in connection with that action or proceeding, in addition to any other relief to which it or they may be entitled.

12.15 Regulatory Requirements.

If any governmental agency imposes any requirement on either or both of Port and TPO which Port can reasonably demonstrate would not have been imposed but for TPO's use of the Corridor for TPO's Freight Rail Service or Excursion Rail Service, the entire cost of compliance shall be borne solely by TPO, including, without limitation, costs and expenses for construction and maintenance of improvements, relocation of Facilities, implementation of safety procedures, and the filing of or participation in regulatory proceedings. Both parties shall reasonably cooperate to ensure compliance with all such governmental requirements. Notwithstanding the foregoing sentence, TPO's cooperation shall not include any modification to, or restriction of, its operations in the Corridor; provided, however, that TPO's cooperation may include modifications to the Facilities to the extent such modifications do not restrict TPO's operations, and subject to TPO's obligation to bear all costs and expenses thereof.

12.16 TPO Operating Data.

In the event of termination of TPO's operations, TPO shall, at the Port's request and expense, provide to the Port or the Port's designee all data associated with TPO's operations on the Corridor, including, but not limited to, car tracing, shipper identification and rates, and accounting records. Provided, that in the event TPO's operations terminate as a result of TPO transferring its rights to another operator, with the Port's consent, such operating data shall be transferred by TPO to its successor at TPO's cost or that of TPO's successor.

12.17 Removal of TPO's Property.

Upon termination of this Agreement, TPO shall have ninety days from the date of termination to remove all of TPO's personal property and trade fixtures, so long as such removal does not damage the Corridor or Port Property. If damage results to the Corridor or to Port Property as a result of TPO's activities under this Section 12.17, TPO shall, at its sole expense, restore or reimburse the Port for the cost to restore the Corridor or Port Property to as good condition as they were prior to TPO's removal activities, normal wear and tear excepted. If TPO fails to remove any of the personal property and trade fixtures within the time authorized under this Section, the Port may remove TPO's property at TPO's expense, subject to offset by any net proceeds received by the Port from the sale of TPO's property. TPO's obligation to (i) restore the Port for any damage to the Corridor or Port Property, and (ii) repay the Port for the cost of any property removal shall survive the termination of this Agreement. All other property or improvements placed on the Corridor or Port Property by TPO during the term of the Agreement that do not constitute personal property or trade fixtures, shall become the property of the Port upon termination of this Agreement.

12.18 Encumbrances.

TPO may pledge or otherwise encumber its rights under this Agreement to secure its obligations under any loan agreement or similar or related document; provided, however, that such pledge or other encumbrance shall be subject to and subordinate to the rights of the Port and its assigns under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Execution Date.

PORT OF SEATTLE,
a Washington municipal corporation

By: _____
Name: _____
Title: _____

GNP RLY. INC.,
a Washington corporation

By: Thomas Payne. Chairman & C.E.O.
Name: Thomas Payne
Title: Chairman & C.E.O.

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

On Dec. 17, 2009, before me, a Notary Public in and for said County and State, personally appeared Joy Yoshitani, of the Port of Seattle, a Washington municipal corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL) JULIE KATHRYN THOMAS NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 1-22-11

Julie Kathryn Thomas
Printed Name
Julie Kathryn Thomas
NOTARY PUBLIC in and for the State of Washington, residing at Bothell, Wa
My commission expires 1-22-11

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

On 12-18, 2009, before me, a Notary Public in and for said County and State, personally appeared Thomas Payne, of GNP Rly. Inc., a Washington corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL) STEPHANI A. OWENS NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES APRIL 29, 2013

Stephani A. Owens
Printed Name
Stephani A. Owens
NOTARY PUBLIC in and for the State of Washington, residing at Everett
My commission expires 4-29-2013

EXHIBIT 15

Memo of Operations and Maintenance Agreement
Port of Seattle and GNP Rly. Inc., dated 18 December 2009

AFTER RECORDING RETURN TO:

Davis Wright Tremaine LLP
1201 Third Avenue, Suite 2200
Seattle, Washington 98101-3045
Attn: James A. Greenfield

200912210440 14 PGS
12/21/2009 2:41pm $75.00
SNOHOMISH COUNTY, WASHINGTON

PNWT W-20611-9

MEMORANDUM OF OPERATION AND MAINTENANCE AGREEMENT

Grantor: Port of Seattle

Grantee: GNP Rly Inc.

Said document(s) were filed for record by Pacific N W Title as accommodation only. It has not been examined as to proper execution or as to its effect upon title.

Legal Description: See Exhibit A attached hereto and incorporated herein (the "Property"). Complete legal descriptions are at Exhibit A (page 5) of document.

Abbreviated Legal: 000000 000 00100

SW1/4 18-28-6
Lot 4 and 5 Block 2 Snohomish City Eastern Part Vol. 1 page 7
Govt Lots 1 and 2, and the NW ¼ of 19-28-6
NE and SE 24-28-5
NE 25-28-5
Govt 1,2,3,5, and 6 of 30-28-6
Govt 3,4,8 and SW1/4 and NW1/4 31-28-6
Pnt Lot 139 Cathcart 9X39
Gvt 4,5,6,7 of 6-27-6
Gvt 1,2,3,4,and the SW ¼ of 7-27-6
Gvt 2,3,4 and NW ¼ of 18-27-6
Gvt 1,2 of 19-27-6
NE of 12-27-5
NE, SW, SE of 24-27-5
Gvt 4 of 31-27-5
NW, SW of 25-27-5
NE, NW, SW of 26-27-5
NW of 35-27-5
NE, SE, SW of 34-27-5
In Snohomish County

Unofficial Document

Unofficial Document

MEMORANDUM OF OPERATION AND MAINTENANCE AGREEMENT

THIS MEMORANDUM OF Operation and Maintenance Agreement (this "**Memorandum of Operation and Maintenance Agreement**") is made effective as of this 16 day of December, 2009 (the "**Effective Date**") by and among PORT OF SEATTLE a Washington State municipal corporation (the "**Grantor**") and GNP Rly Inc, a Washington corporation (the "**Grantee**.") Each party to this Agreement is referred to herein as a "**Party**" and collectively as the "**Parties**."

Grantor is the sole owner of that certain real property located in King and Snohomish Counties, Washington, more particularly described in Exhibit A (the "**Grantor's Property**"), which is attached and incorporated into this Memorandum of Operation and Maintenance Agreement by this reference. Grantor has granted to Grantee, its successors and assigns, certain rights to operate and maintain a railroad upon Grantor's Property (the "O&M Agreement Rights" or the "Rights"), by the mutual execution, acknowledgment, and delivery of that certain unrecorded Operation and Maintenance Agreement by and between the Parties, dated effective as of the 17th day of December, 2009 (the "**O&M Agreement**"), all of the terms and conditions of which are incorporated here as though set forth in full. The O&M Agreement shall bind the Parties' successors, beneficiaries and assigns, until termination of the O&M Agreement, at which time the Parties shall execute and record a document releasing the Parties from all obligations under the O&M Agreement.

Grantor and Grantee have entered into this Memorandum of Operation and Maintenance Agreement in order that third parties may have notice of the existence of the O&M Agreement. This Memorandum of Operation and Maintenance Agreement is not a complete summary of the O&M Agreement. This Memorandum of Operation and Maintenance Agreement is not intended to amend, modify, or otherwise change the terms and conditions of the O&M Agreement. Provisions in this Memorandum of Operation and Maintenance Agreement shall not be used in interpreting the provisions of the O&M Agreement. In the event of a conflict between this Memorandum of Operation and Maintenance Agreement and the O&M Agreement, the O&M Agreement shall control.

For additional information about the O&M Agreement, contact the following:

GNP Rly. Inc.
403 Garfield Street #20
Tacoma, WA 98444
Attention: Thomas Payne
Telephone No. 253-459-9702

UNOFFICIAL DOCUMENT

Port of Seattle
Real Estate Division
P.O. Box 1209
Seattle, WA 98111
Telephone No. 206-787-3722

PORT OF SEATTLE
a Washington municipal corporation

By: _____
Name: Tay Yoshitani
Title: Chief Executive Officer

GNP RLY. INC.
a Washington corporation

By: _____
Name: Thomas Payne
Title: Chairman, C.E.O.

STATE OF WASHINGTON)
) **ss.**
COUNTY OF King)

On dec, 18, 2009, before me, a Notary Public in and for said County and State, personally appeared Jay Yashitani, of the Port of Seattle, a Washington municipal corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

JULIE KATHRYN THOMAS NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES JULY 1, 2012

Julie Kathryn Thomas
Notary Public

(SEAL)

STATE OF WASHINGTON)
) **ss.**
COUNTY OF King)

On 12-18, 2009, before me, a Notary Public in and for said County and State, personally appeared Thomas Payne, of GNP Rly. Inc., a Washington corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Stephani A. Owens
Notary Public

(SEAL)

STEPHANI A. OWENS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 29, 2013

EXHIBIT A TO MEMORANDUM OF OPERATION AND MAINTENANCE AGREEMENT

Legal Description of Grantor's Property

All that portion of BNSF Railway Company's (formerly Northern Pacific Railway Company) Snohomish (MP 38.25) to Woodinville (MP 23.8), 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 Snohomish County and King County, Washington, more particularly described as follows, to-wit:

SNOHOMISH COUNTY

That portion of that certain 60.0 foot wide Branch Line right of way being 30.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across State Street, as said street is shown on plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington Auditor, lying southerly of the Easterly prolongation of the centerline of vacated Commercial Street, as said Commercial Street is shown on said plat; also

That portion of the Southerly half of vacated Commercial Street as said street is shown on the plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington, vacated by ordinance No. 354 of the City of Snohomish, State of Washington, passed May 16, 1911, described as follows:

Beginning at the northeast corner of Lot 5, Block 2 of said plat of Snohomish City Eastern Part; thence Westerly, along the northerly line of said Lot 5, a distance of 20 feet, more or less, to a point 50 feet distant westerly, when measured at right angles from the centerline of State Street, as said State Street is shown on said plat; thence Northerly, along a line 50 feet westerly from the center line of said State Street, 30 feet, more or less to the centerline of said Commercial Street; thence Easterly, along said centerline of Commercial Street, 20 feet, more or less to the northerly prolongation of the east line of said Lot 5, thence Southerly, along said northerly prolongation, 30 feet, more or less, to Point of Beginning; also,

Lots 4 and 5, of Block 2 as shown on plat of Snohomish City Eastern Part, recorded as Instrument No. 187204125001 in Book 1, Page 7, records of the Snohomish County, Washington; also,

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by the Southwesterly Bank of the Snohomish River, an bounded Southwesterly by a line parallel with and distant 50.0 feet Northeasterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, together with all right, title and interest if any, to

accommodate said railway company's facilities and operations over and across the Snohomish River; also

That portion of that certain 50.0 foot wide Branch Line right of way being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by a line parallel with and distant 150.0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, and bounded Southerly by the Southerly line of said Government Lot 4; also

A triangular shaped tract of land being that portion of Government Lot 4, Section 18, Township 28 North, Range 6 East, W. M., bounded Northeasterly by a line parallel with and distant 150.0 feet Southwesterly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed, bounded Northwesterly by a line parallel with and distant 25 feet Easterly from, measured at right angles to said Railway Company's Branch Line right of way Main Track centerline as originally located and constructed and bounded Southerly by the Southerly line of said Government Lot 4; also

That certain 0.11 acre strip of land described in deed dated September 9, 1903 from J. H. Shadinger and Hattie E. Shadinger to Northern Pacific Railway Company recorded September 19 in Book 80, Page 296, records of Snohomish County, Washington, said 0.11 acre strip of land being described in said deed for reference as follows:

"A strip of land eighty (80) feet in width across that certain thirty-three (33) foot strip of land in Lot four (4), Section eighteen (18), Township twenty-eight (28) north, Range six (6) east, W.M., which lies immediately south of, parallel with and contiguous to the right of way of the Great Northern Railway Company across said subdivision; said eighty (80) foot strip of land having for its east and west boundaries two lines that are parallel with and respectively distant twenty-six (26) feet on the northeasterly side and fifty-four (54) feet on the southwesterly side of the center line of the proposed track which is to connect the Great Northern Railway with the Northern Pacific Railway as the same is located, staked and constructed over and across said subdivision; containing 0.11 acres, more or less."; also,

That certain 1.94 acre strip of land described in deed dated September 9, 1903 from Kate G. Ford, D. A. Ford, Ruth S. Ford and D. A. Ford as sole executor to Northern Pacific Railway Company recorded September 19 in Book 80, Page 298, records of Snohomish County, Washington, said 1.94 acre strip of land being described in said deed for reference as follows:

"All that portion of Lot four (4), Section eighteen (18) and of Lot one (1) (or the northwest quarter of the northwest quarter) of Section nineteen (19), Township twenty-eight (28) north, Range six (6) east, W.M., lying westerly of the Northern Pacific Railway Company's right of way and southerly of a line drawn parallel with and thirty-three (33) feet distant southerly from

the south line of the Great Northern Railway Company's right of way and between lines drawn parallel with and respectively distant twenty-six (26) feet easterly from and fifty-four (54) feet westerly from the center line of the proposed track which is to connect the Northern Pacific Railway with the Great Northern Railway as the same is now located, staked out and to be constructed over and across said premises; said strip of land containing 1.94 acres, more or less.", also;

That certain .08 acre strip of land described in deed dated April 25, 1908 from Robert Henry and Margaret R. Henry to Northern Pacific Railway Company recorded June 1, 1908 in Book 110 of Deeds, Page 509, records of the County Auditor, Snohomish County, Washington, said .08 acre strip of land being described in said deed for reference as follows:

"A strip of land thirty (30) feet wide described as follows: Beginning at a point on the section line between Sections 18 and 19, Township 28 North, Range 6 East, Willamette Meridian, fifty-five (55) feet distant measured at right angles from the center line of the main track of the said Railway Company as the same is now located, constructed, maintained and operated through said sections; thence northeasterly on a line parallel with and fifty-five (55) feet distant from said center line one hundred ten (110) feet, more or less, to the south line of the Tacoma Power Company's right of way; thence southeasterly along the south line of said Tacoma Power Company's right of way thirty (30) feet to the westerly line of the present right of way of said Northern Pacific Railway Company, which line at that point is twenty-five (25) feet from the center line of the main track of said Railway Company; thence southwesterly along said westerly line of the right of way one hundred ten (110) feet, more or less, to the point where said right of way widens to fifty (50) feet on each side of said center line; thence westerly twenty-five (25) feet to point of intersection with the above described section line; thence west along said section line five (5) feet, more or less, to place of beginning, said strip being situated in Lot four (4) Section eighteen (18) and Lot one (1) Section nineteen (19) all in Township twenty-eight (28) North, Range six (6) East, Willamette Meridian and containing eight hundredths (.08) of an acre, more or less."; also,

That portion of said Railway Company's property in Government Lot 4, Section 18, Township 28 North, Range 6 East, W.M., Snohomish County, Washington, bounded Northeasterly and Southwesterly by two lines drawn parallel with and distant Southwesterly 150.0 feet and 183.0 feet, respectively, from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline as originally located and constructed and bounded Southeasterly and Northwesterly by two lines drawn parallel with and distant Northwesterly 25.0 feet and 50.0 feet, respectively, from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; also,

That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W. M., Snohomish County, Washington, bounded Northerly by the North line of said Section 19, and bounded Westerly by the West line of said Section 19; also,

That portion of said Railway Company's property in Lots 1 and 2, Section 19, Township 28 North, Range 6 East, W. M., Snohomish County, Washington, bounded as follows: Westerly by a line parallel with and distant 50.0 feet Easterly from, measured at right angles to said Railway Company's Branch Line Main Track centerline as now located and constructed; Northerly by the North line of said Section 19 and Easterly by the following described line:

Beginning at a point on a line parallel with and distant 50.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, opposite Station 512+68.45, said point of beginning being the point of a curve to the left having a radius of 621.20 feet; thence westerly, along the arc of said curve to the left and consuming a central angle of 90°57'06", an arc distance of 986.10 feet to the point of tangency of said curve, said point of tangency being 125 feet easterly, when measured at right angles from Station 1963+97.51 on said Railway Company's Branch Line Main Track centerline; thence southerly, along a line drawn parallel and/or concentric with and 125 feet easterly, when measured at right angles and/or radially, from said Branch Line Main Track centerline, to a point opposite Station 1956+00 on said Railway Company's Branch Line Main Track centerline; thence westerly, along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet; thence southerly, along a line drawn concentric with and 100 feet easterly, when measured radially, from the centerline of said Railway Company's Branch Line Main Track centerline, to a point opposite Station 1953+00 on the centerline of said Railway Company's Branch Line Main Track centerline; thence westerly along a line drawn radially with the centerline of said Railway Company's Branch Line Main Track centerline, a distance of 25 feet; thence southerly, along a line drawn concentric with and 75 feet easterly, when measured radially from said Railway Company's Branch Line Main Track centerline to the west line of said Section 19, also being the terminus of the herein described line.

EXCEPTING THEREFROM, a strip of land 30 feet wide, the center line of which is 435 feet north from and parallel with the East and West centerline of said Section 19, extending from the west line of said Section 19 to the East boundary of said hereinabove described tract; **ALSO EXCEPTING THEREFROM**, that portion of said hereinabove described tract lying northerly of a line parallel with and distant 150.0 feet Southerly from, measured at right angles to said Railway Company's (formerly Great Northern Railway Company) Everett to Spokane Main Track centerline, as originally located and constructed, also,

That portion of that certain 100.0 foot wide Branch Line right of way, in the Town of Bromart, Snohomish County, Washington, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½E½ Section 24, the E½NE¼ Section 25, all in Township 28 North, Range 5 East, W. M., bounded Northerly by the East line of said E½E½ Section 24, and bounded Southerly by the East line of said E½NE¼ Section 25; 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 Government Lots 1, 2, 3, 5, 6, of Section 30, Township 28 North, Range 6 East, W. M., bounded

Westerly by the West lines of said Lots 1 an 2 and bounded Southerly by the South line of said Lot 5; also,

That portion of that certain 110.0 foot wide Branch Line right of way, being 60.0 feet Westerly and 50.0 feet Easterly of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 8 of Section 31, Township 28 North, Range 6 East, W. M., bounded Northerly and Southerly by the North and South lines of said Lot 8; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across Government Lot 3, the NE¼SW¼ and the SE¼NW¼, Section 31, Township 28 North, Range 6 East, W. M., bounded Northerly by the North line of said SE¼NW¼ Section 31, and bounded Southerly by the South line of said Government Lot 3 and its easterly prolongation; also,

That certain 2.0 acre tract of land described in deed dated April 13, 1918 from John S. Eby to the Northern Pacific Railway Company, recorded April 20, 1918 in Volume 180 of Deeds, Page 451, records of Snahomish County, Washington, said tract being described in said deed for reference as follows:

"That property of the grantor (being the north nine hundred forty-five and five tenths (945.5) feet, more or less, of the south eleven hundred forty-three and five tenths (1143.5) feet of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, west of the present right of way of said Railway Company lying between lines parallel with and distant respectively one hundred (100) and one hundred fifty (150) feet westerly from the center line of the present main track of said Railway Company, as the same is now constructed and operated over and across said section; also that portion of said N½ of SW¼ lying between lines parallel with and distant respectively one hundred fifty (150) and two hundred (200) feet westerly from said above named main track center line and between a line parallel with and distant one hundred ninety-eight (198) feet northerly from the south line of said government subdivision and a line drawn at right angles to said main track center line at a point distant twenty-one hundred thirty-four and eight tenths (2134.8) feet northerly from its point intersection with the south line of said section 31, containing in all two (2) acres, more or less."; also,

That certain 0.35 acre tract of land described in deed dated March 25, 1918 from John Grinier and Alice Grinier to the Northern Pacific Railway Company, recorded April 10, 1918 in Volume 180 of Deeds, Page 401, records of Snohomish County, Washington, said tract being described in said deed for reference as follows:

"A strip of land of the Westerly side of and adjacent to the present two hundred (200) foot right of way of said Railway Company in the south six (6) acres (or the south one hundred ninety-eight (198) feet more or less, of the north-half of the southwest quarter (N½ of SW ¼) of section thirty-one (31) in Township twenty-eight (28) north of range six (6) east of the Willamette Meridian, said strip of land being more particularly described as follows:

"Beginning at a point on the south line of said N½ of SW ¼, one hundred (100) feet distant westerly, measured at right angles, from the present main track of said Railway Company, as the same is now, constructed and operated over and across said section; thence northerly on a line parallel with and one hundred (100) feet distant westerly from said center line to the north line of the property of said grantors (being the north line of the south 198 feet, more or less of the above named government subdivision); thence west along said north line to a point two hundred (200) feet distant westerly, measured at right angles, from said main track center line; thence southeasterly in a straight line to a point on the south line of said above named government subdivision fifty-five (55) feet west of the point of beginning; thence east to the point of beginning, containing thirty-five hundredths (35/100) acres, more or less."; also,

That certain tract of land described in deed dated December 15, 1937 from Ella L. Moulton to the Northern Pacific Railway Company recorded February 19, 1938 in Volume 238 of Deeds, Page 102, records of Snohomish County, Washington, said tract of land being described in said deed for reference as follows:

"That portion of Tract No. 139 as shown on the official plat of CATHCART on file and of record in the office of the Auditor of said County situate within the south half of southwest quarter (S½ of SW¼) of section thirty-one (31) in township twenty-eight (28) north of range six (6) east of the Willamette Meridian, lying easterly of a line parallel with and distant fifty (50) feet westerly measured at right angles, from the center line of the present main track of the Northern Pacific Railway Company as the same is now constructed and operated over and across said section thirty-one."; 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 Government Lot 4 in Section 31, Township 28 North, Range 6 East, W. M., Government Lots 4, 5, 6 and 7 in Section 6, Government Lots 1, 2, 3, 4 and the SE¼SW¼ Section 7, Government Lots 2, 3, 4 and the E½NW¼ Section 18, Government Lots 1 and 2 Section 19, all in Township 27 North, Range 6 East, W. M., the E½E½NE¼ Section 12, and the SE¼NE¼ and the NE¼SE¼ Section 24, all in Township 27 North, Range 5 East, W. M., bounded Northerly by the North line of said Government Lot 4 in Section 31, and bounded Southerly the West line of said NE¼SE¼ Section 24; also

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SE¼ Section 24, Township 27 North, Range 5 East, W. M., bounded Easterly and Westerly by the East and West lines of said W½SE¼ Section 24, **EXCEPTING THEREFROM**, that portion of said 200.0 foot wide Station Ground property lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as now located and constructed; also

That portion of that certain 100.0 foot wide Maltby Station Ground property, being 50.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the E½SW¼ Section 24, Township 27 North, Range 5 East, W. M., bounded Northerly by

the East line of said SW¼ Section 24 and bounded Southerly by the South Line of said SW¼ Section 24, **EXCEPTING THEREFROM**, that portion lying Northwesterly of a line concentric with and distant 25.0 feet Northwesterly from, measured radially to said Railway Company's Main Track centerline as originally located and constructed, bounded Northeasterly by the East line of said SW¼ Section 24, and bounded Southwesterly by the Easterly edge of the travelway of the Street connecting 91st Avenue SE with Yew Way in the City of Maltby, Washington, as now located and constructed in a generally Southerly direction from 91st Avenue SE, and about 100 feet Southwesterly of the North-South quarter line of said Section 24, as measured along said Main Track centerline; also,

That portion of that certain 200.0 foot wide Maltby Station Ground property, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼ Section 25, Township 27 North, Range 5 East, W. M., bounded Northerly and Southerly by the North and South lines of said NW¼ Section 25; 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 the NW¼NE¼SW¼ Section 25, Township 27 North, Range 5 East, W. M., bounded Northerly and Westerly by the North and West lines of said NW¼NE¼SW¼ Section 25; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the NW¼SW¼ Section 25, the NE¼SE¼ and the NE¼ Section 26, all in Township 27 North, Range 5 East, W. M., bounded on the East by the East line of said NW¼SW¼ Section 25, and bounded on the West by the West line of said NE¼ Section 26; 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 the SE¼NW¼ and the NW¼NE¼SW¼ Section 26, Township 27 North, Range 5 East, W. M., bounded Easterly by the East line of said SE¼NW¼ Section 26, and bounded Westerly by the West line of said NW¼NE¼SW¼ Section 26; also,

That portion of that certain 200.0 foot wide Branch Line right of way, being 100.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the W½SW¼ Section 26, and the NW¼NW¼ Section 35, all in Township 27 North, Range 5 East, W. M., bounded on the East by the East line of said W½SW¼ Section 26, and bounded on the South by the South line of said NW¼NW¼ Section 35, **EXCEPTING THEREFROM**, that portion lying Westerly of a line parallel and/or concentric with and distant 50.0 feet Westerly from, measured at right angles and/or radially to said Railway Company's Main Track centerline as originally located and constructed, bounded on the North by the North line of said Section 35, and bounded on the South by a line radial to said Main Track centerline at a point 530.0 feet South of the North line of said Section 35, as measured along said Main Track centerline; 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

the SW¼NW¼ Section 35, the SE¼SE¼NE¼ and the NE¼SE¼ Section 34, all in Township 27 North, Range 5 East, W. M., bounded on the North by the North line of said SW¼NW¼ Section 35, and bounded on the South by the South line of said NE¼SE¼ Section 34; also,

That portion of that certain 50.0 foot wide Branch Line right of way, being 25.0 feet on each side of said Main Track centerline, as originally located and constructed, upon, over and across the SE¼SE¼ Section 34, Township 27 North, Range 5 East, W. M., bounded on the North by the North line of said SE¼SE¼ Section 34, and bounded on the South by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline; 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 the S½SE¼ and the SE¼SW¼ Section 34, Township 27 North, Range 5 East, W. M., bounded on the North by a line radial to said Railway Company's Main Track centerline, as originally located and constructed, at a point distant 600 feet Southwesterly of said North line of said SE¼SE¼ Section 34, as measured along said Main Track centerline, and bounded on the South by the South line of said Section 34, said line also being the South line of Snohomish County Washington.

==========

KING COUNTY

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 S½N½, and the E½SW¼ Section 3, the NW¼ 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 NW¼ 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 E½SW¼ 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, Township 26 North, Range 5 East, W. M., bounded on the East by the East line of said 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. 19851219l094, **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 a distance of 400 feet, more or less, to a point in the southeasterly line of the present right of way of the Northern Pacific Railway, thence southwesterly along said right of way line to point of beginning; containing 0.32 acres, more or less."

A 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 Dees, 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 records of King County, Washington, said 100 foot wide strip being described as follows:

That certain 0.03 acre triangular tract of land described in deed dated 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 of 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.

UNOFFICIAL DOCUMENT

EXHIBIT 16

Railroad Right of Way License Between Port of Seattle and GNP RLY. Inc.
Dated 18 December 2009

RAILROAD RIGHT OF WAY LICENSE
BETWEEN
PORT OF SEATTLE
AND
GNP RLY. INC.

TABLE OF CONTENTS

SECTION 1. Definitions 2

SECTION 2. TPO's Rights and Obligations 4

SECTION 3. Port's Rights and Obligations 5

SECTION 4. General Maintenance, Repair and Replacement Obligations 6

SECTION 5. Construction of Additions and Alterations 7

SECTION 6. Execution Date and Term of the License 8

SECTION 7. Reciprocal Access and Notice Rights 8

SECTION 8. Liability 9

SECTION 9. Insurance 14

SECTION 10. Compensation and Billing 17

SECTION 11. Coordination Committee 17

SECTION 12. Binding Arbitration 18

SECTION 13. Miscellaneous Provisions 19

SIGNATURES 23

EXHIBITS

Exhibit A 25

RAILROAD RIGHT OF WAY LICENSE

THIS RAILROAD RIGHT OF WAY LICENSE ("License") is entered into as of the 18 day of DECEMBER, 2009 ("Execution Date"), between the Port of Seattle, a Washington municipal corporation ("Port ") and GNP Rly. Inc., a Washington corporation ("TPO").

RECITALS

A. Pursuant to the Purchase and Sale Agreement and the Donation Agreement between Port and BNSF Railway Company, a Delaware corporation ("BNSF"), both dated as of May 12, 2008 (together, the "Acquisition Agreements") Port acquired BNSF's right, title and interest in BNSF's railroad right of way (i) from milepost 5.0 in Renton, Washington to and including the railroad bridge at milepost 38.25 in Snohomish County, Washington, and (ii) from milepost 0.0 in Woodinville south to milepost 7.3 in Redmond (the "Redmond Spur") (together, the "Port Property").

B. Port and TPO have entered into an Operations and Maintenance Agreement ("O&M Agreement") setting forth their respective rights and obligations with respect to Freight Rail Service, Excursion Rail Service, and maintenance on portions of the Woodinville Subdivision from milepost 23.8 in Woodinville, King County, Washington north to milepost 38.25 in Snohomish, Snohomish County, Washington ("Corridor"), as described in **Exhibit A** attached hereto and incorporated herein.

C. TPO also desires the right to use and operate the Excursion Spur, a portion of the Woodinville Subdivision and further described below, for Excursion Rail Service (as defined in Section 1.6 below).

D. Upon acquisition of the Corridor by the Port, the Excursion Spur, along with the railroad right of way (i) from milepost 5.0 in Renton, Washington to milepost 23.8 in Woodinville, Washington, and (ii) within the Redmond Spur, was "railbanked." King County ("County") was approved as an Interim Trail User by the Surface Transportation Board ("STB") for the purpose of railbanking, and County is accordingly subject to certain legal obligations related to the Excursion Spur, which are referred to herein as the "Railbanking Obligations." The Railbanking Obligations consist of those obligations imposed through Section 8(d) of the National Trails System Act, also known as the Rails-to-Trails Act, 16 U.S.C. 1247(d), and 49 C.F.R. 1152.29 (collectively, and as any of the foregoing may hereafter be amended or interpreted by binding judicial or administrative authority, the "Railbanking Legislation"), the Notice of Interim Trail Use ("NITU") related to the Excursion Spur issued by the STB and any conditions or requirements imposed related thereto; the Trail Use Agreement ("TUA") entered into between BNSF and County related to the Excursion Spur under which County agreed to accept, exercise, and fulfill all of the legal rights, duties, and obligations of an Interim Trail User, and the Statement of Willingness to Accept Financial Responsibility ("SWAFR"). To carry out the Railbanking Obligations, County has been granted by the Port a Public Multipurpose Easement dated 12/18/09 and recorded under recorded number 200912180015 38 under which County acquired certain rights on the Excursion Spur and the other portions of the Corridor

subject to railbanking, including the right to develop, construct and operate a recreational trail consistent with rail or other transportation uses thereon.

E. Port is willing to grant TPO the right to use and operate the Excursion Spur in the manner described in this License.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants in this License and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

Section 1. Definitions.

1.1 Additions and Alterations - Means any improvements constructed by or on behalf of either party on the Excursion Spur after the Execution Date, including, without limitation, additions, alterations and betterments of any Facilities, and any construction, reconstruction, modifications and renewals thereof or any reconstruction, modification or renewal of additional Facilities, but excluding maintenance items.

1.2 Automatic Warning Devices - Means traffic control devices at railroad-street at-grade crossings and at railroad-pedestrian at-grade crossings, including, without limitation, any combination of flashing light signals, bells, automatic gates, active advance warning devices, highway traffic signals and their associated activation and control devices, control relays and batteries, microprocessor technology, and associated electrical circuitry.

1.3 Corridor is defined in Recital B.

1.4 Environmental Law - Means any and all applicable laws, statutes, regulations, enforceable requirements, orders, decrees, judgments, injunctions, permits, approvals, authorizations, license, permissions or binding agreements issued, promulgated or entered into by any governmental agency having jurisdiction over the environmental condition of the Excursion Spur, relating to the environment, to preservation or reclamation of natural resources, or to the management, release or threatened release of contaminants or noxious odors, including, without limitation, the Hazardous Materials Transportation Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, and the Hazardous and Solid Waste Amendments of 1984, the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, the Clean Air Act of 1970, as amended by the Clean Air Act Amendments of 1990, the Toxic Substances Control Act of 1976, and any similar or implementing state law, and all amendment or regulations promulgated thereunder.

1.5 Excluded Conduct - Is defined in Section 8.4.

1.6 Excursion Rail Service - Means the deployment and operation of trains using the facilities for excursion passenger service and not for commuter rail passenger service or any other service, except for head and tail operations as referred to Section 1.11.

1.7 Excursion Spur - Means that portion of the Redmond Spur from milepost 0.0 in Woodinville south to milepost 2.5 in Woodinville, Washington.

1.8 Execution Date - Means the date on which this License is executed and becomes effective.

1.9 Facilities - Means all rails, fastenings, switches, switch mechanisms and frogs with associated materials, ties, ballast, signals and communications devices (and associated equipment), drainage facilities, Automatic Warning Devices, traction power substations, overhead catenary systems, bumpers, roadbed, embankments, bridges, trestles, culverts, buildings and any other structures or things necessary for the support thereof and, if any portion thereof is located in a thoroughfare, the term includes pavement, crossing planks and other similar materials or facilities used in lieu of pavement or other street surfacing materials at vehicular and pedestrian crossings of tracks, and any and all structures and facilities required by lawful authority in connection with the construction, renewal, maintenance and operation of any of the foregoing.

1.10 FRA - Means the Federal Railroad Administration.

1.11 Freight Rail Service - Means only (a) the common carrier freight rail operations conducted by TPO or TPO's tenants or assignees on the Corridor and (b) the head and tail operations associated therewith and conducted on the Excursion Spur in accordance with this License, and no other freight service.

1.12 Hazardous Materials - Means any material or substance: (a) the presence of which requires investigation or remediation under any Environmental Law; or (b) which is defined as a "hazardous waste," "hazardous substance," "pollutant" or "contaminant" under any Environmental Law; or (c) the presence of which on, under or over adjacent properties constitutes a trespass by the owners of the Excursion Spur and poses a hazard to the health or safety of persons on adjacent properties; or (d) the presence of which on, under, or over the Excursion Spur causes a nuisance on adjacent properties and poses a hazard to the health or safety of persons on adjacent properties.

1.13 Invoice - Is defined in Section 10.1.

1.14 Loss or Losses - Means all losses, damages, claims, demands, costs, liabilities, judgments, fines, fees (including, without limitation, reasonable attorneys' fees) and expense (including, without limitation, costs of investigation, defense, expenses at arbitration, trial or appeal and without institution of arbitration or suit, and, with respect to damage or destruction of property, cleanup, repair and replacement expenses) of any nature arising from or in connection with death or injury to persons, including, without limitation, employees or tenants of the parties, or damage to or destruction of property, including, without limitation, property owned by either of the parties or their tenants, in connection with Excursion Rail Service on the Excursion Spur.

1.15 Multipurpose Easement - Means that certain easement between Port and King County, a home rule charter county and political subdivision of the State of Washington ("County") pursuant to which the County acquired certain rights on those portions of the Woodinville Subdivision from (i) milepost 23.8 in Woodinville south to milepost 5.0 in Renton, and (ii) the

Redmond Spur, including the right to develop, construct and operate a recreational trail consistent with rail or other transportation uses thereon.

1.16 O&M Agreement - Has the meaning set forth in Recital B.

1.17 Port Property - Means the rights-of-way acquired by Port from BNSF under the Deed that are subject to TPO's rights under this Agreement; provided, that if Port transfers individual parcel(s) to third parties not affiliated with Port, and the transferred parcel(s) do not remain subject to this Agreement as provided in Section 13.8, such individual parcel(s) shall not be deemed "Port Property."

1.18 Track - Means any and all main track, sidings, yards, spurs and other track constructed or to be constructed upon and across the Excursion Spur.

Section 2. TPO's Rights and Obligations.

2.1 Subject to transportation uses permitted or performed by the Port as provided in Section 3, TPO shall have the exclusive right and obligation to provide, by itself and/or by or through any entity designated by TPO, Excursion Rail Service on and over the Excursion Spur.

2.2 TPO shall have the exclusive authority to manage, direct and control all activities related to the provision of Excursion Rail Service on the Excursion Spur, including, without limitation, the operation of all trains, locomotives, rail cars and rail equipment, and the movement and speed of the same on the Excursion Spur; provided, that TPO shall not transport or store on the Excursion Spur or on Port Property any toxic inhalation hazards ("TIHs") or poison inhalation hazards ("PIHs"). *Notwithstanding* the foregoing, TPO is prohibited from using the Excursion Spur at any time for the purpose of setting out or picking up rail cars.

2.3 TPO shall employ and discharge all personnel required to perform TPO's Excursion Rail Service, shall comply with all governmental laws, rules, regulations and orders applicable to TPO's Excursion Rail Service, and shall pay all real property taxes separately levied on TPO's rights under this License and for all utilities consumed by TPO in carrying out TPO's Excursion Rail Service. All improvements, equipment and materials required for TPO's Excursion Rail Service shall be provided by TPO at the sole cost and expense of entities other than Port except as provided in this License.

2.4 Subject to the rights of and coordination with the Port and those entities that the Port may authorize to provide transportation uses on the Excursion Spur pursuant to Section 3 and with County with regard to any then current or future trail use, and solely at the expense of entities other than the Port, TPO may modify, construct, maintain, replace and remove the Tracks upon and across the Excursion Spur as may be necessary in order to operate in accordance with this License, provided that TPO may not change the location of the Tracks.

a) In the event that construction of any Tracks requires the construction of new Facilities, or modifications to, existing Facilities, such construction or modifications shall be at the expense of entities other than Port.

b) The design, construction, modification or removal of any Tracks and any new, or modified Facilities necessitated thereby, shall not unreasonably interfere with the rights the Port may exercise or grant under Section 3.1 and 3.2 of this License and that the County may exercise with regard to any then current or future trail use, shall result in the location of any modified Facilities being unchanged and the condition of any modified Facilities being of equal or better condition and functionality than such Facilities were prior to the modification, and shall be subject to Port's prior review and written approval.

2.5 TPO acknowledges and agrees that the County is the grantee under the Multipurpose Easement and that this license is subject to and incorporates herein by this reference the terms of the Multipurpose Easement as set forth in Section 1.4 of that Easement. In the event that County acquires from Port additional rights, title and interests in the Excursion Spur, the incorporated terms of the Multipurpose Easement shall survive the expiration or extinguishment of the Multipurpose Easement through the doctrine of merger, provided that (a)if no "Trail Area" has been established under the Multipurpose Easement, then County may designate a Trail Area of sufficient size to accommodate a regional trail under generally applicable trail development standards as described in Section 2.1.1 of the Multipurpose Easement and provided further that (b) TPO shall be the beneficiary of the rights of "TPO" under such Multipurpose Easement that affect the Transportation Use and that apply to TPO's rights and responsibilities under this License. TPO agrees that it shall, at all times, cooperate fully with the County to accommodate any trail uses on the Excursion Spur adjacent to the Excursion Spur Facilities, and shall comply with all Railbanking Obligations.

2.6 TPO or its designee shall have the right to use existing Tracks in the Excursion Spur for performing Excursion Rail Service as described in this Section.

2.7 TPO acknowledges and agrees that, consistent with Section 3, the Port may itself perform or grant rights to or enter into agreements with one or more third parties for certain non-freight, passenger transportation uses on the Excursion Spur (e.g., commuter rail service or other public transportation) during the Term of this License, that are not inconsistent with TPO's rights under this License. TPO shall cooperate with those parties authorized by the Port to ensure the accommodation of such passenger transportation uses on the Excursion Spur.

2.8 In addition to all other rights granted to TPO under this License, TPO shall have the right to utilize the Excursion Spur between milepost 0.0 in Woodinville and milepost 1.0 for all head and tail operations necessary for TPO's Rail Freight Service under the O & M Agreement, but shall have no right to operate other common carrier or contract freight rail service on the Excursion Spur.

Section 3. Port's Rights and Obligations.

3.1 Port shall have the right to use the Excursion Spur and to grant easements, licenses or permits affecting the Excursion Spur as long as such use, easements, licensees or permits do not unreasonably interfere with or create safety hazards for TPO's continuous and uninterrupted use of the Excursion Spur under the terms of this License. TPO shall cooperate with any entity granted such easements, licenses or permits to ensure accommodation of the uses authorized by such easements, licenses or permits so long as such uses do not unreasonably interfere with or

create safety hazards for TPO's continuous and uninterrupted use of the Excursion Spur under the terms of this License.

3.2 Port shall have the right to itself provide or grant rights to or contract with third parties for certain non-freight, passenger transportation uses on the Excursion Spur (e.g., commuter rail service or other public transportation) during the Term of this License so long as such uses do not unreasonably interfere with or create safety hazards for TPO's continuous and uninterrupted use of the Excursion Spur under the terms of this License.

3.3 Port, at Port's election, may perform a semi-annual joint inspection of the Excursion Spur by representatives of the Port upon reasonable advance notice for the first two (2) years, and annual joint inspections thereafter. Appropriate representatives from both Port and the TPO shall participate in and cooperate with the joint inspection(s) via hi-rail or other suitable means of railroad track inspection. The Port may perform more frequent inspections of the Excursion Spur, at its election, at any time during the term of this License so long as the following conditions are met: (1) Port provides advance notice to TPO in accordance with Section 7.5; (2) Port complies with all reasonable safety requirements of the TPO or as required by law applicable to the Excursion Spur; (3) Port obtains the appropriate authorizations from TPO to be on the designated portions of the Excursion Spur; (4) TPO will be allowed to participate in any inspection; and (5) the inspections are planned and coordinated with TPO to minimize any interference with TPO's operations on the Excursion Spur. The Port may request, at its sole discretion, that the inspections be performed by an authorized FRA inspector, whose findings shall be binding on the Port and the TPO.

3.4 In the event the TPO fails to or is unable to perform any work it is required to perform under this License, the Port may perform such work. Any such work by Port shall be performed in accordance with TPO's schedule and design, and the reasonable documented out-of-pocket cost thereof shall be reimbursed by TPO to Port in accordance with Section 10.1.

Section 4. Maintenance, Repair and Replacement Obligations.

4.1 General Maintenance, Repair and Replacement Obligations.

a) Except as otherwise provided in this License, TPO shall provide general maintenance and maintenance of way services, including without limitation, inspection, maintenance, repair, installation, alteration and replacement (as necessary) of all Tracks and Facilities, including without limitation, Automatic Warning Devices and grade crossings (including embankments, crossing panels or planking, pavement and curbing) to the extent the same are subject to governmental requirements in connection with grade crossings, located within the Port Property, including the Excursion Spur, in accordance with all applicable laws, rules and regulations, and in a condition reasonably suitable for TPO's intended use of the Excursion Spur.

b) Notwithstanding the provisions of subparagraph (a) above, any damage to or destruction of Facilities caused by a party or its employees, contractors, invitees or licensees shall be repaired or replaced at the sole cost of such party.

c) The TPO shall allow the Port to conduct inspections of the Excursion Spur as provided in Section 3.3.

4.2 Remedies.

a) In the event that TPO, as the responsible party for maintenance, repair and replacement of any item, fails to perform its maintenance obligations under this License, and such failure results in an imminent and substantial danger to human health or safety or to property, Port shall promptly notify TPO and the FRA. If TPO fails to perform its maintenance obligations, Port may perform such obligations immediately upon notifying TPO by telephone at the number set forth below. Port shall be entitled to full reimbursement from TPO within thirty (30) days after submission of a written Invoice therefor.

b) In the event that TPO or Port discovers, or receives notice of, any malfunction of, or damage to, Automatic Warning Devices, the discovering party shall promptly notify the other party by telephone at the telephone number set forth below, and TPO shall follow its usual response practices in the event of any malfunction of, or damage to, Automatic Warning Devices.

Port Duty Officer Telephone No.:_____

TPO Duty Officer Telephone No.:_____

4.3 Grade Crossing Reconstruction - The parties acknowledge that certain maintenance procedures may cause an increase in the surface elevation of grade crossings, and that TPO may, from time to time, need to perform additional maintenance or reconstruction work in order to prevent unsafe elevation differentials between the tracks used by TPO and other tracks. TPO will be responsible for any such maintenance and reconstruction work of any such grade crossings.

Section 5. Construction of Additions and Alterations.

5.1 Design and Construction Standards - The design and construction of any Additions and Alterations on the Excursion Spur shall comply with all applicable laws, rules and regulations. The party constructing Additions and Alterations shall follow customary safety procedures in accordance with good practice in the railroad industry and with applicable laws, rules and regulations and shall use reasonable efforts to perform work on Additions and Alterations at such times and in such manner as not to unreasonably interfere with, delay or endanger the equipment, Facilities or other facilities of the other party.

5.2 Design Review - In the course of designing Additions and Alterations, the constructing party shall reasonably notify and consult with the other party with respect to the design and construction of the Additions and Alterations. If requested by the other party, the constructing party shall deliver to the other party for review and comment copies of each set of plans for Additions and Alterations during the planning and design process. The other party shall notify the constructing party in writing within fifteen (15) days after its receipt of the plans as to whether it wishes to comment on the plans. If so, then the other party shall have the right to provide the constructing party, within thirty (30) days after the other party's receipt of any such

set of plans, written comments and suggestions regarding such plans. If the other party timely disapproves such plans, the parties shall meet within fifteen (15) days after disapproval to negotiate in good faith to develop plans acceptable to both. If the parties are unable to agree upon changes to the plans, either party may submit the matter to arbitration pursuant to Section 12. Upon completion of final plans, the constructing party shall give a copy of the final plans to the other party for review to ensure the incorporation of all agreed-upon changes to the plans.

5.3 Grade Separation Projects - In the event of a public grade separation project, TPO shall be solely responsible for any costs assessed thereunder. If TPO determines that a proposed grade separation project is desirable and is not feasible unless TPO contributes more than the costs that would be assessed to TPO under applicable laws, then Port agrees to consider in good faith the desirability of the proposed project and whether TPO's additional contribution should be reimbursed by Port; provided, however, that Port shall have no obligation to reimburse TPO for such additional contribution except to consider it in good faith as provided above.

Section 6. Execution Date and Term of the License.

6.1 The initial term of this License shall expire on the 10th anniversary of the Execution Date. So long as TPO is not in default with respect to a material term or condition of this License, TPO may elect to continue this License for one (1) additional renewal term of ten (10) years by giving Port written notice of such intent at least one (1) year prior to the expiration of the initial term. ("Term"). *Notwithstanding* the foregoing, this License shall terminate sixty (60) days after written notice by Port to TPO that TPO is in default with respect to a material term or condition of this License, which default has not been cured on or prior to such 60th day. In the event the O&M Agreement is terminated under Section 12.2 thereof but Excursion Rail Service is allowed to continue on the Corridor as authorized in Section 12.2, TPO may, with Port's written approval and so long as TPO is not in default under this License or the O & M Agreement, continue to provide Excursion Rail Service over the Excursion Spur.

6.2 TPO may terminate this License by giving Port not less than sixty (60) days' notice of termination. Upon such termination, TPO shall have no further right under this License to use the Excursion Spur.

6.3 TPO or its designee shall commence excursion passenger service as referred to in Section 1.6 of this License on the Excursion Spur no later than two years after the Execution Date. If TPO does not commence excursion passenger service by that time, or if TPO ceases excursion passenger service for more than two years, Port may terminate the right to provide excursion passenger service under this License by giving TPO not less than sixty (60) days notice of such termination. In such case, this License will be limited in scope to allow for only head and tail operations as referred to in Section 1.11.

Section 7. Reciprocal Access and Notice Rights.

7.1 Port and any entity to which it has granted rights in the Excursion Spur consistent with the terms of this license ("Port Grantees") may enter upon the Excursion Spur and/or use the Facilities located on the Excursion Spur, provided that the exercise of such rights by Port shall not unreasonably interfere with Excursion Rail Service of TPO or its designees.

7.2 Port may enter upon the Excursion Spur for the purposes set forth in Sections 3 and 4.

7.3 In the event the Port becomes aware of or is notified of an emergency of any kind, Port shall provide immediate notice of such events to TPO's duty officer at the contact number set forth in Section 4.2.(b).

7.4 Security personnel of either party in pursuit of a criminal suspect may enter upon the Excursion Spur for the purpose of apprehending the suspect.

7.5 Any entry by Port (or its contractors, invitees or licensees) or Port Grantees on any portion of the Excursion Spur within twenty feet (20') of the track center of the Excursion Spur shall, except for (a) scheduled commuter rail or other transit operations, (b) any use related to an existing or planned trail in the Excursion Spur, or emergencies when reasonable notice under the circumstances shall be given, be preceded by at least forty-eight (48) hours prior telephonic notice, and shall not enter upon the Excursion Spur until a valid work permit is issued by TPO and arrangements have been made for flagging.

7.6 Hazardous Materials may be brought by TPO onto the Excursion Spur only to the extent necessary for the operation of trains or when TPO is performing head and tail operations as authorized under Section 8 of this License, and in all events in compliance with all applicable Environmental Laws. Notwithstanding the foregoing, TPO shall not transport, bring onto, or store on the Excursion Spur or Port Property any THIs or PHIs.

7.7 In the event of leakage, spillage, release, discharge or disposal of any Hazardous Materials by TPO (including, without limitation, by explosion) on the Excursion Spur, TPO shall give Port prompt notice of such event, and at its sole cost and expense, clean or remediate the Excursion Spur to the standards required by law or by any governmental agency or public body having jurisdiction in the matter. Should any such leakage, spillage, release, discharge or disposal result in a fine, penalty, cost, or charge, TPO shall promptly and fully pay such fine, penalty, cost or charge. TPO shall be responsible for any such leakage, spillage, release, discharge or disposal by any third party it admits to the Excursion Spur. TPO shall indemnify, protect, defend, and hold harmless Port, its trustees, directors, officers, employees, agents, contractors, parent corporations and subsidiaries from and against any and all liabilities or claims for all loss, damage, injury, and death arising as a result of any such leakage, spillage, release, discharge or disposal. The provisions of this Section are in addition to and not in limitation of the provisions of hereof, and shall survive the termination of this License.

Section 8. Liability.

8.1 Hazardous Materials and Environmental Liability

a) If the performance of this License creates any solid or Hazardous Materials (e.g., the removal of any materials from the trains that require disposal), said Hazardous Materials shall be properly disposed of in accordance with federal, state and local laws, at the expense of the TPO. In no event shall the Port be identified as the generator of the Hazardous Materials. The TPO shall notify the Port of any such Hazardous Materials and the Port shall receive a copy of the results of any tests conducted on the wastes. The TPO shall hold harmless, indemnify and defend the Port from any claims, costs, damages, fines or other penalties arising from the

disposal of any Hazardous Materials created by the performance of this License, regardless of the absence of negligence or other malfeasance by TPO. This provision shall survive the termination or expiration of this License.

b) At no time during the term of this License shall the TPO or its designee, without first obtaining the written consent of the Port, maintain, treat, dispose of, store or have on the Excursion Spur and/or Port Property, or permit any other party to have, maintain, treat, dispose of, or store on the Excursion Spur and/or Port Property, anything which is classified by federal, state or local laws as Hazardous Materials or which requires a permit for the storage, treatment, disposal, handling or maintenance of it from any government authority. This excludes (1) transport or storage of materials by or on rail for authorized head and tail operations as long as said transport or storage complies with all Environmental Laws, including the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, *et seq.*, and Sections and of this License, and (2) petroleum products, lubricants, antifreeze and such other materials that may be normally consumed in the daily operations of a railroad. Any permits required in compliance with this provision and all federal, state or local laws shall be obtained at TPO's sole cost.

c) The TPO further agrees to indemnify and hold Port harmless from all costs, expenses, liabilities, demands, claims, causes of action at law or in equity whatsoever arising from its, or any of its contractors, agents or invitees', treatment, disposal, storage, maintenance or handling of any Hazardous Materials on the Excursion Spur and/or Port Property during the term of this License, including, but not limited to, the cost of clean-up, environmental damage assessments, defense and reasonable attorney's fees. The Port agrees to cooperate in the prosecution and collection of all costs, expenses, liabilities, demands, and claims, associated with any treatment, disposal, storage, maintenance or handling of any Hazardous Materials on the Excursion Spur and/or Port Property, including, but not limited to, the cost of clean-up, environmental assessments, defense and reasonable attorney's fees, prior to occupancy by the TPO, against any identified responsible party.

d) The provisions of Sections 8.2 through 8.6 shall in no way limit or reduce the application, enforceability or effect of this Section 8.1.

8.2 Assumption of Responsibility.

a) Except as otherwise expressly provided in this , TPO shall assume all Losses and will indemnify Port for all Losses which arise from TPO's presence on the Excursion Spur or on Port Property without regard to fault, failure, negligence, misconduct, malfeasance, or misfeasance of TPO or its employees, agents or servants.

b) The allocation of responsibility for Losses under this applies only to Losses proximately caused by incidents occurring on or adjacent to the Excursion Spur or Port Property, and arising out of TPO's presence on the Excursion Spur, or on Port Property.

c) All costs and expenses incurred in connection with the investigation, adjustment and defense of any claim or suit shall be included as part of the Loss for which responsibility is assumed under the terms of this including, without limitation, salaries or wages and associated benefits of, and out-of-pocket expenses incurred by or with respect to, employees of either party

engaged directly in such work and a reasonable amount of allocated salaries and wages of employees providing support services to the employees so engaged directly in such work.

8.3 Allocation of Responsibilities.

a) Invitees. Losses arising out of personal injury (including bodily injury and death) to, or property damage suffered by, an invitee of either party shall be the responsibility of and borne and paid solely by TPO, except as otherwise provided in Section 8.3 a) i. and Section 8.4. Consultants and contractors of TPO, and any person who is on, or has property on, a train or other rolling stock operated by or for the account of TPO or admitted to operate on the Excursion Spur (other than an employee of TPO engaged in performing duties for TPO), shall rebuttably be presumed to be an invitee of TPO.

(i) If an invitee of Port is negligent and causes Losses to TPO or Port, Port will be responsible for such Losses and will indemnify TPO.

b) Persons Other Than Invitees. Except as provided in Section 8.4, Losses arising out of personal injury (including bodily injury and death) to, or property damage directly suffered by, any person who is not an invitee of Port or TPO (including, without limitation, Port, TPO, employees of Port or TPO while engaged in the performance of their duties as an employee, persons in adjacent public streets (including public sidewalks), and trespassers), shall be the responsibility of and borne and paid exclusively by TPO.

c) Unenforceability. If any of the provisions of this Section 8.3 would otherwise be prohibited by or unenforceable under the laws of Washington State (including a determination by a final judgment of a Washington State court with jurisdiction that indemnification under the circumstances involved is against the public policy of Washington State), the indemnity provided by such provision shall be deemed to be limited to and operative only to the maximum extent permitted by law. Without limitation, if it is determined by a final judgment of Washington State court with jurisdiction that any law or public policy of Washington State prohibits the indemnification of a party for its own sole negligence in any instance covered by the provisions of this Section 8.3, those provisions shall be deemed to exclude the indemnification for such party's sole negligence but to permit full indemnification, as specified in this Section 8.3 if both parties were negligent.

8.4 Excluded Conduct -"Excluded Conduct" shall mean conduct by a supervisory level or higher employee of one of the parties, where such conduct is alleged in a properly filed complaint by a plaintiff or plaintiffs as the basis for an award of exemplary or punitive damages under Washington State law, and actually results in an award of exemplary or punitive damages by a jury after trial of the issues and exhaustion of judicial appeals which would permit the award of exemplary or punitive damages. Neither party shall be indemnified for any Loss resulting from its own Excluded Conduct, and in any such case such party shall be responsible or and bear the Loss in proportion to its relative degree of fault and be responsible for and bear all exemplary or punitive damages, if any, resulting from its Excluded Conduct. If a part asserts that the other was guilty of Excluded Conduct and denies liability for indemnification of the other party based thereon, the party asserting such Excluded Conduct shall have the burden of proof in establishing such conduct.

8.5 Scope of Indemnification –

a) In any case where a party is required under the provisions of this to bear a Loss, it shall pay, satisfy and discharge such Loss and all judgments that may be rendered by reason thereof and all costs, charges and expenses incident thereto, and such party shall forever indemnify, defend and hold harmless the other party and its commissioners, trustees, directors, officers, agents, employees, shareholders, parent corporations, subsidiaries and affiliated companies, or governmental entitles from, against and with respect to any and all Losses which arise out of or result from the incident giving rise thereto.

b) TPO hereby waives, as respects the Port only, any immunity TPO may have under applicable workers' compensation benefit or disability laws (including but not limited to Title 51 RCW) in connection with the foregoing indemnity. Such waiver shall not prevent TPO from asserting such immunity against any other person or entities. TPO AND PORT AGREE AND ACKNOWLEDGE THAT THIS PROVISION IS THE PRODUCT OF MUTUAL NEGOTIATION.

c) TPO is the rail carrier employer under the Railroad Unemployment Insurance Act (45 U.S.C.A. §§ 351 et seq.), Railroad Retirement Act (45 U.S.C. §231 et seq.), Railway Labor Act (45 U.S.C. Sec. 151 et. seq.), Federal Employers Liability Act (45 U.S.C. Sec 51 et. seq.), and is the entity with responsibility for compliance with the common carrier obligations pursuant to (49 U.S.C. Sec. 10101 et. seq.), and any Federal rail safety legislation, that arise from TPO's use of the Excursion Spur. TPO shall indemnify, hold harmless and defend Port and County from any and all cost, expense, liability, claim, damage or other obligation that is asserted against the Port and/or the County pursuant to the statutes and regulations listed in this Section.

8.6 Procedure.

a) If any claim or demand (short of a lawsuit) shall be made by any person against an indemnified party under this Section 8, the indemnified party shall, within thirty (30) days after actual notice of such claim or demand, cause written notice thereof to be given to the indemnifying party, provided that failure to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party under this except to the extent that the rights of the indemnifying party are in fact prejudiced by such failure. The indemnifying party shall have the right, at its sole cost and expense, to control (including the selection of counsel reasonably satisfactory to the indemnified party) or to participate in the defense of, negotiate or settle, any such claim or demand, and the parties agree to cooperate fully with each other in connection with any such defense, negotiation or settlement. In any event, the indemnified party shall not make any settlement of any claims or demands which might give rise to liability on the part of the indemnifying party under this without either providing the indemnifying party with a full release with respect to such liability or obtaining the prior written consent of the indemnifying party, which consent shall not be unreasonably withheld, conditioned or delayed.

b) In the event any lawsuit is commenced against either party for or on account of any Loss for which the other party may be solely or jointly liable under this License, the party sued shall give the other party timely written notice of the pendency of such action, and

thereupon the party so notified may assume or join in the defense thereof. If the party so notified is liable therefor under this License, then, to the extent of such liability, such party shall defend, indemnify and save harmless the party so sued from Losses in accordance with the liability allocations set forth in this License. Neither party shall be bound by any judgment against the other party unless it shall have been so notified and shall have had reasonable opportunity to assume or join in the defense of the action. When so notified and the opportunity to assume or join in the defense of the action has been afforded, the party so notified shall, to the extent of its liability under this License, be bound by the final judgment of the court in such action.

c) Subject to the provisions of Section 8.6a), on each occasion that the indemnified party is entitled to indemnification or reimbursement under this Section 8, the indemnifying party shall, at each such time, promptly pay the amount of such indemnification or reimbursement. If the indemnified party is entitled to indemnification under this and the indemnifying party does not elect to control any legal proceeding in connection therewith, the indemnifying party shall pay to the indemnified party an amount equal to the indemnified party's reasonable legal fees and other costs and expense arising as a result of such proceeding.

d) Any dispute between the parties as to the right to indemnification or the amount to which it is entitled pursuant to such right with respect to any matter shall be submitted to arbitration pursuant to Section 12 of this License, except if the binding arbitration requirement is no longer in force as provided for in Section 12.1 of this License.

8.7 Compliance With Laws - Both parties shall comply with all applicable federal state and local laws and regulations, and all applicable rules, regulations or orders promulgated by any court, agency, municipality, board or commission. If any failure of either party to comply with such laws, regulations, rules or orders in respect to that party's use of the Excursion Spur results in any fine, penalty, cost or charge being assessed against the other party, or any Loss, the party which failed to comply agrees to reimburse promptly and indemnify, protect, defend (with counsel reasonably acceptable to the indemnified party) and hold harmless the other party for such amount.

8.8 Delay/Interruption of Service - Port shall not be held liable for any delay or interruption to the trains, locomotives or cars of TPO unless due to Excluded Conduct or except as otherwise provided for in Section 8.3 a) i.

8.9 No Limitation on Risk Allocation - The provisions of this Section 8 shall apply notwithstanding the provisions of Section 9. In no event shall the indemnification provisions of this Section 8 be limited to the insurance coverage required under Section 9.

8.10 Statutory Defenses - All statutory defense and limitations applicable to Port shall be retained by Port with respect to parties other than TPO, and none are intended to be waived with respect to parties other than TPO by Port under this License.

8.11 Survival - The provisions of this Section 8 shall survive the termination or expiration of this License.

Section 9. Insurance.

9.1 Freight Rail Service Coverage - TPO shall obtain and maintain freight service general liability insurance written on an "occurrence" basis, with minimum limits of Five Million Dollars ($5,000,000) per occurrence. The Port and the County shall be listed as additional insureds for ongoing and completed operations. Coverage shall include contractual liability coverage with no exclusions relative to rail operation. Coverage for punitive damages shall be included to the extent such coverage is permitted under Washington State law. Insurance shall be placed with a company having a current A. M. Best's Insurance Guide Rating of at least "A" or equivalent, and admitted as an insurer by the Washington State Office of the Insurance Commissioner. TPO may self-insure to an amount not to exceed One Million Dollars ($1,000,000) provided that total coverage limits (self-insurance plus excess liability insurance) are at least to the amounts stated within this Section; provided further, that this sentence shall not inure to the benefit of TPO's successors or assigns without the reasonable written consent of the Port and County.

a) The policy required under this Section 9.1 shall include general liability property damage and bodily injury coverage for operation of Freight Rail Service, *provided,* that such Freight Rail Service shall be limited to head and tail operations on the Excursion Spur, along with any related operation, maintenance, and construction on or about the Excursion Spur and Port Property by the TPO. If the policy excludes maintenance and construction on or about the Excursion Spur and Port Property, a separate railroad protective liability policy shall be issued in the name of the Port and the County with minimum limits of Two Million Dollars ($ 2,000,000) per occurrence for bodily injury and property damage, and Five Million Dollars ($ 5,000,000) in the aggregate.

b) The policy required under this Section 9.1 shall also include pollution coverage whether incurred during operations or during maintenance or construction. If the general liability policy contains pollution exclusion, a separate pollution policy shall be purchased with minimum limits of Three Million Dollars ($3,000,000) per occurrence, and Five Million Dollars ($5,000,000) in the aggregate.

c) The policy limits required under this Section 9.1 shall be adjusted by the parties every three (3) years to reflect industry standards, liability claim trends and market conditions.

9.2 Excursion Rail Service Coverage - TPO shall obtain and maintain general liability insurance with an excursion/passenger endorsement, and written on an "occurrence" basis, with minimum limits of Twenty-five Million Dollars ($25,000,000) per occurrence and in the aggregate for all Excursion Rail Service in which total passenger and crew count is 50 or less; and Fifty Million Dollars ($50,000,000) per occurrence and in the aggregate for all Excursion Rail Service in which total passenger and crew count exceeds 50. The Port and County shall be listed as additional insureds for ongoing and completed operations. Coverage shall include contractual liability coverage with no exclusions relative to rail operation. Coverage for punitive damages shall be included to the extent such coverage is permitted under Washington State law. Insurance shall be placed with a company having a current A. M. Best's Insurance Guide Rating of at least "A" or equivalent, and admitted as an insurer by the Washington State Office of the Insurance Commissioner. TPO may self-insure to an amount not to exceed Five Million Dollars ($5,000,000) provided that total coverage limits (self-insurance plus excess liability insurance)

are at least to the amounts stated within this Section; provided further, that this sentence shall not inure to the benefit of TPO's successors or assigns without the reasonable written consent of Port and County.

a) The policy required under this Section 9.2 shall include general liability property damage and bodily injury coverage for operation of Excursion Rail Service along with any related operation, maintenance, and construction, on or about the Excursion Spur and Port Property by the TPO. If the policy excludes maintenance and construction on or about the Excursion Spur and Port Property, a separate railroad protective liability policy shall be issued in the name of the Port and County with minimum limits of Two Million Dollars ($ 2,000,000) per occurrence for bodily injury and property damage, and Six Million Dollars ($ 6,000,000) in the aggregate.

b) The policy required under this Section 9.2 shall also include pollution coverage whether incurred during operations or during maintenance or construction. If the general liability policy contains pollution exclusion, a separate pollution policy shall be purchased with minimum limits of Three Million Dollars ($3,000,000) per occurrence, and Six Million Dollars ($6,000,000) in the aggregate.

c) The policy limits required under this Section 9.2 shall be adjusted by the parties every three (3) years to reflect industry standards, liability claim trends and market conditions.

9.3 Automobile Coverage - TPO shall maintain general automobile liability insurance of not less than One Million Dollars ($1,000,000) per occurrence, combined single limit for bodily injury and property damage using ISO Form CA 00 01 (or equivalent). Coverage shall extend to all owned, non-owned, hired, leased, rented, or borrowed vehicles. The policy shall contain a waiver of subrogation in favor of the Port and County.

9.4 Evidence of Insurance - Prior to the Execution Date, and annually thereafter, TPO shall forward evidence of insurance as required in this Section including evidence of the Port's and the County's status as additional insureds for the Freight Rail Service and Excursion Rail Service policies; and a written copy of the waiver of subrogation for the automobile liability policy. Upon request from the Port, TPO shall forward certified copies, within 30 days of the request, of any binders, policies, and declarations of insurance that is required by this License.

9.5 No Port Deductible - No policies obtained by TPO for this License shall contain a deductible obligation for the Port or County. If the policy is issued with a deductible option, the TPO shall be liable for all deductibles, as well as any applicable allocated loss adjustment expenses if applicable. All costs incurred by a program of self-insurance, including self-insurance as identified in Sections 9.1and 9.2 are to be borne by TPO.

9.6 Additional Documentation – Self Insurance - If self-insurance is utilized for a portion of the coverage permitted in Sections 9.1 and 9.2, evidence must be provided to the Port and County of the TPO's net worth, a copy of the most recent audited financials, and a written description of the self-insurance program. This must be submitted with the other documentation required in Section 9.4.

9.7 Applicability of Workers' Compensation - TPO is fully responsible for ascertaining the applicability of Title 51 Industrial Insurance, of the Revised Code of Washington, as well any federal laws that pertain to workers compensation coverage for railroad employees and operators, such as the Federal Employers' Liability Act (FELA). TPO shall comply with all required workers compensation requirements whether through purchase of commercial insurance or as a qualified self insurer. In the event FELA is the applicable coverage under this License, TPO shall provide the Port with evidence of coverage. An insurance certificate shall be additionally required to show evidence of other applicable worker compensation coverage.

a) In the event Title 51 of the Revised Code of Washington applies to this License, TPO shall submit a current employer liability certificate as issued by the Washington Department of Labor and Industries that shows the status of TPO worker compensation account prior to the Execution Date of this License. TPO shall list here their UBI Number 602-672-764 and their State Worker Compensation Account Number _____.TPO shall also provide the Port and the County with Washington State Stop Gap employers' liability insurance. This shall be in an amount of One Million Dollars ($1,000,000) per accident and One Million Dollars ($1,000,000) per disease using ISO CG 04 42 11 03 or equivalent. This coverage may be provided by endorsing the primary general liability policies identified in Sections 9.1 and 9.2. To the extent applicable, there shall be no exclusions relative to railroad workers or workers covered under the Federal Employers' Liability Act.

9.8 Primary Insurance - TPO's insurance shall be primary with respect to its obligations under this License and with respect to the interests of Port and County as additional insureds. Any other insurance maintained by an additional insured shall be excess of the coverage herein defined as primary and shall not contribute with it. In addition to the specific requirements in this License to name the Port and County as additional insureds on certain types of insurance, TPO shall also include Port and County as additional insureds on any other policy it maintains that provides coverage related to the Excursion Spur.

9.9 Maintaining Insurance Requirements - TPO's insurance requirements shall be maintained for the full term of this License and shall not be permitted to expire or be canceled or materially changed. Each such insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in coverage or limits except after thirty (30) days' prior written notice has been given to each insured and additional insured, including the Port and County.

9.10 Statutory Defenses - All statutory defenses and limitations applicable to TPO shall be retained by TPO with respect to parties other than the Port and the County, and none are intended to be waived by TPO with respect to parties other than the Port and the County by the acquisition of insurance by TPO or under this License.

9.11 Failure to Maintain Insurance - A failure of TPO to maintain the insurance required by this Section 9 shall not relieve TPO of any of its liabilities or obligations under this License.

9.12 Waiver of Subrogation - Every policy of insurance required under this License to be held by TPO shall include a waiver of all rights of subrogation against the Port and the County.

9.13 Other Insurance - TPO shall require that all of its contractors and sub-subcontractors carry a railroad protective liability policy with minimum limits of Two Million Dollars ($ 2,000,000) per occurrence for bodily injury and property damage, and with an aggregate policy limit of no less than Five Million Dollars ($5,000,000). Said policy shall name the Port and County as additional insureds.

Section 10. Compensation and Billing.

10.1 Invoices - Any Invoice or Invoices submitted to the parties under this License ("Invoice or Invoices") must be itemized with a detailed description of the work performed, the date of such work, the person performing such work, the time expended and the associated hourly billing rate or charge for such work, and any reimbursable expenses (including, without limitation, the cost of materials used) incurred in the performance of the work. The party requesting reimbursement shall certify that it has actually incurred the expenses set out in its Invoice. Invoices for reimbursable expenses may not exceed the out-of-pocket expense for such items. Invoices shall be paid within thirty (30) days after receipt thereof by the payor. If a party disputes any items on an Invoice, that party may deduct the disputed item from the payment, but shall not delay payment for the undisputed portions. The amounts and reasons for such deductions, if any, shall be documented to the other party within thirty (30) days after receipt of the Invoice. Once documentation is given for the disputed amounts, and accepted by the paying party, the disputed amounts shall be paid by the paying party with fifteen (15) days after receipt of the documentation. No Invoice shall be submitted later than one hundred twenty (120) days after the last day of the calendar month in which the reimbursable expense or cost covered thereby is incurred.

10.2 Audit - So much of the books, accounts and records (except for privileged or confidential records) of each party hereto as are related to the subject matter of this License shall at all reasonable times by open to inspection and audit by the authorized representatives and agents of the parties. All accounting records and other supporting papers shall be maintained for a minimum of three (3) years from the date thereof. If work relating to this License is funded in whole or in party by a federal grant, the Comptroller General of the United States and authorized representatives of the federal agency furnishing the grant shall have the right to examine and audit such books, accounts, and records in accordance with applicable federal laws and regulations.

10.3 Supporting Documentation - Upon request, a party disputing the accuracy of any Invoice shall be entitled to receive from the invoicing party copies of such supporting documentation and/or records as are kept in the ordinary course of the invoicing party's business and which are reasonably necessary to verify the accuracy of the Invoice as rendered.

10.4 As compensation for the rights granted under this License (as well as for the rights granted under the O&M Agreement), TPO shall pay the Port the fees described in Section 9.4 of the O&M Agreement.

Section 11. Coordination Committee - Port and TPO shall establish a Coordination Committee and shall invite the County to participate. The Coordination Committee shall consist of at least two (2) representatives of each party, and shall be a forum for the parties to share

information, discuss matters submitted by one party to the other party for review and/or approval, and seek resolution of any issues between the parties with respect to this License. The Coordination Committee shall meet regularly (in person or telephonically) and also as necessary to address issues between the parties that require prompt resolution.

Section 12. Binding Arbitration.

12.1 Controversies Subject to Arbitration - Any and all claims, disputes or controversies between Port and TPO arising out of or concerning the interpretation, application, or implementation of this License that cannot be resolved by the parties through the Coordination Committee or by negotiations shall be submitted to binding arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, except as otherwise provided in this Section 12. If the AAA discontinues promulgation of the Commercial Arbitration Rules, the parties shall use the AAA's designated successor rules, and if the AAA does not designate successor rules, the parties shall agree on other rules. The judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the requirement for binding arbitration shall not apply to any dispute wherein the Port and TPO are included, either in the initial complaint or through subsequent pleadings, in a lawsuit brought by a third party. In such case, the dispute may be litigated in court. Further, the requirement for binding arbitration shall not apply if the Port assigns its rights and obligations under this License to the County or conveys its right, title and interest in the Excursion Spur to the County.

12.2 Selection of Arbitrator - In the event a claim, dispute or controversy arises, either party may serve a written demand for arbitration upon the other party. If the claim, dispute or controversy is not resolved by the parties within thirty (30) days after the service of the demand, the matter shall be deemed submitted to arbitration. If within forty (40) days after service of the demand, the parties have not selected a single arbitrator, each party shall within an additional ten (10) days thereafter select an arbitrator. In such case, if either party has not selected an arbitrator within ten (10) days after receipt of notice that the other party has selected an arbitrator, the arbitrator selected by the other party shall arbitrate the claim, dispute or controversy. The two selected arbitrators shall select a third arbitrator. If the two arbitrators are unable to agree upon the third arbitrator within ten (10) days of the selection of the two selected arbitrators, the AAA shall select the third arbitrator. The arbitrator(s) shall be disinterested.

12.3 Expedited Arbitration Schedule.

a) In the event either party reasonably finds that the issues of any claim, dispute or controversy are likely to directly, imminently, materially and adversely affect human health or safety, either party may request, in the arbitration demand delivered pursuant to Section 12.2, an expedited arbitration procedure as set forth in this Section 12.3 solely for the purpose of obtaining a provisional remedy that by law or in equity could be imposed in a court proceeding against a rail carrier subject to the jurisdiction of the Surface Transportation Board (e.g., temporary restraining order, preliminary injunction or injunction).

b) Within five (5) days after service of a demand for expedited arbitration, the parties shall agree on an arbitrator. If the parties fail to agree on an arbitrator within such five (5)

day period, each party shall within two (2) days thereafter select an arbitrator. In such case, if either party has not selected an arbitrator within two (2) days after receipt of notice that the other party has selected an arbitrator, the arbitrator selected by the other party shall arbitrate the claim, dispute or controversy. Otherwise, the two selected arbitrators shall select a third arbitrator. If the two arbitrators are unable to agree upon the third arbitrator within two (2) days of the deadline for the selection of the two selected arbitrators, the AAA shall select the third arbitrator. The arbitrator(s) shall be disinterested.

c) The expedited arbitration hearing shall commence no later than ten (10) days after service of a demand for expedited arbitration and shall be concluded on the same day. The arbitration decision shall be rendered by the arbitrator(s) in writing on or before the day following the arbitration hearing.

d) Prior to rendering any decision, the arbitrator must find that the issues of the claim, dispute or controversy are likely to directly, imminently, materially and adversely affect human health or safety. In the event the arbitrator finds that the foregoing criteria have not been met, the proceeding shall be dismissed without prejudice and the parties shall proceed with the arbitration procedure and schedule set forth in Sections 12.1 and 12.2; provided, however, that no new demand for arbitration need be served by the party demanding arbitration.

12.4 Pending Resolution - During the pendency of such arbitration proceedings, the business and the operations to be conducted, and compensation for service under this License, to the extent that they are the subject of such controversy, shall continue to be transacted, used and paid in the manner and form existing prior to the arising of such controversy, unless the arbitrator shall make a preliminary ruling to the contrary.

12.5 Cost of Arbitration - Each party solely shall bear the attorneys' fees, costs and expenses incurred by it in connection with such arbitration; provided, however, the arbitrator shall have the power to award attorneys' fees and costs to either party if the arbitrator determines in its reasonable discretion that the position of the other party to the arbitration was frivolous.

Section 13. Miscellaneous Provisions.

13.1 Binding Successors; Assignment - This License shall be binding upon, and inure to the benefit of, the parties hereto and their respective permitted successors and assigns, except that TPO may not assign its rights and obligations under this License without the prior written consent of the Port, which consent may not be unreasonably withheld, denied, delayed or conditioned. Any assignment, encumbrance or other transfer in violation of the foregoing shall be void. Port may assign its rights and obligations under this License freely. If Port desires to assign its rights and obligations under this License or to convey its right, title and interest in the Excursion Spur, then TPO and the potential assignee or acquiring entity shall negotiate in good faith to revise the terms of this License to address their respective interests.

13.2 Notices - Except as otherwise expressly provided in this License, all notices and other communications under this License shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered personally to the party to whom notice is given, or (b) at the earlier of actual receipt or the third business day following deposit in the United States

mail, postage prepaid. Notices and other communications shall be directed to the parties at the addresses shown below. A party may change its person designated to receive notice, or its address from time to time by giving notice to the other party in accordance with the procedures set forth in this Section.

Port: Port of Seattle
P. O. Box 1209
Real Estate Division
Seattle, WA 98111
Attention: Joe McWilliams
Telephone No. 206-728-3722

If delivered:
Port of Seattle
2711 Alaskan Way
Seattle, WA 98121

TPO: GNP Rly. Inc.
403 Garfield Street #20
Tacoma, WA 98444
Attention: Thomas Payne
Telephone No. 253-459-9702

13.3 Headings - The section and subsection headings in this License are for convenience only and shall not be used in its interpretation or considered part of this License.

13.4 Integration, Amendment, and Waiver - This License controls all the rights and obligations of TPO and Port as to the operation of the Excursion Rail Service on the Excursion Spur. The O&M Agreement controls all the rights and obligations of TPO and Port as to the operation of freight rail service and Excursion Rail Service on the Corridor. This License is the entire agreement, and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties concerning the subject matter hereof. No supplement, modification, or amendment of this License shall be binding unless executed in writing by both of the parties. No waiver of any provision of this License shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

13.5 Counterparts - This License may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Facsimile signatures shall be deemed original for all purposes.

13.6 Governing Law - This License shall be construed and interpreted in accordance with the laws of Washington State and/or federal law where applicable, and the parties shall be entitled to all remedies in law and equity as provided for thereunder.

13.7 Time of Essence - Time is of the essence of each and every provision of this License.

13.8 Changes to Port Property - Any parcel transferred by the Port to an unaffiliated person or entity for purposes other than rail operations or trail use that does not contain any facilities used in connection with the rail operations intended by this License shall be deemed removed from the Excursion Spur or Port Property as applicable.

13.9 Not for the Benefit of Others - This License and each and every provision herein are for the exclusive benefit of the parties to this License and County and not for the benefit of any third party, except County. Nothing herein shall be construed to create or increase any right in any third party to recover by way of damages or otherwise against either of the parties to this License.

13.10 Attorneys' Fees - If any legal action or any arbitration or other proceeding is brought for the enforcement or interpretation of this License, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this License, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs in connection with that action or proceeding in addition to any other relief to which it or they may be entitled.

13.11 TPO Operating Data - In the event of termination of TPO's operations, TPO shall, at the Port's request and expense, provide to the Port or the Port's designee all data associated with TPO's operations on the Excursion Spur, including, but not limited to, car tracing, identification and rates, and accounting records. Provided, that in the event TPO's operations terminate as a result of TPO transferring its rights to another operator, with the Port's consent, such operating data shall be transferred by TPO to its successor at TPO's cost or that of TPO's successor.

13.12 Removal of TPO's Property - Upon termination of this License, TPO shall have ninety days from the date of termination to remove all of TPO's personal property and trade fixtures, so long as such removal does not damage the Excursion Spur or Port Property. If damage results to the Excursion Spur or to Port Property as a result of TPO's activities under this Section 13.12, TPO shall, at its sole expense, restore or reimburse the Port for the cost to restore the Excursion Spur or Port Property to as good condition as they were prior to TPO's removal activities, normal wear and tear excepted. If TPO fails to remove any of the personal property and trade fixtures within the time authorized under this Section, the Port may remove TPO's property at TPO's expense, subject to offset by any net proceeds received by the Port from the sale of TPO's property. TPO's obligation to (i) restore the Port for any damage to the Excursion Spur or Port Property, and (ii) repay the Port for the cost of any property removal shall survive the termination of this License. All other property or improvements placed on the Excursion Spur or Port Property by TPO during the term of the License that do not constitute personal property or trade fixtures, shall become the property of the Port upon termination of this License.

13.13 Railbanking Requirements in Event of Abandonment - If TPO or any successor, assignee or designee of TPO (each an "Abandonment Applicant") elects to seek authority from the Surface Transportation Board or any successor agency to abandon or discontinue its freight common carrier obligation over some or all of the Corridor, then such Abandonment Applicant shall consent to a request by any or each of County, the Port, the Central Puget Sound Regional Transit Authority or the successor or designee of any of them (each a "Trail Use Applicant") for the implementation of interim trail use in accordance with Section 8(d) of the National Trails System Act, codified at 16 U.S.C. 1247(d), and 49 C.F.R. 1152.29, as such provisions may be amended or interpreted by binding judicial or administrative authority. The Abandonment Applicant shall cooperate with any or each Trail Use Applicant in any application for authority to implement interim trail use over all or any portion of the Property on which the Abandonment Applicant seeks authority to abandon or discontinue its freight common carrier obligation. If TPO or any successor, assignee or designee of TPO ceases operations on the Corridor but fails within a reasonable period of time to (a) seek abandonment authority, and (b) respond to inquiries from any potential Trail Use Applicant as to the status of its operations, any Trail Use Applicant may elect to seek authority from the Surface Transportation Board or any successor authority for a third-party abandonment and interim trail use over some or all of the Corridor on which operations have ceased. TPO and any successor, assignee or designee shall not oppose any such action by a Trail Use Applicant.

13.14 Railbanking Conditions - As part of the approvals for railbanking the Excursion Spur, the STB conditioned its approval concerning salvage activities and archaeological remains, which conditions must be complied with by TPO. TPO agrees that:

(a) Prior to beginning any salvage activities,

(i) To consult with Washington Department of Ecology ("WDE") regarding possible impacts of abandonment activities on wetlands located along the line and to ensure compliance with the Clean Water Act's National Pollution Discharge Elimination System ("NPDES") permitting requirements, and

(ii) To consult with the Army Corps of Engineers ("Corps") regarding possible impacts of abandonment activities to water bodies and wetlands, and to ensure compliance with Corps permitting requirements; and

(b) In the event that any unanticipated archaeological sites, human remains, funerary items or associated artifacts are discovered during salvage activities, TPO shall immediately cease all work and jointly with Port and County notify the STB's Section of Environmental Analysis ("SEA"), interested Federally recognized tribes and the Washington State Historic Preservation Officer ("SHPO"), pursuant to 36 CFR 800.13(b). SEA shall then consult with the SHPO, interested Federally recognized tribes, TPO, Port and County, and any other consulting parties, if any, to determine whether appropriate mitigation measures are necessary.

13.15 Encumbrances - TPO may pledge or otherwise encumber its rights under this license to secure its obligations under any loan agreement or similar or related document; provided, however, that notice of such pledge is provided to Port, and that such pledge or other encumbrance shall be subject to and subordinate to the rights of the Port and its assigns as licensor hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this License effective as of the Execution Date.

PORT OF SEATTLE
a Washington municipal corporation

By: _____
Name: Tay Yoshitani
Title: Chief Executive Officer

GNP RLY. INC.
a Washington corporation

By: _____
Name: THOMAS PAYNE
Title: CHAIRMAN & C.O.O.

STATE OF WASHINGTON)
) **ss.**
COUNTY OF King)

On Dec. 17, 2009, before me, a Notary Public in and for said County and State, personally appeared Jay Yashutani, of the Port of Seattle, a Washington municipal corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

JULIE KATHRYN THOMAS NOTARY PUBLIC COMMISSION EXPIRES 1-22-11 STATE OF WASHINGTON

(SEAL)

Julie Kathryn Thomas
Printed Name
Julie Kathryn Thomas
NOTARY PUBLIC in and for the State of Washington, residing at Bothell, Wa
My commission expires 1-22-11

STATE OF WASHINGTON)
) **ss.**
COUNTY OF King)

On 12-18, 2009, before me, a Notary Public in and for said County and State, personally appeared Thomas Deeg, of GNP Rly. Inc., a Washington corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

STEPHANI A. OWENS NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES APRIL 29, 2013

(SEAL)

Stephani A. Owens
Printed Name
Stephani A. Owens
NOTARY PUBLIC in and for the State of Washington, residing at Everett
My commission expires 4-29-2013

EXHIBIT 17

Letter dated 6 June 2016 from Eastside Community Railway to
Snohomish County Council

EASTSIDE COMMUNITY RAILWAY
REBUILDING CONNECTIONS

6 June 2016

Snohomish County Council

Re: Eastside Rail Corridor – Why maintaining freight matters

Dear Council Members,

This letter is to provide information regarding the fate of the Eastside Rail Corridor and the importance of maintaining freight service. If the council does not act by July 30th to seek federal freight railroad grants, Ballard Terminal Railroad Co. will abandonment the line.

I have contacted dozens of freight and excursion operators around the country, and none of them will consider operating this line without government sponsored track rehabilitation and there is not enough freight to get anyone to take freight alone. Excursion must quickly be added to the traffic on the line for the Snohomish segment to become viable.

Thus, the question before the council is simple; does Snohomish County want an excursion service on this line, which also enables future commuter options? If yes, then the council must act quickly.

There are two components to the needed resolution; first, the county must agree to be a sponsor for railroad grants – state or federal with all due precautions; second, the county must pay for the application preparation, including necessary inspections and estimates (rough guess $400K) and at the time of actual application ($100K). (see attached resolution for your consideration)

Importantly, Eastside Community Rail possess a NEPA Categorical Exclusion for this rail work.

First, we totally understand that budget matters are very tight in the county now, which also means it is difficult to find funds for investments regardless the size. That said the county, especially as a new owner, has an opportunity to keep the door open for excursion and commuter in the future by pursuing a federal offer of financial assistance. Such state and federal grants are ONLY available with freight on the line. Think of any freight as the catalyst for much larger passenger opportunities. Since the corridor is outside Sound Transit's taxing district, there is no federal passenger money available for this line – none. It's now or never if the county wants to ever use this rail line.

Second, we understand the county's perspective that only its tax dollars really matter, i.e. "the color of money." As it relates to any government funds for public works, from a taxpayer perspective, the color of money is green coming out of our wallets. It makes me cringe when staff does not appreciate that citizens really do care about the overall cost regardless of the tax source "color."

The parks department would have the county simply rail bank the line after abandonment and wait. After all, what is wrong with the federal government, us taxpayers, paying the trail conversion to the

adjacent property owners? What is wrong is that there is less than a 3% chance of rail service ever coming back. Therefore, if you rail bank this line now, you will very likely never see another train.

Although it is unfortunate that Spectrum Glass is closing down, we believe that their freight volume can be replaced given the tracks are rehabilitated to Class 2 status, which also enables passenger rail, i.e. excursion and commuter in the future. Further, there has been no commercial marketing of Maltby as an Industrial Rail Center, which is a significant opportunity in itself. At the state level, Snohomish County only has the Arlington branch to turn new companies to, but notice all of the large vacant buildings. BNSF does not want to provide service on its short line branches, which was the number 2 reason they sold to the Port. The number 1 reason was the $450M tax credit we taxpayers gave them along with $81M in cash, we taxpayers borrowed the $450M since BNSF didn't have to pay those taxes.

Add the $480M the federal government paid the corridor landowners south of I-90, and the Eastside Rail Corridor has cost the taxpayers over $1,000,000,000. The council has an opportunity to show King County and the country how rail and trail can work together AND be cost effective.

Our preliminary analysis on land ownership is opposite county staff. The county believes that 85% of the line would require federal payments to rail bank the line, but our analysis based on the old and original railway maps show the exact opposite that the county now owns 85% of the corridor property. Given the county's trail will not be entirely in the corridor, the resulting title issue may be less than 5% of the corridor's length, and the railroad can fix that problem.

Without freight on the line no state or federal grants are available, which means the county would have to pay for the entire track rehabilitation itself. Rail banking is NOT the answer. Less than 3% of such lines ever go back in service.

The King County Eastside Rail Corridor Regional Advisory Council determined that all five of the most analogous corridors in the country ALL have active rail with trails. With this in mind, federal grants for freight railroad can help build a gravel "maintenance of way road" along the corridor capable of supporting emergency equipment (a solid substructure), and the county can "finish" it as a trail when additional money becomes available. We totally fail to understand why staff has not embraced this approach as faster and FAR less costly, which matters to today's taxpayers.

We have a website, www.escrail.org, coming up next week with plenty of factual data for public consideration. I strongly recommend that you speak with Robert Ardolino of Urban Innovations directly, who has been vetted by staff as an expert regarding federal railroad grants. (412-400-9464) Bruce Agenew, Luis Moscoso and Karen Guzak can provide you with their insights as well.

Attached is a draft resolution for your consideration. In order to keep Ballard delivering freight on this line, such a resolution must be completed by July 30th.

Thank you for your consideration,

Douglas Engle
Manager
Eastside Community Rail, LLC

Example County Resolution

RESOLUTION #_____

COUNCIL RESOLUTION TO SPONSOR AND FUND GRANT APPLICATIONS FOR REHABILITIATION OF THE FREIGHT RAIL INFRASTRUCURE IN THE EASTSIDE RAIL CORRIDOR

WHEREAS: The Snohomish County governmental authority is charged with furthering county transportation, parks and recreation, economic revitalization, and maximizing development of the Eastside Rail Corridor for public benefit; and

WHEREAS: Snohomish County has interest in unique, innovative and entrepreneurial solutions dedicated to saving and creating sustainable manufacturing jobs, vital for successful families, strong communities and a high quality of life for its citizens; and

WHEREAS: Eastside Community Rail ("ECYR") and its owners possess the exclusive freight easement for the County's segment of the Eastside Rail Corridor and has invested substantially to maintain freight operations to date. Ballard Terminal Railroad Company currently operates freight on the line for ECYR; and

WHEREAS: The **Eastside Rail Corridor Rail Rehabilitation Project** ("PROJECT"), whose freight operations started operations in 2010 and operates 12 miles of track in the county, with 2.5 miles of line extending into Woodinville. PROJECT's multiple connections offer a wide variety of options for freight shipments, allowing industries to maximize transportation savings, and includes warehouse and transloading network that offers the ability to deliver products to firms that aren't rail-served. PROJECT offers rail service to a wide variety of existing, green and brownfield sites in the County; and

WHEREAS: PROJECT plans to develop a new passenger rail line, e.g. an excursion line, utilizing its existing freight rail line, from the City of Snohomish to Woodinville; and

WHEREAS: PROJECT has a vision for a sustainable multi-modal rail system that could employ a considerable number of living wage jobs, including union jobs and jobs for low-income neighborhoods in Maltby, Snohomish and surrounding communities; and

WHEREAS: PROJECT would be engaged in advancing regional economic growth through enhancing and improving regional transportation and improving real estate development pertaining to a number of prospective freight and passenger stations; and

WHEREAS: Creating a preliminary PROJECT master plan for the development of freight, passenger rail, utilities and trail within the rail corridor would maximize local and regional impact, bringing together potential new customers with property owners, local industrial development agencies, and other key players in the industrial development process, thereby providing significant business for local manufacturers, contractors and related companies, as well as generating positive economic and environmental impacts; and

WHEREAS: ECYR and Snohomish County are aligned in the general PROJECT goal of dynamic economic development for the County by creating quality jobs that are environmentally sustainable; and

WHEREAS: PROJECT and its political and business allies in the County are likely to achieve success in obtaining federal and state grant commitments to rehabilitate the track, substructure and drainage, crossings and bridges for freight and passenger use; and

WHEREAS: PROJECT is interested in partnering ECYR and its partners with Snohomish County in assisting in the application creation, provisions and further utilization of documents for future use; and

WHEREAS, ECYR and its partners might also be helpful in later stages of the Project, and might be able to lever its investment relationships with responsible investors who own significant assets that could be employed in passenger use, infrastructure, real estate, energy, private capital, energy efficiency, efficient transportation and other means.

NOW, THEREFORE BE IT RESOLVED that the Council of Snohomish County authorizes its Parks and Recreation Department ("PARKS") to complete a PROJECTS agreement with ECYR for execution of PROJECT with the following principles:

1. PARKS will provide county authority and act as recipient sponsor so as to enable PROJECT to apply for state, federal and other grants and resources in a timely manner; and
2. PARKS will immediately fund necessary inspections, application creation and administration by ECYR estimated at $400,000 (four hundred thousand dollars), County administration expenses, and separate application fees estimated at $100,000 (one hundred thousand dollars) for PROJECT in pursuing the rail rehabilitation and improvement process, provisions and grants at +/- 10% of the estimate; and
3. PROJECT via achieved grants will contribute adequate funds to PARKS to enable the County to recoup application funds as available and administer their project obligations; and
4. PARKS and PROJECT will operate in good faith as they work together to perform all research and analysis necessary to apply for the financial funding of the PROJECT so as to quickly move forward; and
5. PROJECT is committed to constructing a high performing, environmentally sustainable rail and related freight projects, and is committed to a partnership that fits into the larger County vision for corridor development; and
6. PROJECT will complete railway works in alignment with the Federal Railroad Administration rules and regulations; and
7. PARKS and PROJECT will operate in good faith to obtain all federal permits required for freight rail rehabilitation and improvement projects; and
8. PARKS and PROJECT will act where time is of the essence in all matters; and
9. PARKS will provide ongoing reports on the timelines and progress of the PROJECT.

EXHIBIT 18

STB Filing 235695, dated March 27, 2014, from Port of Seattle
BNSF Railway Company – Abandonment Exemption – In King County, Washington,
Finance Docket No. AB-6 (Sub-No. 465X)
Superior Court of Washington – Stipulated Judgment
Port of Seattle v. Eastside Community Rail, LLC

Port of Seattle

P.O. Box 1209
Seattle, WA 98111-1209
Tel: (206) 787-3000

www.portseattle.org

March 26, 2014

235695

ENTERED
Office of Proceedings
March 27, 2014
Part of
Public Record

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, D.C. 20423-0001

Re: BNSF Railway Company – Abandonment Exemption – In King County, Washington, Finance Docket No. AB-6 (Sub-No. 465X)
Ballard Terminal Railroad Company, LLC – Acquisition and Operation Exemption – Woodinville Subdivision – Verified Petition for Exemption Pursuant to 49 U.S.C. § 10502

Dear Ms. Brown:

The Port of Seattle ("Port") submits the following comments to clarify the record in light of statements made by Ballard Terminal Railroad Company, LLC ("Ballard") in its "Reply to King County, Washington, City of Kirkland, Washington, and Puget Sound Regional Transit authority's Opposition Comments," dated March 21, 2014.

As noted in the Reply, the Port provided Ballard's partner, Eastside Community Rail LLC ("Eastside") with a letter of support to assist Eastside's efforts to "access various capital funds related to freight and passenger rail improvements." The Port's letter was provided solely in connection with the settlement of arbitration proceedings brought by the Port due to Eastside's breach of insurance and repair provisions under the Operations and Maintenance Agreement between the Port and Eastside that applies to the Freight Segment North of the Line (see attached Stipulated Judgment). The letter was not written or intended to support Ballard's petition to reactivate freight service as Ballard incorrectly states in its Reply on pages 4-5. Further, the statement on page 10 of Ballard's Reply that "The opportunity to create an inland port in Bellevue, which would support the Port of Seattle (as discussed in Mr. Behr's study), underscores one of the reasons why the Port of Seattle is supportive of financing for Eastside's projects," is misleading and inaccurate. While Port personnel attended Mr. Behr's presentation at the October 2013, METRANS International Urban Freight Conference, the Port has not in any way adopted Mr. Behr's views. Further, the Port is not at present studying or considering efforts related to the development of an inland port in Bellevue.

Sincerely,

Joe McWilliams
Managing Director, Real Estate Division

EXP07

FILED
KING COUNTY, WASHINGTON
FEB 25 2014
DEPARTMENT OF
JUDICIAL ADMINISTRATION

SUPERIOR COURT OF WASHINGTON
FOR KING COUNTY

PORT OF SEATTLE,

Plaintiff,

vs.

EASTSIDE COMMUNITY RAIL, LLC, a Washington Limited Liability Company,

Defendant.

No. 14-2-054866-6 SEA

STIPULATED JUDGMENT

BACKGROUND

A. The Port of Seattle ("Port") entered into an Operations and Maintenance Agreement ("O&M Agreement") dated December 18, 2009 with GNP RLY, Inc. ("GNP"), under which GNP had certain rights and obligations related to the provision of freight rail service along a 14.45 mile corridor from Woodinville, King County, Washington to Snohomish, Snohomish County, Washington. Eastside Community Rail, LLC ("ECR") is the successor in interest to the rights and obligations of GNP under the O&M Agreement.

B. On June 25, 2013 the Port commenced an arbitration proceeding against ECR through the American Arbitration Association, seeking relief from certain breaches of the O&M Agreement by ECR. The parties selected John Ruhl to act as the arbitrator, and an arbitration hearing was set to begin on January 22, 2014.

GRAHAM & DUNN PC
Pier 70 ~ 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

C. On January 22, 2014, the parties entered into a Settlement Agreement, attached as Exhibit 1, hereto, which they agreed would be documented in the form of a stipulated judgment to be filed in Superior Court.

STIPULATION

Therefore, the parties stipulate that judgment shall be entered under RCW 7.04A.250 as follows, as if this was based on confirmation of an arbitration award.

1. ECR shall obtain and maintain at all times the following freight service general liability insurance:

a. $5 million per occurrence,

b. The policy shall include general liability property damage and bodily injury coverage for operation of Freight Rail Service along with any related operation, maintenance and construction on or about the Corridor or Port Property, as those terms are defined in the O&M Agreement.

c. The policy shall also include pollution coverage whether incurred during operations or during maintenance and construction.

d. The policy shall include an endorsement providing automobile liability insurance of not less than $1 million per occurrence for owned, non-owned, hired, leased, rented or borrowed vehicles.

e. ECR shall provide evidence of insurance to the Port, showing the Port as an additional insured for the Freight Rail Service and the automobile insurance endorsement.

f. The policy will include no Port deductible.

g. The policy will provide that it is primary and non-contributory with respect to any coverage the Port may have.

h. The policy shall include a waiver of subrogation rights against the Port.

GRAHAM & DUNN PC
Pier 70 ~ 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

2. ECR shall provide the Port with a certificate of insurance and copy of the endorsements, reflecting that it has obtained the insurance described in paragraph 1 not later than 5 p.m. on January 27, 2014.

3. Ballard Terminal Railroad Company, LLC ("Ballard") shall obtain and maintain railroad general liability insurance with a minimum of $2 million per occurrence for bodily injury and property damage, naming the Port as an additional insured. Ballard can meet this obligation using a claims made insurance coverage form provided that there has been continuity of coverage and the retroactive date on the policy is equal to or prior to the day the Port purchased the rail corridor from BNSF. Ballard shall obtain and maintain coverage for liability under the Federal Employers' Liability Act. ECR shall provide the Port with evidence of Ballard's insurance complying with this obligation.

4. Should the Port not receive the endorsements and policy of insurance required by paragraph 1 by March 15, or should the Port not agree that the certificate of insurance and endorsement required by paragraph 2 comply with the requirements of paragraph 1 when it receives the insurance policy and endorsement, or should the Port receive notice that any of the insurance called for under this Agreement has been cancelled, the Port may procure insurance for itself to provide the comparable coverage, and a supplemental judgment, in the form attached as Exhibit 2, in the amount of the cost to the Port for such insurance shall be entered by the Court. The cost to the Port shall be shown by a declaration from the Port in support of the amount. ECR hereby waives notice of presentation of the supplemental judgment. Ballard and ECR shall provide information as needed by the Port in order to apply for such coverage.

5. On or before February 21, 2014, ECR shall complete the replacement of the automatic warning device at the intersection of Yew Road and Broadway Avenue in Maltby, Washington.

6. ECR shall contract by March 1, 2014 with Osmose Railroad Services, HDR, or another recognized bridge inspection expert, to inspect the bridges and trestles on the Corridor to

GRAHAM & DUNN PC
Pier 70 ~ 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

determine whether there are any Priority 1 repairs needed. The contract will require the report to be provided to ECR and the Port by May 1, 2014. If any Priority 1 repairs are identified, ECR shall cease any operation on the identified bridge or trestle until the repairs have been completed.

7. If ECR has not provided the Port with an executed contract for the bridge inspection called for in paragraph 6 by March 1, 2014, the Port may, if it chooses, contract for such an inspection. A supplemental judgment, in the form attached as Exhibit 3, in the amount of the cost to the Port for such inspection shall be entered by the Court. The cost to the Port shall be shown by a declaration from the Port in support of the amount. ECR hereby waives notice of presentation of the supplemental judgment.

8. On or before January 1, 2015, ECR shall complete all Priority 2 and 3 repairs identified in the June 24, 2010 Osmose Report or in the inspection required under paragraph 6 above.

9. Prior to February 1, 2014 the Port will provide to counsel for ECR the concerns that were previously raised concerning the Agreement between ECR and Ballard. Between February 1, 2014 and March 1, 2014 the Port will enter into good faith discussions with ECR concerning the Port's concerns. Prior to March 1, 2014, ECR and Ballard will amend their agreement to resolve those concerns.

10. By February 1, 2014 the Port shall provide ECR with a letter similar to the letter that Snohomish County provided to the Surface Transportation Board in 2013, supporting ECR's request for funding.

GRAHAM & DUNN PC
Pier 70 ~ 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

Stipulated and Agreed to this 24th day of February, 2014 by:

GRAHAM & DUNN, PC

By _____
Elaine L. Spencer, WSBA# 6963
Attorneys for Plaintiff

Stipulated and Agreed to this __ day of February, 2014 by:

By _____
Elizabeth Alvord, WSBA# 23571
Attorneys for Defendant

JUDGMENT

Based on the Stipulation of the parties, judgment is hereby entered as follows:

1. ECR shall obtain and maintain at all times the following freight service general liability insurance:

a. $5 million per occurrence,

b. The policy shall include general liability property damage and bodily injury coverage for operation of Freight Rail Service along with any related operation, maintenance and construction on or about the Corridor or Port Property, as those terms are defined in the O&M Agreement.

c. The policy shall also include pollution coverage whether incurred during operations or during maintenance and construction.

d. The policy shall include an endorsement providing automobile liability insurance of not less than $1 million per occurrence for owned, non-owned, hired, leased, rented or borrowed vehicles.

e. ECR shall provide evidence of insurance to the Port, showing the Port as an additional insured for the Freight Rail Service and the automobile insurance endorsement.

f. The policy will include no Port deductible.

GRAHAM & DUNN PC
Pier 70 ~ 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

g. The policy will provide that it is primary and non-contributory with respect to any coverage the Port may have.

h. The policy shall include a waiver of subrogation rights against the Port.

2. ECR shall provide the Port with a certificate of insurance and copy of the endorsements, reflecting that it has obtained the insurance described in paragraph 1 not later than 5 p.m. on January 27, 2014.

3. Ballard Terminal Railroad Company, LLC ("Ballard") shall obtain and maintain railroad general liability insurance with a minimum of $2 million per occurrence for bodily injury and property damage, naming the Port as an additional insured. Ballard can meet this obligation using a claims made insurance coverage form provided that there has been continuity of coverage and the retroactive date on the policy is equal to or prior to the day the Port purchased the rail corridor from BNSF. Ballard shall obtain and maintain coverage for liability under the Federal Employers' Liability Act. ECR shall provide the Port with evidence of Ballard's insurance complying with this obligation.

4. Should the Port not receive the endorsements and policy of insurance required by paragraph 1 by March 15, or should the Port not agree that the certificate of insurance and endorsement required by paragraph 2 comply with the requirements of paragraph 1 when it receives the insurance policy and endorsement, or should the Port receive notice that any of the insurance called for under this Agreement has been cancelled, the Port may procure insurance for itself to provide the comparable coverage, and a supplemental judgment, in the form attached as Exhibit 2, in the amount of the cost to the Port for such insurance shall be entered by the Court. The cost to the Port shall be shown by a declaration from the Port in support of the amount. The supplemental judgment may be entered without notice to ECR.

5. On or before February 21, 2014, ECR shall complete the replacement of the automatic warning device at the intersection of Yew Road and Broadway Avenue in Maltby, Washington.

GRAHAM & DUNN PC
Pier 70 ~ 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

6. ECR shall contract by March 1, 2014 with Osmose Railroad Services, HDR, or another recognized bridge inspection expert, to inspect the bridges and trestles on the Corridor to determine whether there are any Priority 1 repairs needed. The contract will require the report to be provided to ECR and the Port by May 1, 2014. If any Priority 1 repairs are identified, ECR shall cease any operation on the identified bridge or trestle until the repairs have been completed.

7. If ECR has not provided the Port with an executed contract for the bridge inspection called for in paragraph 6 by March 1, 2014, the Port may, if it chooses, contract for such an inspection. A supplemental judgment, in the form attached as Exhibit 3, in the amount of the cost to the Port for such inspection shall be entered by the Court. The cost to the Port shall be shown by a declaration from the Port in support of the amount. The supplemental judgment may be entered without notice to ECR.

8. On or before January 1, 2015, ECR shall complete all Priority 2 and 3 repairs identified in the June 24, 2010 Osmose Report or in the inspection required under paragraph 6 above.

9. Prior to February 1, 2014 the Port will provide to counsel for ECR the concerns that were previously raised concerning the Agreement between ECR and Ballard. Between February 1, 2014 and March 1, 2014 the Port will enter into good faith discussions with ECR concerning the Port's concerns. Prior to March 1, 2014, ECR and Ballard will amend their agreement to resolve those concerns.

10. By February 1, 2014 the Port shall provide ECR with a letter similar to the letter that Snohomish County provided to the Surface Transportation Board in 2013, supporting ECR's request for funding.

Done in Open Court this ___ day of _____, 2014.

CHAD ALLRED

FEB 24 2014

JUDGE/COURT COMMISSIONER

STIPULATED JUDGMENT - COURT COMMISSIONER

GRAHAM & DUNN PC
Pier 70 ~ 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

Presented by:

GRAHAM & DUNN, PC

By _____
Elaine L. Spencer, WSBA# 6963
Attorneys for Plaintiff

Approved as to form, notice of presentation waived:

By _____
Elizabeth Alvord, WSBA# 23571
Attorneys for Defendant

GRAHAM & DUNN PC
Pier 70 ~ 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

Exhibit 1 to the Stipuluated Judgment

Settlement Agreement

1. This Agreement is enforceable under CR 2.
2. It will be documented in the form of a stipulated judgment to be filed in Superior Court.
3. ECR shall obtain and maintain at all times the following freight service general liability insurance:
    a. $5 million per occurrence
    b. The policy shall include general liability property damage and bodily injury coverage for operation of Freight Rail Service along with any related operation, maintenance and construction on or about the Corridor and Port Property.
    c. The policy shall also include pollution coverage whether incurred during operations or during maintenance or construction.
    d. The policy shall include an endorsement providing automobile liability insurance of not less than $1 million per occurrence for owned, non-owned, hired, leased, rented or borrowed vehicles.
    e. ECR shall provide evidence of insurance to the Port, showing the Port as an additional insured for the Freight Rail Service and the automobile insurance endorsement.
    f. The policy will include no Port deductible.
    g. The policy will provide that it is primary and non-contributory with respect to any coverage the Port may have
    h. The policy shall include a waiver of subrogation rights against the Port.
4. ECR shall provide the Port with a certificate of insurance and a copy of the endorsements, reflecting that is has obtained the insurance described in paragraph 3 not later than 5 p.m. on January 27, 2014.
5. Ballard Terminal Railroad Company, LLC ("Ballard") shall obtain and maintain railroad general liability insurance with a minimum of $2 million per occurrence for bodily injury and property damage, naming the Port as an additional insured. Ballard can meet this obligation using a claims made insurance coverage form provided that there has been continuity of coverage and the retroactive date on the policy is equal to or prior to the day the Port purchased the rail corridor from BNSF. Ballard shall obtain and maintain coverage for liability under the Federal Employers' Liability Act. ECR shall provide the Port with evidence of Ballard's insurance complying with this obligation.
6. Should the Port not receive the certificate of insurance required by paragraph 4, or should the Port receive notice that any of the insurance called for under this Agreement has been cancelled, the Port may procure insurance for itself to provide the comparable coverage, and a supplemental judgment in the amount of the cost to the Port can be entered by the Port. Ballard and ECR shall provide information as needed by the Port in order to apply for such insurance.

7. On or before February 21, 2014, ECR shall complete the replacement of the automatic warning device at the intersection of Yew Road and Broadway Avenue in Maltby.
8. ECR shall contract by March 1, 2014 with Osmose Railroad Services, HDR, or another recognized bridge inspection expert, to inspect the bridges and trestles on the Corridor to determine whether there are any Priority 1 repairs needed. The contract will require the report to be provided to ECR and the Port by May 1, 2014. If ECR has not provided the Port with such an executed contract by March 1, 2014, the Port may, if it chooses, contract for such an inspection, in which case judgment shall be entered against ECR for the cost incurred by the Port for the inspection. If any Priority 1 repairs are identified, ECR shall cease any operation on the identified bridge or trestle until the repairs have been completed.
9. On or before January 1, 2015, ECR shall complete all Priority 2 and 3 repairs identified in the June 24, 2010 Osmose Report or in the inspection required under paragraph 8 above.
10. Prior to February 1, 2014 the Port will provide to counsel for ECR the concerns that were previously raised concerning the Agreement between ECR and Ballard. Between February 1, 2014 and March 1, 2014 the Port will enter into good faith discussions with EC concerning the Port's concerns. Prior to March 1, 2014, ECR and Ballard will amend their agreement to resolve those concerns.
11. By February 1, 2014 the Port shall provide ECR with a letter similar to the letter that Snohomish County provided to the Surface Transportation Board in 2013, supporting ECR's request for funding.
12. The arbitrator will continue the arbitration hearing until April 1, 2014, and conduct such further preliminary hearings between the date of this Agreement and April 1, 2014 as the parties may request.
13. If there are any disagreements over the drafting of the stipulated judgment described in paragraph 2, they will be resolved by John Ruhl.

Agreed January 22, 2014.

Port of Seattle

By Isabel Safora, its Deputy General Counsel

Eastside Community Rail LLC

By Doug Engle, its President and CEO

Approved:

Elaine Spencer

Elizabeth Alvord

Exhibit 2 to the Stipuluated Judgment

Exhibit 2

SUPERIOR COURT OF WASHINGTON
FOR KING COUNTY

PORT OF SEATTLE, Plaintiff, vs. EASTSIDE COMMUNITY RAIL LLC, a Washington limited liability company, Defendant.	No. [ ] SUPPLEMENTAL JUDGMENT

This Court entered a Stipulated Judgment on February __, 2014, providing in paragraph 4 that if the Port did not receive the endorsements and policy of insurance required by paragraph 1 by March 15, or if the Port did not agree that the certificate of insurance and endorsement required by paragraph 2 comply with the requirements of paragraph 1 when it receives the insurance policy and endorsement, or if the Port receives notice that any of the insurance called for under this Agreement has been cancelled, then the Port could procure insurance for itself to provide comparable coverage, and on five days' notice to ECR a supplemental judgment in the amount of the cost to the Port, should be entered in the amount of the cost to the Port of that insurance. The Port has now shown by declaration that it has incurred _____ in cost to procure insurance as provided for in paragraph 4 of the Stipulated Judgment. Now, therefore,

GRAHAM & DUNN PC
Pier 70, 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

SUPPLEMENTAL JUDGMENT IS ENTERED in favor of the Port in the amount of _____.

DATED this ____ day of _____, 2014.

_____
JUDGE/COURT COMMISSIONER

Presented by:

GRAHAM & DUNN, PC

By _____
Elaine L. Spencer, WSBA# 6963
Attorneys for Plaintiff

Approved as to form, notice of presentation waived:

By _____
Elizabeth Alvord, WSBA# 23571
Attorneys for Defendant

GRAHAM & DUNN PC
Pier 70, 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

Exhibit 3 to the Stipuluated Judgment

14-2-05486-6 SEA

Exhibit 3

SUPERIOR COURT OF WASHINGTON
FOR KING COUNTY

PORT OF SEATTLE, Plaintiff, vs. EASTSIDE COMMUNITY RAIL LLC, a Washington limited liability company, Defendant.	No. [ ] SUPPLEMENTAL JUDGMENT

This Court entered a Stipulated Judgment on February __, 2014, providing in paragraph 7 that if Defendant Eastside Community Rail LLC ("ECR") failed to provide the Port with an executed contract for the bridge inspection called for in paragraph 6 by March 1, 2014, the Port might, if it chose, contract for such an inspection, in which case on five days' notice to ECR a supplemental judgment in the amount of the cost to the Port, should be entered in the amount of the cost to the Port for that inspection. The Port has now shown by declaration that it has incurred _____ in cost to procure the inspection as provided for in paragraph 7 of the Stipulated Judgment. Now, therefore,

SUPPLEMENTAL JUDGMENT IS ENTERED in favor of the Port in the amount of _____.

GRAHAM & DUNN PC
Pier 70, 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

DATED this ____ day of _____, 2014.

JUDGE/COURT COMMISSIONER

Presented by:

GRAHAM & DUNN, PC

By _____
Elaine L. Spencer, WSBA# 6963
Attorneys for Plaintiff

Approved as to form, notice of presentation waived:

By _____
Elizabeth Alvord, WSBA# 23571
Attorneys for Defendant

GRAHAM & DUNN PC
Pier 70, 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

STB Docket No. AB-6 (Sub No. 465X)
STB Finance Docket No. 35731

CERTIFICATE OF SERVICE

I hereby certify that I have caused to be served a copy of the foregoing letter to the U. S. Surface Transportation Board dated March 26, 2014, from the Port of Seattle upon the following parties of record in the above referenced proceedings by electronic mail upon:

Pete Ramels
Andrew Marcuse
Office of the Prosecuting Attorney
Civil Division
W400 King County Courthouse
516 Third Avenue
Seattle, WA 98104
pete.ramels@kingcounty.gov
andrew.marcuse@kingcounty.gov
Attorneys for King County

Miles Tobin
Thomas J. Litwiler
Thomas C. Paschalis
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, IL 60606-2832
mtobin@fletcher-sippel.com
tlitwiler@fletcher-sippel.com
tpaschalis@fletcher-sippel.com
Attorneys for Ballard Terminal Railway

Charles A. Spitulnik
W. Eric Pilsk
Allison Fultz
Kaplan Kirsch & Rockwell LLP
1001 Connecticut Avenue NW
Suite 800
Washington DC 20036
cspitulnik@kaplankirsch.com
epilsk@kaplankirsch.com
afultz@kaplankirsch.com
Attorneys for King County

Hunter Ferguson
Matthew Cohen
Stoel Rives
600 University Street
Suite 3600
Seattle, WA 98101
hoferguson@stoel.com
mcohen@stoel.com
Attorneys for City of Kirkland

Jordan Wagner
Jennifer Belk
Central Puget Sound Regional Transit Authority
401 S. Jackson Street
Seattle, WA 98104
jordan.wagner@soundtransit.org
Jennifer.belk@soundtransit.org
Attorneys for Central Puget Sound RTA

Dated this 26th day of March, 2014.

Ann DeKoster
Legal Administrator
Port of Seattle

EXHIBIT 19

Parking Space Lease Agreement
between Doug Engle and Darling Sons Intl, LLC

PARKING SPACE LEASE AGREEMENT

This Parking Space Lease Agreement (the "Lease") is made and entered into on October 5, 2017 (the "Effective Date") by and between Doug Engle of 4117 S. Lamonte St., Spokane, WA 99203 (the "Lessor") and Darling Sons Intl, LLC of 20915 Yew Way, Snohomish, Washington, 98296 (the "Lessee"), collectively known as the "Parties." The Parties hereby agree as follows:

Terms and Conditions

1. Term

Lessor hereby leases to Lessee the parking space located on the Railway corridor on the East side of the tracks along Yew Way and 50' south of the southern most point of Broadway Ave to the power pole approximately 450' south, which is across the street from Lessee's business.

Lessor shall keep vehicles 14' off the centerline of the tracks, which will provide up to 36' of parking space.

The Lease shall begin October 1st, 2017, and will continue as a month-to-month tenancy until such lime as either party terminates it.

2. Rent

Lessee agrees to pay $650.00 as rent in advance on the 1st of each month to Lessor or his or her agent by mail or in person to Lessor or his or her agent at their respective addresses as noted above.

Upon receiving any payment of parking space rent, Lessor agrees to issue a receipt stating the name of Lessor, the amount of rent paid, the designation of the parking space and the period for which said rent is paid.

The rent amount will be reviewed every five-years with an adjustment primarily to reflect market value changes.

Both parties agreed upon upfront price is $7,800., which will be paid quarterly ($1950.) on the 1st day of the month beginning on the Effective date, and every three-months thereafter until paid in full.

The first payment shall be rent + ¼ upfront = $2,600., which will continue every three months until the upfront is paid in full.

3. Liability

Lessor shall not be responsible for damage or loss to possessions or items left in Lessees trailer.

Lessor shall not be responsible for damage to Lessees vehicles or other property in the Parking Space, whether or not such damage is caused by other vehicle(s) or person(s) in the parking lot and surrounding area.

Lessor may, at Lessors sole discretion, provide parking lot attendants. In the event that Lessor or operator of the parking lot provides such attendants, any use of such attendant by Lessee to park or drive Lessees vehicles shall be at Lessees request, direction and sole risk of any resulting loss and Lessee shall indemnify Lessor for any loss resulting from such use.

Lessee, is not liable for any pre-existing possible site contamination due to the railway or any other sources.

4. Railway Access

Lessor may access the Parking Space as required to maintain the operating railroad. Lessor shall

notify Lessee of such access beforehand, unless there is an emergency situation, and the Lessor shall notify Lessee as soon as it is reasonable.

Lessee shall only enter the operating railroad space with a track warrant issued by the operating railway.

5. Termination

Lessee may terminate this Lease by providing 30 days written notice to the other party.

Lessor may terminate this Lease by providing 365 days (1-year) written notice to the other party and shall occur only if the property is required for new track or facilities for ongoing rail operations.

Any such notice shall be directed to the other party's address as listed in this Lease.

6. Governing Law

The laws of Washington State shall govern this Agreement.

The Federal Railroad Administration and Surface Transportation govern railway operations.

7. Entire Agreement

This Lease contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter of this Lease. This Lease supersedes any prior written or oral agreements between the parties.

8. Severability

If any provision of this Lease will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

9. Amendment

This Lease may be modified or amended in writing, if the sign the amendment in writing.

10. Waiver of Contractual Rights

The failure of either party to enforce any provision of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

11. Assignment

Neither party may assign or transfer this Lease without the prior written consent of the non-assigning party, which approval shall not be unreasonably withheld.

LESSOR

Douglas Engle

DATE: 10/6/17

LESSEE

Eric Darling

DATE: 10/6/2017

EXHIBIT 20

Lease Agreement, dated 26 April 2013, between
Ballard Terminal Railroad Company, LLC and Eastside Community Rail, LLC

LEASE AGREEMENT

This Lease Agreement (as it may be amended and in effect from time to time, (the "Agreement") is made and entered into this _26th_ day of _April_, 2013 by and between Ballard Terminal Railroad Company, LLC (hereinafter "Ballard") and Eastside Community Rail, LLC, ("ECRR").

WHEREAS, ECRR has acquired an exclusive freight operating easement on a line of railroad extending from approximately milepost 23.8 in Woodinville to approximately milepost 38.25 in Snohomish, in King and Snohomish Counties, Washington (the "Line"); and

WHEREAS, subject to the terms of this Agreement, Ballard desires to lease the Line and ECRR is agreeable to the same; and

NOW, THEREFORE, the parties hereby agree as follows:

Definitions. As used herein, the following terms shall have the meanings indicated:

"AAR" shall mean the American Association of Railroads.

"Applicable Laws" shall mean all applicable federal, State of Washington and local laws, regulations and rules relating to the provision of the Services and the activities of Ballard relating to or conducted on the Line (including, without limitation, the Federal Locomotive Inspection Act, as amended, and the Federal Safety Appliance Act, as amended, the Federal Railroad Safety Act, as amended, all rules and regulations promulgated by the Federal Railroad Administration and the Surface Transportation Board, the Railroad Retirement Act, as amended, the Federal Employer's Liability Act, as amended, the ICC Termination Act of 1995, as amended, and all rules promulgated by the AAR), as such laws, regulations and rules may be amended and in effect from time to time.

"FRA" shall mean the United States Federal Railroad Administration.

"Hazardous Materials" shall mean any of the following: asbestos; urea formaldehyde; petroleum hydrocarbons and other petroleum products (including gasoline, diesel fuel, fuel oil, crude oil and motor oil and constituents of those products); ethanol; tetrachloroethylene; polychlorinated benzyls; polychlorinated biphenyls; biological hazards; nuclear fuel or materials; chemical, biological or medical wastes; radioactive materials; explosives; known carcinogens; and all dangerous, toxic or hazardous substances defined as hazardous or as pollutant or contaminant in, or the release or disposal of which is regulated by, any Applicable Laws.

"Maintenance Services" shall mean track and right of way maintenance services for the Line, to the extent required by, and in accordance with, this Agreement.

"Operational Agreements" shall mean all easements, crossing agreements, running rights agreements, interchange agreements, trackage agreements and other agreements and contracts affecting the use, occupancy or possession of the Line under which ECRR enjoys any rights or privileges which are pertinent to the Line or to Train Services and/or Maintenance Services in respect of the Line, as the same may be amended or modified and in effect from time to time.

"Person" shall mean any corporation, limited liability company, general or limited partnership, trust, government or governmental entity or political subdivision of any government, unincorporated association, individual or other entity.

"Lease Commencement Date" shall mean the date upon which this Agreement becomes effective pursuant to Section 10(a) hereof.

"Lease Termination Date" shall mean the earliest to occur of (a) the first (1st) anniversary of the Lease Commencement Date, subject to any renewals thereof, or (b) the date of termination of this Agreement pursuant to Sections 10(c) through Section 10(e).

"Services" shall mean the Train Services and Maintenance Services to be provided by Ballard on the Line pursuant to this Agreement.

"STB" shall mean the U.S. Surface Transportation Board.

"Term" shall mean the period commencing on and including the Lease Commencement Date and ending on and including the Lease Termination Date.

"Train Services" shall mean moving railroad cars on the Line pursuant to this Agreement.

1. Lease of Line. ECRR hereby leases to Ballard the Line upon the terms, covenants and conditions contained herein; provided, however, said Line shall be used by Ballard exclusively for railroad purposes and for no other purpose without the expressed written consent of ECRR. This lease shall be exclusive.

Ballard shall not permit or admit any third party to the use of all or any portion of the Line, nor under the guise of doing its own business, contract or make any agreement to handle as its own equipment over or upon the Line, or any portion thereof, the equipment of any such third party under a haulage or other similar arrangement, without the express written consent of ECRR; provided, however, that the foregoing shall not prevent Ballard, pursuant to run-through agreement with any railroad, from using the locomotives of another railroad as its own under this Agreement.

2. Port of Seattle Operations and Maintenance Agreement. The terms of that certain Operations and Maintenance Agreement, dated December 18, 2009, between the Port of Seattle and ECRR as successor in interest to GNP RLY, Inc. ("O&M Agreement") is hereby incorporated herein by reference. Ballard agrees to be bound by and comply with ECRR's

obligations under the terms of the O&M Agreement. In the event of a conflict between the terms of the O&M Agreement and the terms of this Agreement, the terms of the O&M Agreement shall govern.

3. Services. On and subject to the terms of this Agreement and in partial consideration for ECRR's lease of the Line to Ballard, Ballard agrees that during the Term it will provide at its sole expense:

(A) Train Services to all current or future shippers on the Line and all common carrier responsibilities on the Line; and

(B) All necessary equipment and manpower to provide two-day per week service (at least one switch per day) to all shippers/receivers on the Line. No passenger operations will be permitted on the Line without the mutual consent of both parties; and

(C) All clerical and administrative functions associated with Services on the Line, including, but not limited to, publication of Ballard rules and tariffs (Ballard shall set freight rates for its operations on the Line, billing and accounting services, car hire accounting, AAR and FRA reporting, waybill issuance, dispatching, and all other clerical and administrative functions normally associated with rail operations); and

(D) All equipment repair services normally associated with Handling Line responsibility; and

(E) All car supply, as may be necessary, as a supplement to those cars supplied by BNSF and the shippers/receivers; and

(F) Maintenance Services for the Line sufficient to maintain the track at FRA Excepted Class conditions at all times and notice to the FRA regarding said Maintenance Service responsibilities. All materials, improvements, and labor expended by Ballard in the performance of the Maintenance Services shall become a part of the Line. In the event that ECRR proposes to improve the condition of some or all of the line above FRA Excepted Class standards, then from and after the date of completing such improvements the Maintenance Services required of Line shall be sufficient to maintain such improved track at the improved level of condition. Ballard shall assume and be responsible for the inspection and maintenance of the tracks, track structure and roadbed of the Line, including rails, ballast, subgrade, ties, road crossings and crossing signals, bridges, culverts, overhead structures and retaining walls, under the following guidelines:

(i) Ballard shall provide all necessary Routine Maintenance which shall be performed in a manner sufficient to maintain the Line to FRA Excepted Class track conditions. Routine Maintenance shall include those items identified in Schedule A. All materials and labor expended by Ballard in the performance of Routine Maintenance shall become a part of the Line. Should the Line be upgraded above FRA Excepted Class track standards, then Ballard shall perform Routine Maintenance to the upgraded standards. All

materials and labor expended by Ballard in the performance of Routine Maintenance to the upgraded standards shall become a part of the Line; and

(ii) Ballard shall provide all necessary Heavy Maintenance (defined as maintenance in excess of the Routine Maintenance identified in Schedule A) and Capital Improvements necessary to maintain the line at FRA Excepted Class standards. Certain of the Heavy Maintenance and Capital Improvements will include non-removable items including, but not limited to, ties, ballast, switches, rail, bridge timber, power poles, signals, utility services or other items removal of which would impact the safety or continued operation of the Line. All materials and labor expended by Ballard in the performance of Heavy Maintenance and Capital Improvements, including, but not limited to, the non-removable items, shall become a part of the Line.

(iii) Ballard shall be responsible for the cost and expense of clearing wrecks or otherwise clearing disabled equipment and rerailing equipment and the associated cost of repair and/or renewal of damaged trackage or adjacent properties resulting in connection with derailments on the Line.

(iv) Ballard shall contract for and obtain any and all utility services required for operations on the Line, and shall be responsible for the continued maintenance and operation of those utility services.

4. Lease Compensation.

(A) Ballard will collect the entire interline (Handling Line) rate factor from BNSF (including, but not limited to, fuel surcharges) or the rate due and owing to Ballard by the shippers/receivers, as applicable; and

(B) Ballard shall pay to ECRR a lease payment of Ten Dollars ($10.00) per loaded car; and

(C) Ballard shall pay to the Port of Seattle the fees required to be paid by ECRR to the Port of Seattle as set forth in sections 9.4(B), (C) and (D) of the O&M Agreement.

(D) Ballard shall be responsible for all car hire associated with rail movements on the Line and shall be entitled to establish reasonable, non-discriminatory demurrage and storage charges for shippers/receivers on the Line; provided, however, such charges shall be in accordance with Applicable Laws.

(E) Ballard shall not charge ECRR for Routine Maintenance, Heavy Maintenance, Capital Improvements, clerical and administrative services, equipment and derailment repairs, or any of the other Services identified in Section 3. The cost for those Services is deemed to be a part of Ballard's lease payment to ECRR as set forth in Sections 4(A)-(D); and

(F) Ballard shall pay ECRR for the charges set forth in Section 4 on a quarterly basis. Charges shall be due and payable within ninety (90) days of the applicable car movement; and

5. Indemnification. Ballard shall indemnify, protect, defend and save harmless ECRR, and its respective officers, directors, affiliates, agents, and employees (each an "ECRR Indemnitee") free and harmless from and against any and all actions, causes of action, suits, losses, liabilities, damages and expenses, and attorneys' fees (collectively, the "Indemnified Liabilities"), incurred by the ECRR Indemnitees or any of them as a result of, or arising out of, or relating to:

(A) Services set forth in this Agreement, whether provided to ECRR or any shippers/receivers on the Line, by Ballard or any of its officers, directors, affiliates, agents or employees; and

(B) Acts or omissions arising out of and/or related to Ballard's lease of the Line, Ballard's performance of Train Services on the Line, whether negligent or otherwise, by Ballard or any of its officers, directors, affiliates, agents, or employees; and

(C) The use, handling, release, emission, discharge, transportation, storage, treatment or disposal of any Hazardous Materials by Ballard or any of its officers, directors, affiliates, agents or employees; and

(D) Any violation of any Applicable Law by Ballard or any of its officers, directors, affiliates, agents or employees; and

(E) The breach of this Agreement or any failure by Ballard to perform any of its obligations pursuant to this Agreement in accordance with the requirements hereof;

except for any such Indemnified Liabilities arising on account of the applicable ECRR Indemnitee's gross negligence or willful misconduct. If and to the extent that the foregoing undertaking may be unenforceable for any reason, Ballard hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under Applicable Law.

6. Insurance. During the Term, Ballard shall, at its own cost and expense, obtain and maintain in force insurance covering its obligations under this Agreement as follows:

(a) Ballard shall provide all of the insurance coverage in the amounts and with the requirements set forth in Section 6 of the O&M Agreement.

(b) Other Requirements.

(i) All policies (applying to coverage listed above) shall contain no exclusion for punitive damages and certificates of insurance shall reflect that no exclusion exists.

(ii) Ballard waives and releases any right of recovery against ECRR for loss or damage to property of Ballard, its employees, licensees and invitees, resulting from any cause which would be coverable by "all risk" property insurance, whether or not such insurance is actually in effect, and whether or not the loss or damage is caused by the negligence of ECRR, its agents, employees or contractors. This waiver shall be binding on all insurers and other parties claiming by, through or under Ballard.

(iii) Ballard's insurance policies through policy endorsement must include wording which states that the policy shall be primary and non-contributing with respect to any insurance carried by ECRR and the Port of Seattle.

(iv) All policies required above shall include a severability of interest endorsement and shall name ECRR as an additional insured with respect to work performed under this Agreement and the Port of Seattle.

Ballard shall furnish ECRR with satisfactory evidence of such insurance, and with an endorsement from the issuer of the applicable insurance policies stating that the issuer shall furnish not less than thirty (30) days notice of any lapse or termination of, or material change in coverage under, such insurance. This requirement shall not, however, be deemed to make ECRR liable for payment of premiums or other charges in respect of any insurance which Ballard is obligated to obtain and keep in effect. The complete or partial failure or refusal of an insurance carrier, for any reason whatsoever, to protect and indemnify ECRR, or the inadequacy of the insurance coverage obtained by Ballard, shall not affect the obligation of Ballard to indemnify ECRR as provided in this Agreement.

7. Taxes. ECRR shall be responsible for all property taxes and similar assessments, attributable to the ownership of the Line. Ballard shall be responsible for all property taxes and similar assessments associated with the ownership of equipment used on the Line.

8. Financial Reporting. During the term of this Agreement, if so requested by ECRR, Ballard shall provide ECRR with a confidential copy of the Ballard federal income tax return within thirty (30) days of filing of such return. The purpose of providing such income tax return to ECRR shall be limited to determining that Ballard remains solvent and Ballard may elect to provide additional material in support of such a determination. ECRR agrees to keep such income tax return and any other financial material provided by Ballard, or its parent company, confidential and shall share it only with those professional persons that may have a legitimate need to view it, with the consideration that such professional persons shall also be bound by the same requirement of confidentiality.

9. IRS Tax Credit. ECRR shall be exclusively entitled to all credits available under the Qualified Railroad Track Maintenance Credit (Tax Credit), or successor credit programs, for all Routine Maintenance and Heavy Maintenance performed under this Agreement unless otherwise specified.

10. Term/Termination.

(A) This Agreement shall become effective on April 30, 2013, or one day after the STB has approved this Lease, whichever is later, or such other date as is mutually agreeable to the parties ("Lease Commencement Date") so long as prior thereto the STB has approved this Lease, pursuant to a Notice of Exemption, on terms acceptable to ECRR.

(B) Upon becoming effective under Section 10(A) above, this Agreement shall continue in full force and effect for a period of one (1) year from the Lease Commencement Date, except as otherwise provided in this Section 10. Unless earlier terminated pursuant to Sections 10 or 11, the term hereof shall extend from year to year (each year a "Renewal Term") unless either party has provided a notice of termination at least sixty days (60) prior to the end of the Initial Term or any Renewal Term.

(C) In the event of any substantial failure on the part of either party hereto to perform any of its obligations under this Agreement and its continuance in default for a period of fifteen (15) days after written notice of the default is given to such party by the other party in accordance with the notice provisions of this Agreement, the non-defaulting party shall have the right, at its option, to terminate this Agreement upon notice to the other party. Any such termination shall be without prejudice to the legal and equitable rights of the non-defaulting party in respect of such default by the other party.

(D) If there shall be filed by or against either party, in any court of competent jurisdiction, a petition in appointment of a receiver or trustee of all or a portion of a party's property, or if either party shall make an assignment for the benefit of creditors, and if execution shall be issued against a party, this Agreement, at the option of the other party, may be canceled and terminated without penalty, in which event neither party by virtue of any statute or of any order of any court shall treat this Agreement as an asset of the other party.

11. Right of First Refusal. In the event that Byron Cole ceases to manage Ballard's day-to-day operations, ECRR shall have the right, but not the obligation, to terminate this Agreement on thirty (30) days notice to Ballard. In further consideration of this Lease, in the event that Byron Cole ceases to manage Ballard's day-to-day operations, ECRR shall have the right, but not the obligation, to acquire all of Ballard's operating and ownership rights in the Woodinville-Bellevue Line, and the assets thereon (MP 23.8-MP 12.6); ECRR shall reimburse Ballard for the monetary amounts which Ballard paid for such rights and assets. Ballard shall cooperate in the filing of all documents necessary with the STB to terminate this Agreement or to establish with the STB ECRR's rights to lease and operate the other Ballard and Meeker Southern Rail Lines, as applicable.

12. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon parties hereto and their respective successors and assigns; provided that Ballard shall not transfer or assign this Agreement or any of its rights, interests or obligations hereunder (or delegate any of its duties hereunder), to any Person without obtaining the prior written consent of ECRR. Ballard agrees, however, that ECRR may assign its rights, interests and obligations hereunder to any purchaser of the Line.

13. Force Majeure. If either party hereto shall be prevented or delayed from punctually performing any obligations or satisfying any condition under this Agreement by any strike, lockout, labor dispute, unavailability of labor or materials, act of God, unusually inclement weather, unusual governmental restriction, regulation or control, enemy or hostile governmental action, civil commotion, insurrection, sabotage, fire or other casualty, or any condition caused by the other party, and which the affected party, by exercise of reasonable diligence, shall be unable to overcome, then the time to perform such obligation to satisfy such condition shall be extended on a day-for-day basis for the period of the delay caused by such event; provided, however, that the party claiming the benefit of this Section 13 shall, as a condition thereto, give notice to the other party in writing within five (5) days of the incident specifying with particularity the nature thereof, the reason therefore (if known), the date and time such incident occurred and an estimate of the period that such incident will delay the fulfillment of obligations of the affected party. Failure to give such notice within the specified time shall render; such delay invalid in extending the time for performing the obligations hereunder. This Section 13 shall not apply to the inability to pay any sum of money due hereunder or the failure to perform any other obligation due to the lack of money or inability to raise capital or borrow for any purpose.

14. Waiver: Amendments. No delay on the part of either party hereto in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any of them of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed and delivered by ECRR and Ballard, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

15. Notices. Any notice required, given or made by any one party hereto to any other party hereto shall be in writing and shall be sent by facsimile transmission, overnight commercial carrier or hand delivery to the following addresses:

If to Ballard: Attn: General Manager
Ballard Terminal Railroad Company
4507 S.W. Oregon St.
Seattle, WA 98116
Phone (206) 782-1447
Email: ByronCole@comcast.net

If to ECRR: Attn: General Manager
Eastside Community Rail, LLC
1340 Lombard Street, #606
San Francisco, CA 94109
Phone (425) 891-4223
Email: DEngle76@comcast.net

16. No Third Party Beneficiaries. This Agreement and each and every provision hereof is for the exclusive benefit of the parties to this Agreement and not for the benefit of any third Person. Nothing herein contained shall be taken as creating or increasing any right of any third party to recover by way of damages or otherwise against either party to this Agreement.

17. Compliance with Applicable Laws. Ballard shall operate and maintain the Line in compliance with, and shall cause its operators and crews to be qualified in accordance with, all Applicable Laws relating to the operation and maintenance of the Line and operation of trains over the Line, including but not limited to the track safety standards set forth at 49 C.F.R. Par. 213, as amended from time to time, and all Applicable Laws respecting the operation, condition, inspection and safety of its trains, locomotives, cars and equipment while any such trains, locomotives, cars and equipment are being operated over or on the Line (including, but not limited to any width, height, weight or other restrictions or capacities of the Line). Ballard shall promptly remove from the Line and dispose of in a lawful manner any discarded or replaced property that Ballard has removed or replaced which constitutes hazardous materials under Applicable Laws. This does not include any materials or conditions that existed on the Line prior to the execution of this Agreement.

18. Responsibility for Operation. Except as otherwise expressly provided herein, Ballard shall be solely responsible for all costs, expenses, charges, obligations and liabilities of any nature or kind relating to or arising from the operation of its trains and engines over the Line during the Term of this Agreement but Ballard shall not be responsible for costs, expenses, charges, obligations and liabilities of any nature or kind relating to or arising from the ownership of the Line during the Term of this Agreement.

19. Ballard Employees. Ballard shall indemnify ECRR for any claims by Ballard employees.

20. Third-Party Access. Ballard shall not permit any third-party to utilize the Line without the prior written consent of ECRR.

21. Use of the Line. Ballard shall not utilize the Line for any purpose unrelated to Service on the Line without the prior written consent of ECRR.

22. Record Retention/Audit. Ballard shall retain all records associated with operations the Line for a period of three (3) years. ECRR shall have the right to audit such records for the purpose of confirming compliance with the terms of this Agreement, upon

reasonable notice to Ballard. Such audit shall be performed during normal business hours at the location where the applicable records are normally kept.

23. Environmental Liability and Indemnity. Ballard shall not create or permit any condition on the Line or any real property or improvements used in connection with the Line that could present a threat to human health or to the environment. Ballard shall be responsible for and shall indemnify and hold harmless ECRR from any suit, claim or Losses growing out of any damages alleged to have been caused in whole or in part by an unhealthy, hazardous or dangerous condition caused in whole or in part by, or created during Ballard's presence on and use of the Line or Ballard's violation of any Applicable Laws pertaining to Hazardous Materials, air, water (surface or groundwater), or noise pollution, and the storage, handling, use, transportation or disposal of any such Hazardous Materials. Ballard shall bear the expense of all practices or work, preventive or remedial, which may be required because of the condition or use of the Line during the Term. ECRR shall be responsible for, and shall indemnify and hold harmless Ballard from and against any environmental conditions caused or created by ECRR prior to the Effective Date of this Agreement. Ballard shall be responsible for, and shall indemnify and hold harmless ECRR from and against any environmental conditions caused or created by Ballard prior to the Effective Date of this Agreement. Ballard and ECRR each expressly agree that the indemnification and hold harmless obligations it hereby assumes shall survive the termination or expiration of this Agreement. Ballard and ECRR each agree that statutory limitation periods on actions to enforce these obligations shall not be deemed to commence until the other party discovers, or reasonably should have discovered, any such health or environmental impairment, and Ballard and ECRR each hereby knowingly and voluntarily waive the benefit of any shorter limitation period. Ballard acknowledges that ECRR has provided Ballard with full access to inspect the Line. Ballard further acknowledges that ECRR makes no representations and warranties to Ballard concerning the existence of any Hazardous Materials on or near the Line, or compliance of the Line with any Applicable Laws.

24. Regulatory Approval. The parties acknowledge that the effectiveness of this Agreement is subject to Ballard acquiring approval of the lease of the Line from the STB.

26. Entire Agreement. This Agreement contains the entire understanding of the parties hereto as to the subject matter hereof and supersedes any and all oral and prior written understandings between the parties with respect to the subject matter of this Agreement.

27. Construction. All words, terms and phrases used in this Agreement which are not otherwise expressly defined herein shall be construed in accordance with the generally applicable definition or meaning of such words, terms and phrases in the United States railroad industry. This Agreement is the result of mutual negotiations of the parties hereto, neither of which shall be considered the drafter for purposes of contract construction.

28. Governing Law Severability. This Agreement shall be a contract made under and governed by the internal laws of the State of Washington applicable to contracts made and to be performed entirely within such State. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such

provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

29. Headings. All article and section headings are inserted herein for the convenience of the parties only and are not part of the substance of this Agreement and shall not affect any construction or interpretation of this Agreement.

30. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their fully authorized representatives as of the day and year first above written.

< < The Balance of This Page is Intentionally Left Blank > >

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their fully authorized representatives as of the day and year first above written.

BALLARD TERMINAL RAILROAD COMPANY, LLC

By: Byron D Cole
Title: GENERAL MANAGER
Date: APRIL 26, 2013

EASTSIDE COMMUNITY RAIL, LLC

By: [signature]
Title: MANAGING DIRECTOR, ECRR
Date: 26 April 2013

SCHEDULE A
ROUTINE MAINTENANCE

1. Vegetation Control, spraying the Line at least annually, clearing of vegetation obstructions at grade crossings, removal of downed trees encroaching on the track, bush-hogging of accessible areas in towns. Not included, debris removal dumped by third parties.

2. Signal Maintenance, electrical power to existing signals, replacing batteries (including proper disposal), replacing light bulbs, lenses, gates, periodic testing, repair of damage caused by third parties, replacement of insulated joints, bond wires and above ground wiring. Replacement of unusable heads, mast, cantileavers, electronic boards, bungalos, cabinets, gate mechanisms, underground wiring, or signal upgrades.

3. Grade Crossings, patching of surface with hot or cold mix, repair of broken rails, repair of crossing timbers, redriving lags, repair or replacement of cross-bucks.

4. Inspection, all FRA required track and bridge inspections, copies available for ECRR upon request.

5. Switches, inspection, lubrication and adjustment of all switches, replacement of loose or missing bolts and cotter pins, replacement of banners as required, respiking to gage, welding of points and frogs.

6. Derailments, rerailing of all derailed cars and lading, repairs to track to return it to the same FRA class as prior to the derailment, spare material from the Line may be used in the replacement if available, if not available Ballard must purchase material at its expense.

7. Joints and Broken Rails, repair all missing or failed bolts (for existing FRA class), replace broken joint bars, repair broken rails and pull-aparts (Line inventory may be used).

8. Ties and Gage Rods, respike ties to maintain FRA class, insert gage rods to hold gage.

9. Plates and Anchors, position loose plates and redrive loose anchors.

10. Surface, spot jacking and tamping to meet FRA class track.

11. Interlocking plants, inspection and repair as specified in agreements, including welding and bolts.

12. Bridges, inspection, cleaning of drift, erosion control as practical, repair and replacement of existing walkway boards and handrails, preventing ballast erosion as practical. Replacement of piles, sills, caps, bents, stringers, deck board, sideboards, headwalls or other components.

13. Rehabilitation Program Preparation, preparing and submitting an annual track and bridge rehabilitation program, coordination of program administration including contractor monitoring.

EXHIBIT 21

Eastside Freight Railroad (a.k.a. Ballard Terminal Railroad Company, LLC)
Railcar count and remittance details

Eastside Freight Railroad

4/26/2018

Snohomish County
Attn: Accounts Receivable
3000 Rockefeller Ave.
Everett, WA 98201

Railcar count and remittance details from the Eastside Freight Railroad to Snohomish County for payment according to the Operations and Maintenance agreement.

Q1 2018	Car Count
18-Jan	6
18-Feb	10
18-Mar	3
total	**19**

19 x 8.205 = $155.90 payment to City of Woodinville due

Please find check attached with this remittance notice.

The Eastside Freight Railroad did not receive nor bill for any additional income in Q1 2018. Income was received and billed solely for the loaded railcars delivered to shippers on the line by the Eastside Freight Railroad. A complete accounting of these cars is shown above.

James Forgette
General Manager
Eastside Freight Railroad
206 799 1245
jrforgette@hotmail.com

Eastside Freight Railroad

2/23/2018

Railcar count and payment details to Snohomish County for payment according to the Operations and Maintainance agreement.

	2015		The Eastside Freight Railroad did not receive nor bill for any additional income in 2015. Income was received and billed solely for the delivery of loaded railcars delivered to shippers on the line. A complete accounting of these cars is shown here.
	15-Nov	5	
	15-Dec	13	
	2015 total	**18**	

	2016		The Eastside Freight Railroad did not receive nor bill for any additional income in 2016. Income was received and billed solely for the delivery of loaded railcars delivered to shippers on the line. A complete accounting of these cars is shown here.
Q1	16-Jan	10	
	16-Feb	8	
	16-Mar	17	
Q2	16-Apr	8	
	16-May	11	
	16-Jun	14	
Q3	16-Jul	8	
	16-Aug	4	
	16-Sep	4	
Q4	16-Oct	6	
	16-Nov	10	
	16-Dec	6	
	2016 total	**106**	

	2017		The Eastside Freight Railroad did not receive nor bill for any additional income in 2017. Income was received and billed solely for the delivery of loaded railcars delivered to shippers on the line. A complete accounting of these cars is shown here.
Q1	17-Jan	11	
	17-Feb	7	
	17-Mar	12	
Q2	17-Apr	5	
	17-May	5	
	17-Jun	7	
Q3	17-Jul	1	
	17-Aug	3	
	17-Sep	3	
Q4	17-Oct	4	
	17-Nov	1	
	17-Dec	6	
	2017 total	**65**	

GRAND TOTAL CARS **189** x 8.205 = 1,550.75 payment to Snohomish County due