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January 12, 2021

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20423-0001

301349

ENTERED
Office of Proceedings
January 12, 2021
Part of
Public Record

Via E-Filing

**Re: STB Finance Docket No. 36476: RYAL, LLC- Modified Certificate of Public
Convenience and Necessity**

Dear Ms. Brown:

Attached for filing is an original **Notice of a Modified Certificate of Public
Convenience and Necessity** on behalf of RYAL, LLC under 49 CFR 1150.21, in the above
proceeding. The filing fee for same has been submitted electronically to Pay.gov.

If you have any questions about these filings, please contact me directly. Thank you for
your assistance in this matter.

Respectfully submitted,

/s/ James H. M. Savage
[By electronic signature]
James H. M. Savage
Counsel for RYAL, LLC

Attachments

FILED
January 12, 2021
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
January 12, 2021
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 36476__

RYAL, LLC

**APPLICATION FOR A
MODIFIED RAIL CERTIFICATE**

PURSUANT TO 49 C.F.R. § 1150.21

SUMMARY OF TRANSACTION

Pursuant to 49 CFR 1150.21, RYAL, LLC (“RYAL”), a non-carrier, seeks Board approval to become a class III short line railroad carrier upon issuance of a modified Certificate of Public Convenience and Necessity (“PC&N”) to lease and operate a line of railroad that was previously authorized for abandonment, was thereafter acquired by the Port of Royal Slope (“Port” or “PRS”), a Washington State municipal corporation, and thence leased to WRL, LLC (“WRL”) pursuant to a modified Certificate issued by the Board in FD No. 36002 effective June 5, 2016. The subject line of railroad originates at milepost 1989.06 near Othello in Adams County and continues west a distance of 20.44 miles to Royal City Jct. (MP 2009), thence north a distance of 5.2 miles, terminating at an industrial siding near Royal City in Grant County (MP 5.2). The total distance of the line is approximately 26 miles. The line traverses Adams and Grant Counties, all within the State of

Washington. A map of the Royal Slope Railroad is attached as Exhibit B to the July 29, 2015 Adams and Grant County Quitclaim Deeds (*See Exhibit C, infra.*)

INFORMATION REQUIRED BY 49 CFR 1150.23

Applicant's name and address
49 C.F.R. §1150.23(b)(1)

RYAL, LLC
709 N. 10th Ave.
Walla Walla, WA 99362

RYAL is presently a non-carrier seeking to become a class III common carrier pursuant to this Modified Certificate.

- (i) A copy of RYAL's Certificate of LLC Formation is annexed as Exhibit A(1), and a copy of RYAL's LLC Operating Agreement is annexed as Exhibit A(2).
- (ii) The names and addresses of RYAL's officers and directors, and a statement indicating their respective interests are as follow:

Paul Didelius
709 N. 10th Ave.
Walla Walla, WA 99362
President, Secretary and Treasurer and Director
Financial interest.....100%
Operational control...100%

- (iii) A copy of RYAL's current interim financial statement is annexed hereto as Exhibit B. Prior to initiating operations the corporation will be fully capitalized.

Information about the prior abandonment
49 CFR. § 1150.23(b)(2)

The rail line subject to this Modified Certificate was built between 1906 and 1909 by the former Chicago, Milwaukee St. Paul and Pacific Railroad ("Milwaukee Road"). The line originates at a connection with the Warden-Othello branch of the BNSF owned and Columbia Basin Railroad ("CBRW") operated Othello Yard (MP 1989.06) in Adams County and continues west a distance of 20.44 miles to Milepost 2009 at Royal City Junction, in Grant County, thence north a distance of 5.2 miles, terminating at an industrial siding near Royal City in Grant County (MP 5.2). The total distance of the line is approximately 26 miles. The line traverses Adams and Grant Counties, all within the State of Washington.

In a decision served January 29, 1980, the Interstate Commerce Commission ("I.C.C"), predecessor to the Surface Transportation Board, granted the application filed by Milwaukee Road's bankruptcy trustee to abandon this rail line, among other lines. *See* I.C.C. Docket No. AB-7 (Sub. No. 86F). The abandonment of the rail line was never consummated. On June 22, 1982 the Port acquired the rail line from the trustee, with Port obtaining an FRA loan to finance the purchase.

On June 14, 1982 the Burlington Northern Railway ("BN") and Port entered into a Rail Operating Agreement, pursuant to which BN undertook the obligation to obtain I.C.C. operating authority. In 1986, BN notified the Port that it was terminating the Rail Operating Agreement. The Port thereupon engaged Washington Central Railroad ("WCRC") as contract operator. By 1989, WCRC operations on the Royal Slope rail line had ended.

In 1992 Port defaulted on the FRA loan, and the rail line came under the control of the loan guarantor, Sunfresh, Inc. On May 27, 1993, WSDOT purchased the Royal Slope rail line to preserve the line for future rail transportation purposes, with Port

retaining rail operating rights. In 1994, Port contracted with Toppenish, Simcoe & Western Railroad ("TSWR") to operate the line. TSWR moved approximately ten cars in 1994, thereafter ceasing operations due to adverse market conditions. In a 1995 Railroad Retirement Board ("RRB") filing, TWSR advised RRB that it had entered into a "new" agreement with Port, but there had been no rail car movements that year. No movement of freight has been made over the line since the 1990's.

On July 29, 2015, WSDOT re-conveyed the rail line to Port. Thereafter, on February 12, 2016, Port entered into a 5-year lease agreement with WRL. WRL's modified Certificate of PC&N became effective June 5, 2016 pursuant to Board approval in FD No. 36002.

On December 17, 2020 Port entered into an Operating Lease Agreement with RYAL, with Port further agreeing to accept RYAL's assumption of WRL's assignment of the 2016 lease, to be effective upon the renewal of lease on February 12, 2021. RYAL is a new entity established for this purpose and owned by Paul Didelius (the principal of WRL).

Dates of the period of operation
49 C.F.R. § 1150.23 (b)(3)

On December 17, 2020, RYAL, as lessee, and Port, as owner, entered into an Operating Lease Agreement ("Agreement") governing the subject rail line. The Agreement is attached as Exhibit C. RYAL anticipates commencing freight rail operations over the subject line upon this exemption taking effect on or after February 12, 2021. The initial term of this Agreement is 10 years, which may be extended upon the agreement of both parties for additional 10-year terms. *See*

Agreement at Section 3. The Agreement may be terminated earlier upon the occurrence of certain events described in the Agreement. *See* Agreement at Section 17.

Description of the service to be performed
49 CFR. § 1150.23(b)(4)

RYAL seeks this Modified Certificate to provide rail freight operations over the subject line. The subject rail line's only interline connection is with CBRW at milepost 1989.06 at Othello, WA. The Agreement provides that the lessee shall obtain (i) property insurance customary in the short line industry, and (ii) public liability insurance, on a claims-made basis, in a minimum amount of \$15,000,000 single limit for personal injury per occurrence and single limit for property damage of \$5,000,000 (with customary deductibles and exclusions). The nature and extent of liability insurance coverage is further described in the Agreement. *See* Agreement at section 16. RYAL has obtained a commitment for insurance that will cover this rail line effective January 16, 2021. *See* current Certificate of Liability Insurance attached as Exhibit D. There are no preconditions that shippers on the subject rail line must meet in order to receive service from RYAL. No entity is subsidizing RYAL's rail freight operations on the line.

Interchange commitments

RYAL further advises the Board that it is negotiating and expects to shortly enter into an Interchange Agreement with CBRW imposing no interchange commitments ("paper barriers"). RYAL will immediately advise the Board in the event the final Interchange Agreement differs from that which is represented herein.

Respectfully submitted,

/S/ James H. M. Savage

[By electronic signature]

James H. M. Savage, Esq.
22 Rockingham Ct.
Germantown, MD 20874
(908) 361-7097
jsavagelaw@aim.com

Attorney for:
RYAL, LLC

Dated: January 12, 2021

VERIFICATION AND CERTIFICATE OF COMPLIANCE

I, Paul Didelius, declare under penalty of perjury that I am the Owner of RYAL, LLC, that I have read the foregoing Application for a Modified Rail Certificate, know the facts asserted therein, and that the foregoing is true and correct. Further, I verify that I am qualified and authorized to file this notice.

I also hereby certify that RYAL, LLC's projected annual revenues will not as a consequence of this transaction result in RYAL, LLC becoming a Class II or Class I rail carrier, and that RYAL, LLC's projected annual revenue for the lines to be operated pursuant to this notice, combined with RYAL, LLC's projected annual revenue from other operations, do not exceed \$5 million dollars.

/s/ Paul Didelius
[By electronic signature]

Paul Didelius
Owner, RYAL, LLC

Dated: January 12, 2021

Exhibit A(1)

RYAL Certificate of Formation

and

Exhibit A(2)

RYAL, LLC Operating Agreement

UNITED STATES OF AMERICA

The State of Washington

Secretary of State

I, KIM WYMAN, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF FORMATION

to

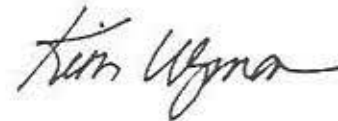
RYAL LLC

A WA LIMITED LIABILITY COMPANY, effective on the date indicated below.

Effective Date: 11/20/2020
UBI Number: 604 679 409



Given under my hand and the Seal of the State
of Washington at Olympia, the State Capital

A handwritten signature in black ink, reading "Kim Wyman".

Kim Wyman, Secretary of State

Date Issued: 11/20/2020

SINGLE MEMBER LLC OPERATING AGREEMENT
OF
RYAL LLC

THIS OPERATING AGREEMENT, is formed this 20th day of November, 2020, by Paul Didelius, (the "Sole Member"), to establish a limited liability company whose name is RYAL LLC (the "Company"), pursuant to the Washington Limited Liability Company Act (the "Act").

WITNESSETH

WHEREAS, the Sole Member has established or intended to be established, a limited liability company by filing on the date hereof a Certificate of Organization (the "Certificate") (Exhibit I) under and pursuant to the Act in the office of the Secretary of State for the purpose of conducting transportation service; and

WHEREAS, the Sole Member agrees that his respective rights, powers, duties and obligations as a Sole Member of the Company, and the management, operations and activities of the Company, shall be controlled by this Agreement;

NOW THEREFORE in consideration of the mutual terms, covenants and conditions contained herein, the Sole Member hereby agrees as follows:

ARTICLE 1

Formation of the LLC; Sole Member

1.01 Effective Date of Agreement This Agreement shall be effective on November 20, 2020 (the "Effective Date").

1.02 Formation of the LLC The Sole Member shall cause to be filed such Certificates and documents as may be necessary or appropriate to comply with the Act and any other applicable requirements for the operation of a limited liability company in accordance with the laws of the State of Washington and any other jurisdictions in which the Company shall conduct its business and operations and shall continue to do so for so long as the Company conducts business therein.

1.03 Admission of Sole Member. Immediately upon the formation of the LLC, the Sole Member Paul Didelius shall be the original member.

ARTICLE 11 General

2.01 Name of the Limited Liability Company. The name of the limited liability company formed hereby is "RYAL LLC" pursuant to the Act.

2.02 Purpose. The purpose of the Company is to provide transportation services and conduct any other activities as permitted by law and approved by the members

2.03 Office of the Limited Liability Company; Agent for Service of Process. The address of the registered office of the Company for purposes of the Act is 709 N. 10th Ave., Walla Walla, Washington 99362. The name and address of the resident agent for service of process for the Company is Derek Reid, 709 N. 10th Ave., Walla Walla, Washington 99362.

2.04 Principal Place of Business; Offices. The principal place of business for the Company shall be 709 N. 10th Ave., Walla Walla, Washington 99362.

ARTICLE III

Capital Contributions

3.01 Initial Capital Contribution. The initial Capital Contribution of the Sole Member as of the date of this Agreement will be \$2,000.

3.02 Additional Capital Contributions. The Members shall have the right, but shall not be obligated, to contribute any additional funds essential to conducting Company operations in such amounts and proportions as the Sole Member determines.

ARTICLE IV

Allocations and Distributions

4.01 Profits and Losses, Distributions. Until the admission of additional Members, the Sole Member shall be entitled to all allocations of LLC profits and losses and to allocations of distributions.

ARTICLE V

Management of the LLC

5.01 Participation in LLC Management The LLC shall be member managed.

5.02 Allocation of Votes. The Sole Member shall have the exclusive right to vote on LLC matters; provided that upon admission of additional Members, each

Member shall have the right to vote on each LLC matter in accordance with his Percentage Interest in the LLC.

5.03 Agency. The Sole Member shall have the power, right and authority to act as agent for the LLC on all LLC matters.

ARTICLE VI

Assignments and New Members

6.01 Restrictions on Assignment of Interests. No member shall make or effect an Assignment of all, or any part of, such Sole Member's Interest, except with the consent of the Sole Member. A creditor shall only obtain an assignment in membership interest, not the actual transfer of Membership in the LLC.

6.02 Admission of New Members. No person or entity shall be admitted as a new Member of the LLC except with the consent of the Sole Member, issuance of a new interest in the Company and/or a sale of a current percentage of the Sole Member's interest.

ARTICLE VII

Duties of Members

7.01 Duties of Members. Each Member shall use his or her best efforts to promote the business of the LLC.

7.02 Duties of Care, Good Faith and Loyalty. In his actions as member of the LLC, each Member

- (i) shall use the same care as he would use in conducting his own affairs;
- (ii) shall act in good faith;
- (iii) shall act with the utmost loyalty toward the LLC.

ARTICLE VIII

Records and Reports

8.01 Books of Accounts. The LLC shall maintain proper books of account, which shall comply with all applicable federal income tax regulation and with generally accepted accounting practices as applicable to limited liability companies.

8.02 Annual Reports Relating to Tax Return Preparation. The LLC shall prepare and deliver to the Members written reports which shall contain all information that is reasonably necessary to enable the Members to prepare their federal income tax returns.

ARTICLE IX

Dissolution

9.01 Dissolution. The Sole Member may dissolve the LLC at anytime. Upon dissolution, the LLC must pay its debts first before distributing cash, assets, and/or initial capital to members or member's interests. The dissolution may only be ordered by a Member, not by the owner of the Member*s interests.

9.02 Filing. Upon dissolution of the Company, the Sole Member shall cause to be executed and filed with the Secretary of the State articles of dissolution in accordance with the Act

ARTICLE X

Miscellaneous

14.01 Amendments. This Agreement may be amended only by the consent of the Sole Member.

14.02 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Sole Member and his respective heirs, administrators, executors, legal representatives, successors and assigns.

14.03 Entire Agreement This Agreement and the schedules attached hereto constitute the entire agreement of the Sole Member with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, and understandings of the parties with respect to the Company.

14.04 Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

14.05 Governing Law. This Agreement shall be governed by and construed under the substantive laws of the State of Washington without regard to its choice-of-law provisions.

14.06 Titles and Subtitles; Form of Pronouns; Construction and Definitions. The titles of the sections and paragraphs of this Agreement are for convenience only and are not to be considered in construing the Agreement. All pronouns used in this Agreement shall be deemed to include masculine, feminine and neutral forms; the singular number includes the plural and the plural number includes the

singular. Unless the context otherwise requires, the term "including" shall mean "including, without limitation."

14.07 Severability. If one or more provisions of this Agreement are held by a proper court to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary and permitted by law, shall be severed and the balance of this Agreement shall be enforceable in accordance with its terms.

14.08 Notices. Any and all notices or elections permitted or required to be made as provided in this Agreement shall be in writing, signed by the Sole Member giving such notice or making such election, and shall be delivered by hand or by nationally recognized overnight courier service or sent by registered or certified U.S. Mail, postage prepaid, return receipt requested,.

14.09 No Waiver. The failure of any Member to insist upon strict performance of any covenant or obligation under this Agreement shall not be deemed a waiver or relinquishment of such Member's right to demand strict compliance in the future with respect to such covenant or obligation or any other covenant or obligation. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall be deemed to constitute a consent or waiver to or of any breach or default in the performance of the same or any other obligation under this Agreement.

14.10. Counterparts. This Agreement may be executed upon an original and one or more duplicate originals, all of which together shall constitute an agreement.

IN WITNESS WHEREOF, the Sole Member hereby executes this Limited Liability Company Agreement as of the date first written in this Agreement:

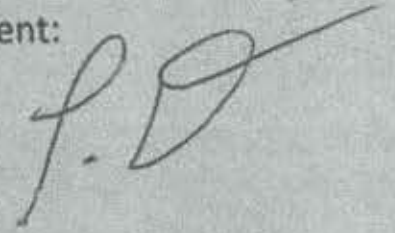
A handwritten signature in black ink, appearing to be "F.D.", is written over the signature line.

Exhibit B

RYAL Current Interim Financial Statement and Balance Sheet

	Oct 1 - Dec 21, 20
Ordinary Income/Expense	
Expense	
Legal & Professional Fees	2,206.93
Total Expense	2,206.93
Net Ordinary Income	-2,206.93
Net Income	-2,206.93

RYAL LLC
Balance Sheet
As of December 21, 2020

	Dec 21, 20
ASSETS	0.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	2,206.93
Total Accounts Payable	2,206.93
Total Current Liabilities	2,206.93
Total Liabilities	2,206.93
Equity	
Net Income	-2,206.93
Total Equity	-2,206.93
TOTAL LIABILITIES & EQUITY	0.00

Exhibit C

PRS-RYAL Operating Lease Agreement

PORT OF ROYAL SLOPE

OPERATING LEASE FOR THE PROVISION OF FREIGHT RAIL SERVICE FOR

THE ROYAL SLOPE RAILROAD

THIS OPERATING LEASE AGREEMENT ("Agreement") dated 12-17-2020, is entered into by and between the Port of Royal Slope ("Port") and RYAL, LLC, a Washington corporation ("Lessee").

Section 1 Recitals

1.01 Whereas, the Port has determined and hereby states that the lease of 2/12/2016 between the Port and WRL, LLC. (original terms of 5 years) has been successfully handled and complied with by WRL, LLC. and the Port as furthermore detailed in Exhibit B attached to this lease.

1.02 And whereas, the Port agrees WRL's timely request of assignment of same lease (in keeping with Section 14 of that lease) to RYAL LLC, an entity newly established for assumption of this lease and owned by Paul Didelius (the principal of WRL LLC). This assignment shall be effective upon the associated renewal of lease upon February 12, 2021, and:

1.03 Whereas – in the interest of renewal of the original lease and to the betterment of the handling and promotion of/and improvement to the rail line – the Port wishes to further amend and extend the lease terms as here further provided by this document.

1.1 The Port owns the Royal Slope Railroad defined and described as the rail line and associated rights of way:
From Othello at Milepost (MP) 1989 (of the former Milwaukee Railroad) running west to MP 2009.5; then going north approximately six miles to the industrial parks. The rail line right of way begins at the centerline of 2nd Avenue (which runs north/south) in Othello at the connection to the BNSF owned rail then runs west. A rail line map is annexed to this Lease Agreement as Exhibit A. As per Quit Claim Deed File #310900 Dated 08/07/2015 from Adams County Auditor; Legal Description: Ptn. Secs 9, 8, 6, & 5, T15N, R29E, WM; and Ptn. Secs 1, 12, 11, 10, 9, 8, & 7, T15N, R28E, WM AND Quit Claim Deed File #1351117 Dated 08/05/2015 from Grant County Auditor; Legal Description: Ptn. Secs 12, 11, 10, 9, 6, & 7, 5, 4 & 3, T15N, R27E, WM; Ptn. Sec 1, T15N, R26E, WM; and Ptn. Secs 36, 35, 34, 33, 32, 29, 20, 19, 17, 8, & 7, T16N, R26E, WM, ("Rail Line") attached and incorporated herein as Exhibit B ("Rail Line").

1.2 The Port is authorized to operate the Rail Line for the benefit of economic development pursuant to RCW 53.04.010.

1.3 The Port finds it in the public interest to enter into an agreement with a qualified lessee to provide railroad freight transportation service to the public upon the terms and conditions contained herein.

1.4 The Lessee is qualified and willing to lease the aforesaid Rail Line from the Port of Royal Slope and to provide Freight Rail Service as defined in Section 4.1 to the public on the Rail Line upon the terms and conditions contained herein.

1.5 The Lessee and the Port further intend to work in partnership with one another and with local governments, economic development authorities, shippers, connecting short line railroads, and Class 1 railroads to develop innovative and efficient operating and shipping methods and improvements in order to provide competitive freight transportation for the shipping community.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, the Parties agree to the following:

Section 2 Right to Provide Freight Rail Services

2.1 The Port hereby leases to Lessee and Lessee hereby leases from the Port the Rail Line and associated railroad rights-of-way and railroad related parcels, all improvements and appurtenances thereon and fixtures affixed thereto, including without limitation, all tracks, rails, ties, ballast, and other track materials, including the Port's stockpiled inventory of track materials, switches, crossings, bridges and bridge abutments, culverts, drainage ditches, buildings, signals, crossing protection devices, communication devices, lines and poles (hereinafter "Rail Line").

2.2 Throughout the term of the Lease, Lessee shall have the exclusive use, right of access to and possession of the Rail Line for the purpose of providing Freight Rail Service on the Rail Line. The Port shall not admit any other railroad, operator, or user to any part of the Rail Line without the prior written consent of the Lessee, which consent may be withheld by Lessee for any reason whatsoever and upon such terms as Lessee shall determine at its sole discretion. Lessee shall retain all income derived from providing Freight Rail Service on the Rail Line with exception of maintenance amount discussed in Section 12; and Lessee shall be responsible for any losses incurred by the Lessee, except as otherwise provided herein.

2.3 In consideration for the rights granted in Subsections 2.1, 2.2, and 2.3 and contained elsewhere herein, the Lessee shall maintain the Rail Line, provide Freight Rail Service to businesses that desire to use its services, develop business along the Rail Line, and perform other obligations, all as set forth in this Agreement. In addition, Lessee shall remit to the Port on a quarterly basis rent in the amount of six hundred (\$600.00) dollars. The lease amount will be revisited every 2 years for possible changes.

Section 3 Term

3.1 The term of this Agreement shall commence as of the date first written above and shall be for renewable 10-year terms, subject to the termination clauses contained in this Agreement. The Lessee may request to extend this Agreement for additional ten-year periods, and the Port may grant

such extensions at its sole option. The Lessee must make its request to the Port in writing at least one hundred eighty (180) days prior to the expiration of the initial term or any extension of this Agreement, and the Port must notify the Lessee of its decision within one hundred fifty (150) days prior to the expiration of the initial term or any extension of this Agreement. Any extension of the initial Lease term is contingent upon the Parties agreeing to an additional program of Rehabilitation Work as discussed in Section 11 and of Normalized Maintenance as discussed in Section 12.1.

3.2 The Lessee shall have and hereby assume all duties and obligations with relation to the use, repair, maintenance, existence, and operation of the Rail Line for the Lessee's purposes, including all improvements and fixtures thereto and thereon and hereafter located on the Rail Line, except matters, responsibilities and obligations assumed by the Port as provided for in this Agreement.

Section 4 Freight Rail Service

4.1 As used in the Agreement, "Freight Rail Service" shall mean the provision of rail freight transportation service to customers on or along the Rail Line and all services and functions ancillary thereto, including without limitation, movement and placement of railcars, switching, interchanging with line-haul providers, operating track vehicles and track equipment, Lessee sponsored business car trips over the Rail Line, customer service associated with freight transfer, loading and unloading, car storage, car cleaning, car repair and providing such other rail services as are customarily provided to similar industries using rail services. The Lessee shall cooperate in the interchange of loaded and empty railcars and other rail equipment with BNSF Railway Company ("BNSF") and Columbia Basin Railroad Co., Inc. ("CBRW") and any additional railroad that may obtain interchange access to the Rail Line. The Lessee shall meet Freight Rail industry standards to comply with all applicable rules, regulations, and requirements pertaining to the interchange of railcars between rail carriers and the terms of any interchange agreement Lessee enters into with any connecting railroad.

4.2 An operating officer of the Lessee with authority to act on behalf of the Lessee will be available by telephone during normal business hours to answer customer inquiries.

Section 5 Performance Reports

The Lessee shall prepare Performance Reports and submit to the Port. The Performance Reports are listed below:

- a. Monthly report of the number of loaded railcars handled and number of days trains were operated on the Royal Slope Rail Line.
- b. Monthly report on Track Maintenance performed (ties replaced, etc.)
- c. Annual Condition Report describing the current condition of the track, track sub-structure, ballast and all appliances and all structures, and outlining sections of the Rail Line that are at risk for limited service or non-service via embargo.

5.1 Monthly Performance Reports shall be due by the 15th of the following month. Annual Condition Report is based on a calendar year. The Condition Report for the calendar year should be submitted to the Port of Royal Slope by March 1, of the following year.

5.2 The Lessee shall bear all costs of preparing and submitting all Performance Reports.

Section 6 Utilities

The Lessee, at no cost or expense to the Port, shall arrange for, obtain and pay all bills, charges and assessments in connection with any heat, water, electricity, sewer and other utility services required for the Lessee's use of the Rail Line.

Section 7 Taxes and Assessments

Except as otherwise set forth in this Section, Lessee shall not be liable for any real property taxes or special assessments which may be levied, assessed or imposed upon the real property comprising the Rail Line owned by the Port during the term of this Agreement. Notwithstanding the foregoing, Lessee shall be liable for and shall pay throughout the term of this Lease any leasehold tax assessed by the State of Washington.

Section 8 Third Party Agreements, Easements and Licenses

The Port reserves the right to grant leases and licenses and easements or rights-of-way without limitation on Port property, provided, however, that if such leases, licenses, easements, or rights-of-way include areas of the Rail Line, the grant shall be subject to prior written approval by the Lessee. The Lessee may enter into sidetrack and rail freight service agreements with customers along the Rail Line and shall provide written notice to the Port of such agreements.

The Port shall indemnify Lessee for losses caused by the Port's licensees and invitees and will be responsible for all non-rail related third party agreements, easements and licenses, and shall retain all income therefrom. Prior to execution of this Agreement, the Port shall provide the Lessee with copies of all known third party agreements, easements and licenses of record pertaining to the Rail Line. Any third party permittee granted access by the Port to Lessee's leased premises shall furnish a Certificate of Insurance satisfactory to the Lessee as proof of insurance coverage in the same limits set forth in Section 16.1 and additionally, said permittee(s) shall be subject to termination of permits for such parties as to interfere or conduct construction or maintenance activities in such time, place or manner so as to substantially interfere with Lessee's conduct of safe rail operations.

Section 9 Interchange Agreements

The Lessee shall be responsible for making arrangements for the interchange of loaded and empty rail cars moving to or from the Rail Line.

Section 10 Use

10.1 The Lessee will use the Rail Line only for the provision of Freight Rail Service as defined in Section 4.1 unless Lessee obtains the written consent of the Port to use such property for any other purpose. Lessee agrees to use the Port's existing inventory of track materials only on the Royal Slope Rail Line.

10.2 The Lessee's management and operation of the Rail Line shall comply with all laws, rules, and regulations which apply to the operation, condition inspection and safety of trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated on the Rail Line. The Lessee shall also comply with all applicable industry standards. Throughout the term of this Agreement and any extensions thereof and for a period not to exceed three (3) years after the expiration of this Agreement and extensions thereof, upon request, the Lessee shall provide to the Port all Federal Railroad Administration and Washington Utilities and Transportation Commission inspection reports, and the Lessee's reports of action taken in response to the inspections.

10.3 The Lessee shall adopt and follow the General Code of Operating Rules, and all other rules necessary for the Lessee to operate on joint interchange tracks of all railroads with which Lessee interchanges.

Section 11 Rehabilitation

11.1 "Rehabilitation Work" means capital expenditures made on a non-annualized basis to improve, rehabilitate or restore the Rail Line to FRA Class 1 track. Lessee shall not be responsible for the cost of performing any Rehabilitation Work on the Rail Line such as reconstruction of any portion of the Rail Line, or extensive replacement or repair of ties, roadbed, ballast or bridges that would fall outside the definition of cyclical/programmed maintenance provided in this Agreement.

a. Rehabilitation Work resulting from catastrophic loss of any of any kind or nature shall not be the Lessee's responsibility.

11.2 Prior to Lessee commencing operations over the Rail Line the Lessee and the Port will jointly inspect the Rail Line. The Parties will thereafter confer to discuss any defects identified during the inspection and attempt to jointly arrive upon a corrective action plan, if necessary. Defects impairing the safe operation of the Rail Line shall be prioritized for corrective action.

11.3 The Lessee and the Port shall conduct annual bridge inspections as may be required by the FRA. Both parties shall receive a copy of any reports. The parties understand that in the future the FRA may require bridge repairs and replacements. The parties acknowledge that the issue of responsibility for the cost of future bridge repairs and replacements is beyond the scope of this Lease Agreement and is reserved for future consideration.

11.4 The Port shall control Rehabilitation Work awarded to the Port. The Port agrees to perform any such Port awarded Federal and/or State Funded Rehabilitation Work in a manner that does not unreasonably impede the Lessee's operation of railcar traffic on the Rail Line. The Port and the Lessee shall each designate a project manager for any Federal and/or State Funded Rehabilitation Work and both Parties agree to seek amicable solutions to any dispute arising in connection with Federal and/or State Funded Rehabilitation Work in accordance with Section 31 of this Agreement.

11.5 Nothing in this Agreement shall restrict the Lessee from providing funds or seeking funds from third Parties or other government agencies to facilitate rehabilitation and/or economic development projects in addition to any Federal and/or State Funded Rehabilitation Work ("Lessee Rehabilitation Projects") so long as the other terms and conditions of this Agreement are satisfied. The Lessee will notify the Port of any planned Lessee Rehabilitation Projects. The Lessee will control any Lessee Rehabilitation Projects to be performed on the Rail Line subject to the approval by the Port of the plans, location, scope and quality of the work.

11.6 The Lessee agrees to keep and maintain all buildings, bridges, structures, appliances and appurtenances over which it has control or use, including those currently constituting the Rail Line and any facilities added to the property, in a reasonably safe condition for the use intended.

11.7 From time to time, additions or extensions to the Rail Line may be desired for the purpose of providing freight service to a user along or in reasonable proximity to the Rail Line. If the Port desires such addition or extension, then Lessee agrees to cooperate with the Port in pursuing funding sources and in design consultations.

Section 12 Normalized Maintenance

12.1 Lessee shall be solely responsible for the cost of performing all Normalized Maintenance on the Rail Line. "Normalized Maintenance" means maintenance expenses which are estimated on a "normalized" basis, or the average annual expenditure required to maintain the Rail Line at a desired level of operation and includes annual maintenance and an allowance for Cyclical/programmed maintenance, which allowance shall be funded by Lessee (internal to Lessee) set aside of 25% of line haul revenue, but not less than \$75 per loaded car handled.

- a. Annual Maintenance includes:
 - Track inspections and appropriate record keeping
 - Weed control
 - Brush Cutting
 - Snow removal/Storm water maintenance and control
 - Incidental track repairs needed to comply with Federal Railroad Administration or ("FRA") laws, rules and regulations applicable to the FRA track class existing on the date of this Agreement and the FRA track class existing after rehabilitation.

- Grade crossing surface repairs
 - 'Routine' naturally-caused damage recoveries resulting from a non-catastrophic storm / fire / or similar track outage (time critical responses manageable by local staff within one working day using on-hand materials not exceeding \$1000 in replacement costs).
- b. Cyclical/programmed maintenance includes:
- Cross tie/switch tie replacements and renewals
 - Turnout repairs or component replacements
 - Bridge deck repairs or tie replacement
 - Incidental (non-wholesale) rail replacements
 - Grade crossing surface replacement
 - Ballast placement, tamping and lining
 - Sign replacements
 - Maintenance of passing, set out and yard switching tracks
 - Ditch and storm water maintenance

12.2 The Lessee agrees to perform all Maintenance as required for safe operations and as needed to maintain the Rail Line at the same or better condition as it currently is, excluding normal deterioration unrelated to usage.

12.3 Notwithstanding Lessee's obligation to fund and perform maintenance and repair work on grade crossing surfaces necessary to comply with the Washington Utility Transportation Commission orders, the Port may elect to pay for the cost of such repairs in the event funding for such purposes becomes available. Lessee may use the Port's existing inventory of track materials (listed on Exhibit A) on the Royal Slope Rail Line at no cost for rail line maintenance and improvements. The Lessee will give the Port the list of track materials used listed on Exhibit A within 30 days of usage.

12.4 All improvements to the Rail Line and rights-of-way shall become the property of the Port upon installation, unless otherwise agreed to, by and between the Parties in writing.

12.5 January 15th of each year, Lessee will pay to the Port an amount of \$25 per each loaded rail car that was run on the rail line from the previous year. The Port will use this amount to purchase rail materials or to be used for maintenance on the Royal line at the Port's discretion.

Section 13 Inspection

The Lessee shall allow an annual joint inspection of the Rail Line by representatives of the Port upon reasonable advance notice. Appropriate representatives from both the Port and the Lessee 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 Rail Line at its election at any time during the term of the Agreement so long as the following conditions are met: (1) The Port

provides reasonable advance notice to the Lessee; (2) The Port complies with all reasonable safety requirements of the Lessee or as required by law applicable to the Rail Line; (3) The Port obtains the appropriate authorizations from the Lessee to be on the designated portions of the Rail Line, such as track warrants; (4) The Lessee will be allowed to participate in any inspection; and (5) the inspections are planned and coordinated with the Lessee to minimize any interference with Lessee's operations on the Rail Line. Any employee of the Port or the Port's Commissioners participating in such inspections shall execute Lessee's standard release of liability form before participating in such inspections.

Section 14 Assignment

Assignment of this Agreement may occur only with the written consent of the Port. To obtain the Port's consent to such an assignment, the Lessee will provide written notice to the Port of its desire to assign this Agreement, including a letter signed by an authorized officer of the intended assignee stating that the assignee agrees to such assignment and agrees to be bound by all the terms of such assignment and the approvals and evidences required by this Agreement. The prospective assignee shall provide to the Port all documents reasonable and necessary for the Port to determine whether the prospective assignee has the financial, operational, business and maintenance capability to perform the terms of this Agreement at the same level or better than the Lessee. This Agreement will be binding upon and inure to the benefit of successors and assigns of the Port and successors and permitted assigns of the Lessee.

Section 15 Liability

15.1 The Lessee hereby acknowledges that all activities under its control arising out of or connected with its use of the Rail Line are solely for its benefit, and the Lessee shall forever protect, indemnify and hold harmless the Port, its successors and assigns, officers, agents, contractors, and employees from and against all liability, expense, cost, or obligation whatsoever, whether arising from suits, actions, causes of action, claims or demands of any character whatsoever or in connection with the Lessee's use or operation of the Rail Line during the term of this Agreement, excepting the acts or omissions of trespassers, and except those duties, matters, responsibilities and obligations expressly assumed by the Port in this Agreement, or to the extent caused by the intentional, willful or negligent acts or omissions, violations of law or breach of this Agreement by the Port or its officers, agents, and employees during the term of this Agreement caused by the intentional, willful or negligent acts or omissions, violations of law by the Port's third party permittee(s), including Rehabilitation Work (as defined in Subsection 11.1, which shall result in no liability on the part of the Lessee) performed by or at the request of the Port by a third party permittee during the term of this Agreement or any extension hereof.

15.2 To the extent that the Lessee owes the Port a duty of indemnity under this Agreement, the Lessee shall indemnify, protect, defend and hold harmless the Port, its successors and assigns, its officers, agents, and employees, from and against all liability, cost, claims, suits, causes, causes of action, judgments or any expense whatsoever (including attorney fees and costs of defense) for any personal injury or property damage, however and to whomever caused, arising out of or in connection with its

use of the property by anyone other than the Port during the term of this Agreement except to the extent caused by the intentional, willful or negligent acts or omissions, violations of law or breach of this Agreement by the Port during the term of this Agreement; provided, further, that the Lessee's indemnity obligations under this Agreement will be limited, as applicable, by any legal or statutory cap limiting the Port's legal or equitable liability to any third party for which the Lessee would owe the Port a duty of indemnity hereunder.

15.3 The Port shall, for itself, its successors and assigns, to the maximum extent permitted by law, hereby waives, releases, remises, acquits and forever discharges and hold harmless Lessee, its employees, agents, officers, successors and assigns, and against any and all suits, actions, causes of action, legal or administrative proceedings, claims, demands, punitive damages, losses, costs, liabilities, and expenses, including attorney's fees accruing prior to executing this Lease Agreement and in any way arising out of or connected with the known or unknown, pre-existing physical or environmental condition of the leased premises (including, without limitation, any contamination in, on, under or adjacent to the premises by any hazardous or toxic substance or material), or any federal, state or local law, ordinance, rule or regulation applicable thereto (including, without limitation, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Resource Conservation and Recovery Act) including, without limitation, personal injury to or death of persons whomsoever including employees, agents or contractors of the Port or any third-party, and damage to property of the Port or any third-party to the extent attributable to the pre-existing physical or environmental condition of the leased premises.

15.4 The provisions of this Section shall apply to claims by Lessee's own employees and the employees of Lessee's agents, representatives, contractors, and subcontractors to which Lessee might otherwise be immune under Title 51 RCW, solely to the extent of Lessee's applicable insurance coverage. This waiver of immunity under Title 51 RCW has been mutually negotiated by the parties hereto, and Lessee acknowledges that the Lessor would not enter into this Lease Agreement without Lessee's waiver thereof.

15.5 This indemnification shall survive the termination of this Agreement.

Section 16 Insurance

16.1 To comply with its indemnity obligations under Subsection 15.2, Lessee, at Lessee's cost and expense, shall procure or cause to be procured and maintain or cause to be maintained, during the continuance of this Agreement, railroad operating and liability insurance covering liability assumed by the Lessee under this Agreement with a limit of not less than Fifteen Million Dollars (\$15,000,000) single limit for personal injury per occurrence and single limit for property of Five Million Dollars (\$5,000,000) for damage per occurrence, such limits to be reviewed by the Port every five (5) years during the term of this Agreement and any extensions of it. At five (5) year intervals the Port and the Lessee shall meet and confer in good faith to determine whether modifications should be made to the insurance requirement. The Lessee shall furnish to the Port certificates of insurance evidencing the above coverage in the form

of a policy (or policies) at the time of execution of this Agreement. Such insurance shall contain a contractual liability endorsement which will cover the obligations assumed under this Agreement and an endorsement naming the Port as "additional insured". In addition, such insurance shall contain notification provisions under which the Lessee's insurance broker shall endeavor to give thirty (30) days' written notice to the Port of any policy changes in or cancellations of the policy. These endorsements and notice provisions shall be stated on the certificate of insurance provided to the Port.

Section 17 Termination

17.1 Grounds for Termination

Termination by Election – the Parties may not terminate this Agreement by election except by mutual consent except as follows:

a. Either Party may terminate this Agreement by election if the number of revenue carloads is less than 200 for any calendar year during the term of this Agreement or any extension thereof. The election must be exercised during the month of January following the calendar year in which number of revenue carloads was less than 200. Termination will be effective May 31 of that year.

b. Termination by Breach. So long as the Lessee is not in breach of any material terms and conditions of this Agreement and the Lessee continues to provide Freight Rail Service on the Rail Line, unless otherwise agreed to by and between the Parties, the Port shall not have a right to terminate this Agreement prior to its natural expiration (whether of the initial term or any renewal or extension hereof) except as otherwise provided in Subsection 17.a.

However, in the event that the Lessee breaches a material term or condition of this Agreement, or without the Port's consent, ceases to provide Freight Rail Service on any portion of the Rail Line for more than fifteen (15) days when there is a bona fide demand for service, the Port shall give Lessee written notice of that fact. If within sixty (60) days of receipt of such notice, the Lessee has not cured such breach, or if the Lessee has not taken all reasonable steps toward affecting such cure, and the Lessee has not reinstated Freight Rail Service, then the Port shall have the right to terminate this Agreement.

17.2 The Lessee, upon termination of this Agreement, shall have three (3) months to remove all personal property and improvements placed by it on the Rail Line, except those improvements that the Port paid for and desires to retain and any Rehabilitation Work, which shall become the property of the Port. If the Lessee fails to so remove its property at the expense of the Lessee, subject to offset by any net salvage proceeds actually received by the Port. The Lessee's obligation to pay the costs of removal shall survive termination of this Agreement.

17.3 Termination of this Agreement by the Lessee which results in cessation of operations shall result in an obligation of the Lessee to reasonably make available operating data (including, but not limited to car tracing, shipper identification and rates, and accounting records) to the Port or the Port's designee at the Port's expense.

17.4 Termination of this Agreement shall not relieve either Party hereto from any obligation under this Agreement arising prior to termination.

Section 18 Notices

18.1 All notices, demands, requests or other communications which may be or are required to be given, served or sent by either Party to the other pursuant to this Agreement shall be in writing and shall be deemed to have been properly given or sent:

If intended for the Lessee, by mailing by registered or certified mail, return receipt requested, with postage prepaid, or by reputable overnight courier, addressed to Lessee at:

Mr. Paul Didelius, Owner
RYAL, LLC.
709 North 10th Avenue
Walla Walla, WA 99362
Phone: (509) 492-3553

If intended for the Port, by mailing by registered or certified mail, return receipt requested, with postage prepaid, or by reputable overnight courier, addressed to the Port at:

Port of Royal Slope
PO Box 147
4572 Road 13.6 SW (subject to change)
Royal City, WA 99357

Each notice, demand, request or communication mailed by registered or certified mail to either Party in the manner aforesaid shall be deemed sufficiently given, served or sent for all purposes at the time of such notice, demand, request or communication is either received by the addressee or refused by the addressee upon presentation. Either Party may change the name of the recipient of any notice, or his or her address, at any time by complying with the foregoing procedure.

Section 19 Events Constituting Default

19.1 Any of the following events shall constitute a default by Lessee hereunder:

a. The failure of Lessee to submit the Monthly Performance Report required under Subsection 5.1 or the material non-performance by Lessee of any maintenance required under Section 12, or the failure to adequately perform any other material term, covenant or condition of this Agreement which is not cured within sixty (60) days after written notice from the Port

b. Any affirmative act of insolvency by the Lessee, or the filing by the Lessee of any petition under any bankruptcy, reorganization, insolvency, or moratorium law, or any law for the relief of, or relating to, debtors.

c. The filing of any involuntary petition under any bankruptcy statute against the Lessee, or the appointment of any receiver or trustee to take possession of the property of the Lessee.

d. The suspension or revocation of the Lessee's federal, state or local regulatory authority to operate Freight Rail Service on the Rail Line.

19.2 Any of the following events shall constitute a default by the Port hereunder:

a. Any act or omission on the part of the Port or its agents, servants or employees which substantially interferes with Lessee's ability to provide freight rail transportation service and is not cured within thirty (30) days after written notice from the Lessee.

Section 20 Rights on Default.

20.1 On the occurrence of any of the events of default listed in Section 19, the Non-defaulting party, may terminate this Agreement by written notice to the Party in default and, in addition, may take any other action or exercise any additional remedy available to the Non-defaulting party at law or equity.

Section 21 Obligations of the Parties Upon Termination.

21.1 In case of termination by the Port or the Lessee pursuant to any provision of this Agreement, the parties' obligations on termination shall be governed by the provisions of Section 17 hereof.

21.2 In the event of termination by either party for any reason, the Port shall grant Lessee reasonable access to the leased premises for the purposes of removing Lessee's personal property and improvements in accordance with the provisions of Section 17.2.

Section 22 Amendment

22.1 No term or provision of this Agreement may be changed, waived, discharged or terminated except by an instrument in writing signed by both parties hereto.

23.1 In performing Freight Rail Services hereunder, the Lessee shall comply with all applicable standards, orders, or requirements issued under: (i) the Clean Air Act (42 USC 7414 et. Seq.), and any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Clean Air Act or Executive Order 11738 or any applicable implementation plan as described in sections 110 (d), 111 (c) , 111 (d), or 112 (d) of the Clean Air Act; (ii) the Clean Water Act (33 USC 1318 et seq.) and any enforceable limitation, control, condition, prohibition, standard, or other requirement promulgated under the Clean Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency ("EPA"). The Lessee shall hold harmless, indemnify and defend the Port from any claims, costs, damages, fines or penalties arising from any violation of the provisions of this Section 23 in the performance of Freight Rail Service on the Rail Line, regardless of the absence of negligence or other malfeasance by the Lessee. This provision shall survive the termination of this Agreement for any reason.

For the purposes of this Section 23, the term "facility" means any building, plant, installation, structure, location, or site of operations, owned, leased, or supervised by the Lessee or a subcontractor of Lessee, used in the performance of this Lease. When a location or site of operations contains or includes more than one building, plant, installation or structure, the entire location or site shall be deemed to be a facility except when the Administrator, or a Designee, of the Office of Federal Activities, EPA determines that independent facilities are co-located in one geographical area.

23.2 The Port shall, for itself, its successors and assigns, to the maximum extent permitted by law, hereby waives, releases, remises, acquits and forever discharges indemnify, defend and hold harmless Lessee, its employees, agents, officers, successors and assigns, against any and all suits, actions, causes of action, legal or administrative proceedings, claims, demands, punitive damages, losses, costs, liabilities, and expenses, including attorney's fees in any way arising out of our connected with the known or unknown, pre-existing physical or environmental condition of the leased premises (including, without limitation, any contamination in, on, under or adjacent to the premises by any hazardous or toxic substance or material), or any federal, state or local law, ordinance, rule or regulation applicable thereto (including, without limitation (i) the Clean Air Act (42 USC 7414 et. Seq.), and any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Clean Air Act or Executive Order 11738 or any applicable implementation plan as described in sections 110 (d), 111(c), 111 (d), or 112 (d) of the Clean Air Act; (ii) the Clean Water Act (33 USC 1318 et seq.) and any enforceable limitation, control, condition, prohibition, standard, or other requirement promulgated under the Clean Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency ("EPA") including, without limitation, personal injury to or death of persons whomsoever including employees, agents or contractors of the Port or any third-party, and damage to property of the Port or any third-party. This provision shall survive the termination of this Agreement for any reason.

24.1 If the performance of this Agreement creates any solid or hazardous wastes (e.g., the removal of any materials from the trains that require disposal), said waste shall be properly disposed of in accordance with Federal, state and local laws, at the expense of the Lessee. In no event shall the Port be identified as the generator of the wastes. The Lessee shall notify the Port of any such hazardous wastes and the Port shall receive a copy of the results of any tests conducted on the wastes. The Lessee shall hold harmless, indemnify and defend the Port from any claims, costs, damages, fines or other penalties arising from the disposal of any wastes created by the performance of this Agreement, regardless of the absence of negligence or other malfeasance by the Lessee. This provision shall survive the termination of this Agreement for any reason.

24.2 At no time during the term of this Agreement shall the Lessee, without the prior written consent of the Port, maintain, treat, dispose of, store or have on the Rail Line, or permit any other party to have, maintain, treat, dispose of, or store on the Rail Line, anything which is classified by federal, state or local authorities as a Hazardous Substance or Hazardous Waste 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 the Hazardous Materials Transportation Act, 49, USC Section 1801, et seq., and (2) petroleum products, lubricants, antifreeze and such other materials that may be normally consumed in the daily operations of a railroad.

24.3 The Lessee further agrees to indemnify and hold the 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, treatment, disposal, storage, maintenance or handling of any Hazardous Material or Hazardous Waste on the Rail Line 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 Material or Hazardous Waste on the Rail Line, including but not limited to, the cost of clean-up, environmental assessments, defense and reasonable attorney's fees, prior to occupancy by the Lessee, against any identified responsible Party. The Parties acknowledge that the inclusion of this indemnification and hold harmless provision shall in no manner whatsoever evidence a waiver, consent or permission by the Port for the Lessee to violate the provisions of Section 23. This provision shall survive the termination of this Agreement for any reason.

24.4 The Port shall, for its successors and assigns, to the maximum extent permitted by law, hereby waives, releases, remises, acquits and forever discharges indemnify, defend and hold harmless Lessee, its employees, agents, officers, successors and assigns, against any and all suits, actions, causes of action, legal or administrative proceedings, claims, demands, punitive damages, losses, costs, liabilities and expenses, including attorney's fees in any way arising out of or connected with the known or unknown, pre-existing physical or environmental condition of the leased premises (including, without

limitation, any contamination in, on, under or adjacent to the premises by any hazardous or toxic substance or material), or any federal, state or local law, ordinance, rule or regulation applicable thereto (including, without limitation, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Resource Conservation and Recovery Act) including, without limitation, personal injury to or death of persons whomsoever including employees, agents or contractors of the Port or any third-party, and damage to property of the Port or any third-party. This provision shall survive the termination of this Agreement for any reason.

Section 25 Public Records.

25.1 The Port is a Special Purpose District and subject to the Public Disclosure requirements in Chapter 42.56 RCW. This Agreement and any records, data or other information received or used by the Port in the course of this Agreement shall become a public record as defined in RCW 42.56.010(3). Any specific information that is claimed by the Lessee to be confidential or proprietary must be clearly identified as such by the Lessee. To the extent consistent with Chapter 42.56 RCW, et seq., the Port will maintain the confidentiality of all such information marked confidential or proprietary. If a request is made to view the Lessee's information, the Port will notify the Lessee of the request and the date that such records will be released to the requester unless the Lessee obtains a court order enjoining disclosure. The Port will release the requested information on the date specified.

Section 26 Entire Agreement

26.1 This Agreement constitutes the entire agreement between the Lessee and the Port and no other representations, warranties or agreements, either oral or written will be binding upon the Lessee and the Port.

Section 27 Governing Law

27.1 This Agreement shall be governed and construed in accordance with the laws of the State of Washington. Venue of any action hereunder shall be in Grant County Superior Court, Washington.

Section 28 Compliance with Applicable Laws

The Lessee, subject to federal preemption, as applicable, shall comply with all statutes, laws and ordinances of all federal, state and local governments or other governmental authorities, regulatory authorities and commissions, foreseen and unforeseen, ordinary as well as extraordinary, for the entire term of this Agreement.

Section 29 Warranty of Signature

The Port warrants to the Lessee that the person executing this Agreement for the Port is fully

authorized to sign this Agreement for the Port and to bind the Port to the terms of this Agreement. The Lessee warrants to the Port that the person executing this Agreement for the Lessee is fully authorized to sign this Agreement for the Lessee and to bind the Lessee to the terms of this Agreement.

Section 30 Disputes

30.1 Any disputes relative to obligations, remedies, or performance of this Agreement shall be resolved by the President of Lessee and the Port Commissioners, or their designees at a meeting to be held at the offices of the Port of Royal Slope in Royal City, Washington within ten (10) days of written submission of the dispute by one party to the other.

Section 31 Headings

The headings in this Agreement are for ease of reference only and shall not be used to construe or interpret the provisions of this Agreement.

Section 32 Attorney's Fees

Should it become necessary for the Port or Lessee to engage in arbitration or other legal proceedings as may be necessary for the purpose of enforcing this Agreement for the purpose of recovering damages or otherwise, each Party, shall be responsible for its own costs, attorneys' fees and any other reasonable expenses incurred in connection with those legal proceedings.

Section 33 Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original having identical legal effect.

Section 34 Miscellaneous

34.1 NONDISCRIMINATION

To the extent applicable, the Lessee shall comply with the regulations for compliance with Title VI of the Civil Rights Act of 1964 (42 USC Section 2000d, et.seq.) and 23 CFR Section 710.405 (b).

Contracting: the Lessee shall not create barriers to open and fair opportunities for all businesses including MWBE's to participate in all State contracts and to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services. In considering offers from and doing business with subcontractors and suppliers, the Lessee shall not discriminate on the basis of race, color, creed, religion, sex, age, nationality, marital status, or the presence of any mental, or physical disability in an otherwise qualified disabled person.

34.2 WORKERS RIGHT TO KNOW

Except where such matters are regulated by the FRA, Lessee shall comply with the requirements of WAC 296-62-054 of the State of Washington Department of Labor and Industries regarding worker awareness of hazardous substances in the work environment. WAC 296-62-054 requires among other things that all manufactures or distribution of hazardous substances must include with each delivery completed Material Safety Data Sheets (MSDS) for each hazardous material. Additionally, each container must be labeled with:

- The identity of the hazardous material
- Appropriate hazardous warnings, and
- Name and address of the chemical manufacture, importer, or other responsible Party.

Labor and Industries may levy appropriate fines against employers for noncompliance. It should be noted that OSHA Form 20 is not acceptable in lieu of this requirement unless it is modified to include appropriate information relative to "carcinogenic ingredients: and "routes of entry" of the product(s) in question.

34.3 FORCE MAJEURE

Neither Party shall be liable to the other or deemed in default under this Agreement if and to the extent that such Party's performance of this Agreement is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Party affected and could not have been avoided by exercising reasonable diligence. Force majeure shall include acts of God, war, riots, strikes, fire, floods, epidemics, or other similar occurrences.

If either Party is delayed or its performance is prevented by force majeure, said Party shall provide written notification within forty-eight (48) hours. The notification shall provide evidence of the force majeure to the satisfaction of the other Party. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion for a requirement under this Agreement shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevented the delayed Party from performing in accordance with this Agreement.

Section 35 Independent Contractor

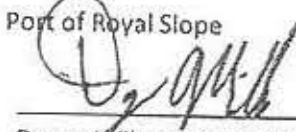
The Lessee shall be deemed an independent contractor for all purposes and the employees of the Lessee, or any of its contractors, subcontractors, lessees, and the employees thereof, shall not in any manner be deemed the employees or agents of the Port. Lessee shall develop and maintain for the duration of this Agreement, a safety program that will effectively incorporate and implement all required safety provisions under state and federal law.

Section 36 Severability

If any term or provision hereof is or becomes invalid or unenforceable, the Lessee and the Port shall in good faith negotiate to replace the invalid or unenforceable term or provision with a term or provision which is valid and enforceable, and which comes as close as possible to expressing the intention of the invalid or unenforceable term or provision. The validity or enforceability of the remainder of the Agreement shall not be affected by the invalidity or unenforceability of any provision if the remainder conforms to the terms and requirements of applicable law and the intent of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed under seal by their duly authorized representatives.

Port of Royal Slope

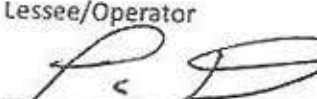


Davey Miller, Commissioner

Chairman of the Board

Date: 12/17/2020

Lessee/Operator



Paul Didelius, Owner

RYAL, LLC.

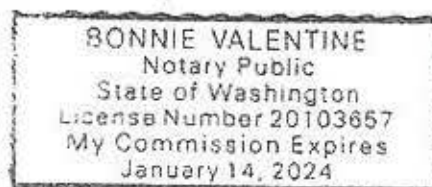
Date: DEC 21, 2020

STATE OF WASHINGTON

COUNTY OF GRANT

I certify that I know or have satisfactory evidence that Davey Miller signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledge it as the Chairman of the Port of Royal Slope, Grant Co. District No. 2 to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

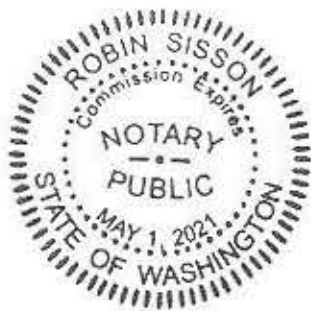
DATED: 12/17/2020, 2020



Signature

Bonnie Valentine

Printed Name



NOTARY PUBLIC
Title

My appointment expires: 1/14/2024

STATE OF WASHINGTON
COUNTY OF GRANT

I certify that I know or have satisfactory evidence that Paul Didelius signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledge it as the Owner of RYAL, LLC. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: Dec 22, 2020



[Signature]
Signature

Robin Sisson
Printed Name

NOTARY PUBLIC
Title

My appointment expires: May 1, 2021

PORT OF ROYAL SLOPE RAILROAD MATERIALS INVENTORY

Quantity	Item	Vendor	Cost
425	7" x 9" x 8'6" Treated Ties	Railworks & Rocky Mountain Tie & Timber	\$50.11 ea
211 new	4" x 10" x 16' timbers Treated	Rocky Mountain Tie & Timber	\$84.83 ea
25 used	4" x 10" x 16' timbers Treated		
4 Cans	1" x 6" Track Bolts	Railworks	\$5.45 each bolt
19 boxes	5/8" x 12" Lag Bolts	Lewis Nut & Bolt	\$2.56 each bolt
17 kegs	Kegs of Rail Spikes	Railworks	\$118.69 each Keg
8 buckets	Flange Clamps and J bolts		
Approx 500 feet	Used Rail		\$1,500.00
Not sure of quantity	Lock Washers	Lewis Nut & Bolt	\$.56 ea

Work that was sucessfully handled and complied by WRL, LLC and the Port of Royal Slope from 2016 through 2020

WRL, LLC handled/funded the following Port responsibilities

- a. Major rock slide clearouts (2 times)
- b. Sand dune removal (original opening of line in 2016)
- c. Clearing of asphalt coverage of Danielsen Road (2016)
- d. Washout repair (return of Taunton siding to operation (2016)
- e. Deforesting of Taunton (2016)
- f. Range fire burned ties -- replacements ~ 400 ties
- g. 2 bridge cap replacements
- h. Coordinated w/Port, & County for replacement of Crab Creek Crossing
- i. Entire line - bush removal / deforestation (2 times)
- j. Multitude of ENS, other crossing signs per State / Feds defects
- k. Federal GCIS - population of entire crossing inventory

The Port of Royal Slope has invested the following in the railroad

a.	Paid Ferrosafe to spray weeds	2016	\$ 5,630.46
b.	Rented Backhoe to break up bolder	2016	\$ 2,360.42
c.	Organization of sign replacements via Counties	2017	
d.	Grant Administrator for Thacker Rd. Project (\$28,599.02)	2018	
e.	Hired Railworks to replace Ballast Retaining Wall and to ditch - after fire	2018	\$13,157.33
f.	Paid Consultant fees to Paul Didelius for Avista Crossings	2018	\$10,000.00
g.	Paid GCPW to re-install Cross bucks on Road 13.6 SW	2019	\$ 170.89
h.	Purchased chemical for weed spray	2019	\$ 6,812.50
i.	Paid CWW, LLC for Crab Creek Crossing - some material used	2020	\$14,841.00
j.	Paid for labor & equipment to remove Russian Olives along Track by GCPW	2020	\$ 5,284.90
k.	Adams & Grant County Weed tax paid annually ~ \$450.	2016-2020	

1351117 08/05/2015 10:52 AM OCD
Page 1 of 3 R 74.00 Grant Co., WA
DEPT TRANSPORTATION

AFTER RECORDING RETURN TO

ATTN: REAL ESTATE SERVICES
DEPARTMENT OF TRANSPORTATION
P.O. BOX 47338
OLYMPIA, WA 98504-7338

NO REAL ESTATE EXCISE TAX PAID

AFFIDAVIT No. 222964

Date 8-5-15 By *[Signature]*
DARRYL PHEASANT, Treasurer
Grant County, Washington

Document Title: Quitclaim Deed
Reference Number of Related Document: N/A
Grantor(s): State of Washington
Grantee(s): Port of Royal Slope
Legal Description: Ptn. Secs 12, 11, 10, 9, 6, 5, 4 & 3, T15N, R27 E, WM; Ptn. Sec 1, T15N, R26E, WM; and Ptn. Secs 36, 35, 34, 33, 32, 29, 20, 19, 17, 8 & 7, T16N, R2 E, WM
Additional Legal Description is on Pages 1 & 2 of document
Assessor's Tax Parcel Number: 160024002, 160080000, 160092000, 160125000, 160135000, 160139000, 160158001, 160168001, 160170001, 160172001, 160173001, 160174001, 161105001, 161106001, 161110001, 161112001, 161121001, 161123001, & 161125001

QUITCLAIM DEED

The STATE OF WASHINGTON acting by and through its DEPARTMENT OF TRANSPORTATION, Grantor, for and in consideration of the TERMS AND CONDITIONS SET FORTH IN SUBSTITUTE HOUSE BILL 1586, hereby conveys and quitclaims unto the PORT OF ROYAL SLOPE, Grantee, all right, title, and interest in and to the following described real property situated in Grant County, State of Washington:

All right, title and interest of the railroad real property, and including tracks, ties, ballast, bridges, culverts, fencing and any other improvements situated on railroad property, conveyed to the State of Washington, by Quit Claim Deed dated February 1, 1994, recorded October 28, 1994, under Auditor's File Number 941031004, being all of that portion of the former Chicago, Milwaukee, St. Paul & Pacific Railroad, as conveyed to Beverly-Royal Slope Port District by deed recorded May 26, 1983 and filed under Grant County Auditor's File Number 744602, in Book 425 of Deeds, pages 474 through 476, over, across and through the following sections:

Sections 12, 11, 10, 9, 6, 5, 4 and 3, all in Township 15 North, Range 27 East, W.M.; Section 1, Township 15 North, Range 26 East, W.M.; and Sections 36, 35, 34, 33, 32, 29, 20, 19, 17, 8 and 7, all in Township 16 North, Range 26 East, W.M., in Grant County, State of Washington. EXCEPT that portion of Section 7, Township 16 North, Range 26 East, W.M., not conveyed to the State of Washington, as set forth therein under Quit Claim Deed dated February 1, 1994, recorded October 28, 1994, under Auditor's File Number 941031004.

This conveyance is intended to convey the railroad real property as established by construction or usage or as described on the official Chicago, Milwaukee, St. Paul and Pacific railway right-of-way maps, together with the improvements thereon. Said lands herein conveyed are specifically depicted on those certain maps of definite location now of record and on file at the office of the Secretary of Transportation in Olympia, Washington.

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

Also Subject to the terms and conditions set forth in SHB 1586 tasked by the legislature in the 2015 regular session and signed by the governor.

The Grantee, on behalf of themselves and its heirs, successors or assigns, as part consideration herein, do hereby agree to comply with all civil rights and anti-discrimination requirements of chapter 49.60 RCW as to the lands herein conveyed.

The lands herein described are not required for state highway purposes and are conveyed pursuant to the provisions of 47.76 RCW.

Dated at Olympia, Washington, this 29th day of July, 2015.

STATE OF WASHINGTON


Lynn Peterson
Secretary of Transportation

RES 411
3/2015

Page 2 of 3 Pages

IC# 2-13-09310

1351117 08/05/2015 10:52 AM OCD
Page 2 of 3 R 74.00 Grant Co., WA
DEPT TRANSPORTATION


APPROVED AS TO FORM:

By: [Signature]
Assistant Attorney General

REVIEWED AS TO FORM:

Port of Royal Slope

By: [Signature]

Name: David Miller

Title: Chairman

STATE OF WASHINGTON)

); ss

County of Thurston)

On this 29th day of July, 2015, before me personally appeared Lynn Peterson, known to me as the Secretary of Transportation, Washington State Department of Transportation, and executed the foregoing instrument, acknowledging said instrument to be the free and voluntary act and deed of the State of Washington, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

Given under my hand and official seal the day and year last above written.



Jennifer R Heay
Notary (print name) Jennifer R Heay

Notary Public in and for the State of Washington, residing
at Olympia

My Appointment Expires 9/9/2018

RES 411
3/2015

Page 3 of 3 Pages

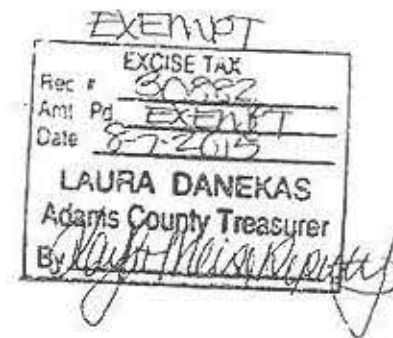
IC# 2-13-09310

1351117 08/05/2015 10:52 AM OCD
Page 3 of 3 R 74.00 Grant Co, WA
DEPT TRANSPORTATION



AFTER RECORDING RETURN TO:

ATTN: REAL ESTATE SERVICES
DEPARTMENT OF TRANSPORTATION
P.O. BOX 47338
OLYMPIA, WA 98504-7338



Document Title: Quitclaim Deed
Reference Number of Related Document: N/A
Grantor(s): State of Washington
Grantee(s): Port of Royal Slope
Legal Description: Ptn. Secs 9, 8, 6, & 5, T15N, R29E, WM; and Ptn. Secs 1, 12, 11, 10, 9, 8, & 7, T15N, R28E, WM
Additional Legal Description is on Pages 1 & 2 of document
Assessor's Tax Parcel Number: 1529030740739, 2100490300739, 2100490370739, 2100490740200, 2100492120243, 2100492250739, 2528070130739, 2528070230739, 2528080140740, 2528100110739, & 2529060440739

QUITCLAIM DEED

The STATE OF WASHINGTON acting by and through its DEPARTMENT OF TRANSPORTATION, Grantor, for and in consideration of the TERMS AND CONDITIONS SET FORTH IN SUBSTITUTE HOUSE BILL 1586, hereby conveys and quitclaims unto the PORT OF ROYAL SLOPE, a municipal corporation, Grantee, all right, title, and interest in and to the following described real property situated in Adams County, State of Washington:

All right, title and interest of the railroad real property, and including tracks, ties, ballast, bridges, culverts, fencing and any other improvements situated on railroad property, conveyed to the State of Washington, by Quit Claim Deed dated February 1, 1994, recorded October 28, 1994, under Auditor's File Number 236249, being all of that portion of the former Chicago, Milwaukee, St. Paul & Pacific Railroad, as conveyed to Beverly-Royal Slope Port District by deed recorded May 26, 1983 and filed under Adams County Auditor's File Number 197695, in Volume 98 of Deeds, pages 250 through 252, over, across and through the following sections:



Sections 9, 8, 6 and 5, all in Township 15 North, Range 29 East, W.M.; and Sections 1, 12, 11, 10, 9, 8 and 7, all in Township 15 North, Range 28 East, W.M., in Adams County, State of Washington.

EXCEPT that portion of Farm Unit 45, Irrigation Block 49, according to the official Plat thereof, recorded with the Adams County Auditor, and also approximately thirty-two acres of non-railroad real property situated in the South one-half of the South one-half of the North one-half of Section 8, Township 15 North, Range 28 East, W.M., not conveyed to the State of Washington, as set forth therein under Quit Claim Deed dated February 1, 1994, recorded October 28, 1994, under Auditor's File Number 236249 in Volume 217, pages 713 and 714.

This conveyance is intended to convey the railroad real property as established by construction or usage or as described on the official Chicago, Milwaukee, St. Paul and Pacific railway right-of-way maps, together with the improvements thereon. Said lands herein conveyed are specifically depicted on those certain maps of definite location now of record and on file at the office of the Secretary of Transportation in Olympia, Washington.

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

Also Subject to the terms and conditions set forth in Substitute House Bill 1586 tasked by the legislature in the 2015 regular session and signed by the governor.

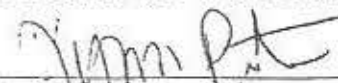
The Grantee, on behalf of themselves and its heirs, successors or assigns, as part consideration herein, do hereby agree to comply with all civil rights and anti-discrimination requirements of chapter 49.60 RCW as to the lands herein conveyed.

The lands herein described are not required for state highway purposes and are conveyed pursuant to the provisions of 47.76. RCW.



Dated at Olympia, Washington, this 29th day of July, 2015.

STATE OF WASHINGTON

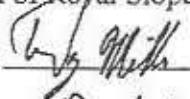

Lynn Peterson
Secretary of Transportation

APPROVED AS TO FORM:

By: 
Assistant Attorney General

REVIEWED AS TO FORM:

Port of Royal Slope

By: 

Name: David Miller

Title: Chairman



STATE OF WASHINGTON)

); ss

County of Thurston)

On this 29th day of July, 2015, before me personally appeared Lynn Peterson, known to me as the Secretary of Transportation, Washington State Department of Transportation, and executed the foregoing instrument, acknowledging said instrument to be the free and voluntary act and deed of the State of Washington, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

Given under my hand and official seal the day and year last above written.



Jennifer R Heay
Notary (print name) Jennifer R Heay

Notary Public in and for the State of Washington, residing at Olympia

My Appointment Expires 9/9/2018

operated over the line since 1998.

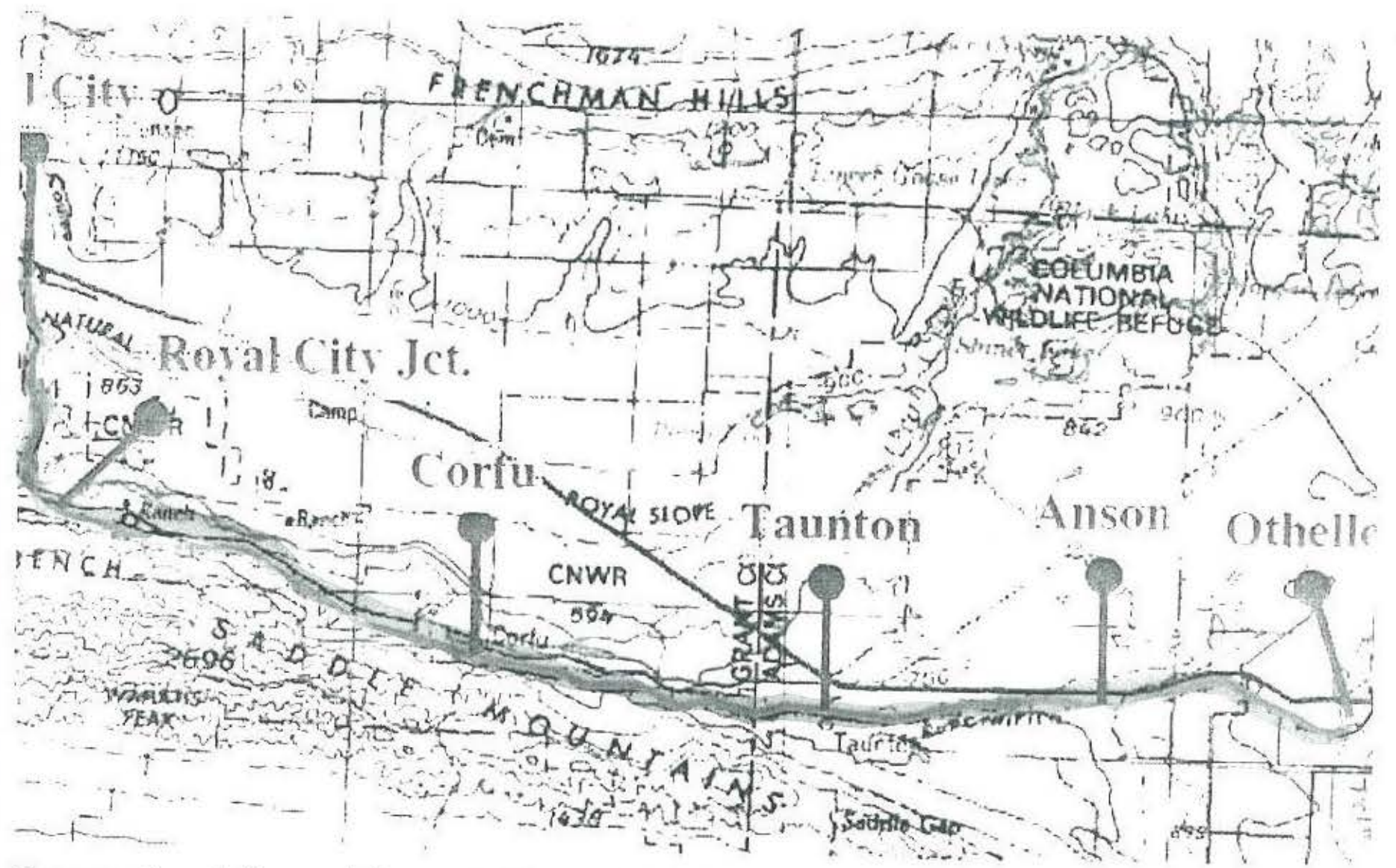


Figure 6 – Map of Royal Slope Railroad with rail line traced in orange

110 (Mile Post (MP) 1000) to Anson (MP 1002) the line runs through

CERTIFICATION OF SERVICE

I, James H. M. Savage, an attorney-at-law of the District of Columbia, certify that I have served this day by electronic mail or by ordinary mail, true copies of the application of RYAL, LLC for a modified certificate of public convenience and necessity in STB Finance Docket No. 36476 upon the following persons:

Bonnie Valentine, Director
Port of Royal Slope
P O Box 147
4572 Road 13.6 SW
Royal City, WA 99357
bvalentine@portofroyal.com
(509) 346-2317

Chris Ries, Esq.
Ries Law Firm
1340 E Hunter Pl,
Moses Lake, WA 98837
E-mail: chrisr@rieslawfirm.com
Phone: (509) 765-4437
Counsel for Port of Royal Slope

Steve Salzman
Director- Shortline Development
BNSF Railway Company
2500 Lou Menk Drive
Fort Worth, TX 76131
Steven.Salzman@BNSF.com
Office: (817) 352-6012

Todd Leinbach, CFO
Columbia Basin Railroad
111 University Parkway, Suite 200
Yakima, WA 98901
Email: tleinbach@cbrr.com
Phone: (509) 834-2532

Timothy J. Strafford
Associate General Counsel & Corporate Secretary
Association of American Railroads
425 3rd Street, SW, Suite 1000
Washington, DC 20024-3228
tstrafford@aar.org
(202) 639-2506

/s/ James H. M. Savage
[By electronic signature]

James H. M. Savage
Counsel for RYAL, LLC

Dated: January 12, 2021

Exhibit D

RYAL Insurance Certificate

Policy No. G71479675 002		Renewal of: G71479675 001
NAMED INSURED & MAILING ADDRESS		
CWW, LLC; WRL, LLC; FRB, LLC, KET, LLC; MOR, LLC, YCR, Corp. 709 N. 10th Avenue Walla Walla, Washington 99362		
POLICY PERIOD		
When Coverage Begins:	01/15/2020	12:01 A. M. Local Time At Named Insured's Address
When Coverage Ends:	01/15/2021	12:01 A. M. Local Time At Named Insured's Address
INSURING COMPANY		Producer's Name & Address:
Westchester Surplus Lines Insurance Company		New World Casualty & Consulting 40 Richards Avenue, Suite 331 Norwalk, CT 06854-2319
		Producer No: 48828W

WASHINGTON SURPLUS LINES NOTIFICATION

This contract is registered and delivered as a surplus line coverage under the insurance code of the state of Washington, Title 48 RCW. It is not protected by any Washington state guaranty association law.

Surplus Lines Broker (name or initials)

Policy No: G71479675 002	Renewal of: G71479675 001
--------------------------	---------------------------

Item 1.	NAMED INSURED & MAILING ADDRESS
	CWW, LLC; WRL, LLC; FRB, LLC, KET, LLC; MOR, LLC, YCR, Corp. 709 N. 10th Avenue Walla Walla, Washington 99362

Item 2.	POLICY PERIOD
	When Coverage Begins: 01/15/2020 12:01 A. M. Local Time At Named Insured's Address
	When Coverage Ends: 01/15/2021 12:01 A. M. Local Time At Named Insured's Address

Item 3.	INSURING COMPANY	PRODUCER'S NAME & ADDRESS:
	Westchester Surplus Lines Insurance Company	New World Casualty & Consulting 40 Richards Avenue, Suite 331 Norwalk, CT 06854-2319
		Producer No. 48828W

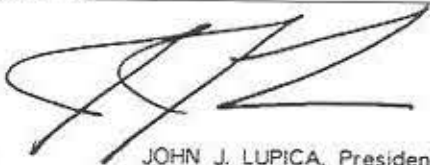
Item 4.	LIMITS OF INSURANCE
	A. EACH OCCURRENCE LIMIT \$15,000,000
	B. POLICY AGGREGATE LIMIT \$30,000,000

Item 5.	SELF INSURED RETENTION
	A. EACH OCCURRENCE RETENTION \$50,000

Item 6.	RETROACTIVE DATE:
	8/15/06-\$5,000,000 xs of SIR 05/12/09 -\$5,000,000 xs of \$5,000,000 xs of SIR 01/15/20 - \$5,000,000 XS \$10,000,000 xs of SIR

Item 7.	ATTACHED FORMS
	Endorsements as Listed on Schedule of Endorsements No. CPFS2

Item 8.	PREMIUM ☒ FLAT(except for acquisitions) ☐ ADJUSTABLE	
	Advance Premium:	\$131,234.00
	Rate: FLAT Per \$100 of Payroll	
	Total Amount Due:	\$131,234.00
		Estimated Exposure: \$1,209,889

Item 9.	AUTHORIZATION INFORMATION	
	Authorized Representative:  JOHN J. LUPICA, President	