

Commitment No.: P-79503

RE: 540 E Main Street, Pullman, WA 99163

Ptn. Lots 1-2, Blk 16, Main St. Extension to Pullman

Copies of this Preliminary Commitment for Title Insurance have been prepared for*:

Lender:

Mortgage Broker

Buyer/Borrower:

To Be Determined

Seller:

State of Washington, Military Department

Listing Agent:

Closing Agent:

Selling Agent:

*In the event that contact and address information is not Provided to Pioneer Title Company by the real estate agents, or lender or mortgage broker representing the respective parties, Pioneer Title Company will provide additional copies of this document to said agent or representative, for the purpose of delivering said Commitment for Title Insurance to their respective clients. Pioneer Title Company assumes no liability or responsibility for loss or dispute arising from lack of disclosure as a result of a lack of provided contact information.

For all purchase transaction in which Pioneer Title Company is not the Closing office, client/customer copies will be distributed to the respective agents.

COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

FIRST AMERICAN TITLE INSURANCE COMPANY, herein called the Company, for valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured name in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefore; all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment is preliminary to the issuance of such policy or policies of the title insurance and all liability and obligations hereunder shall cease and terminate six (6) months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until the countersigned by an authorized officer or agent.

IN WITNESS WHEREOF, the Company has caused this Commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the company, all in accordance with its By-Laws. This Commitment is effective as of the date shown in Schedule A as "Effective Date."

First American Title Insurance Company

BY *Carl R. Johnson* PRESIDENT

ATTEST *Armin H. Kelly* SECRETARY





Pioneer Title Co.

GOING BEYOND

840 SE Bishop Blvd., Ste 102, Pullman WA, 99163
P. 509 334 2210 F. 509 332 2086

Commitment No.: P-79503

Re: / Determined

Date of Commitment: September 21, 2012 at 8:00am

Prepared For: Department Of Enterprise Services/
Closing Office:

Inquiries Should be Directed to: Pioneer Title Company Of Washington
Researched By: J. Todd Cumming
(509) 334-2210

SCHEDULE A

Pursuant to the State of Washington Insurance Regulations: A cancellation fee will be charged on all cancelled orders, unless notified to the contrary, all orders shall be cancelled and a billing sent within 6 months of the effective date on the commitment, or last known activity.

1. Policy or Policies to be issued:

			Amount
(a)	<input type="checkbox"/> ALTA Owners Policy	Liability	\$ TBD
		Premium	\$ TBD
	(Portion of Premium paid to Underwriter: \$TBD)	Sales Tax	\$ TBD

Proposed Insured:

To Be Determined

2. The estate or interest in the land described or referred to in this Commitment and covered herein is a

Fee Simple Estate.

3. Title to said estate or interest in said land is at the effective date hereof vested in:

State of Washington

P-79503

4. The land referred to in this Commitment is located in the County of Whitman, State of WA, and described as follows:

Lots 1 and 2, Block 16, of Main Street Extension Addition to the Town of Pullman, according to recorded plat thereof.

**EXCEPT a triangular tract on the south end of said lots described as follows:
BEGINNING at the southeast corner of said Lot 1; thence north along the east line of said Lot 1 a distance of 24.1 feet; thence southwesterly in a straight line, intersecting the lot line between Lots 1 and 2, 11.8' north of the southwest corner of said Lot 1, to a point on the south line of Lot 2; thence east along the south line of said Lots 2 and 1, to the point of beginning.**

End of Schedule A

SCHEDULE B

Commitment Number: P-79503

Your title officer for this transaction is **J. Todd Cumming**. If you have any questions concerning this title commitment, please do not hesitate to call me at (509) 334-2210 or e-mail ptctitle@turbonet.com

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 not shown by the public records.
- (b) Easements, or claims of easement, not shown by the public records.
- (c) Encroachments, overlaps, boundary line disputes, or other matters, which would be disclosed by an accurate survey or inspection of the premises.
- (d) Any lien, or right to a lien, for services, labor, or material hereto or hereafter furnished, imposed by law and not shown by the public records.
- (e) Taxes or special assessments, which are not shown as existing liens by the public records.
- (f) Any service, installation, connection maintenance, tap capacity or construction charges for sewer, water, electricity, natural gas or other utilities, or garbage collection and disposal.
- (g) Reservations and exceptions in United States Patents or in Acts authorizing the issuance thereof.
- (h) Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- (i) Water rights, claims or title to water.
- (j) 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 for value of record the estate or interest or mortgage thereon covered by this Commitment.

Special Exceptions:

- 1 **Lien of real estate excise sales tax upon any sale of said premises, if unpaid. Please note that other fees required by the State of Washington may apply.**
Rate: 1.53%
- 2 **General taxes for the year 2012 are shown as exempt on the general tax rolls.**
(Assessor's Parcel No.(s): 1-1065-00-16-02-0000)
- 3 **An easement affecting the portion of said premises and for the purposes stated herein, and for incidental purposes.**
For: Proposed dikes
In Favor of: The City of Pullman
Recorded: October 25, 1910
Auditor's File No.: 72446 (Book 147 of Deeds, page 439)
Affects: Block 16

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- 4 **An easement affecting the portion of said premises and for the purposes stated herein, and for incidental purposes.**

For: Electric transmission line and telephone system
In Favor of: The Washington Water Power Company, a corporation
Recorded: November 22, 1928
Auditor's File No.: 144060 (Book 222 of Deeds, page 570)
Affects: Said premises and also other property

- 5 **A Lease affecting said premises, executed by and between the parties named for the term and upon the terms, covenants and conditions thereof.**

Dated: June 30, 1999
Recorded: July 16, 1999
Auditor's File No.: 618630
Lessor: Coulee City Railroad
Lessee: City of Pullman
Terms: 99 years
Affects: Said premises and also other property

- 6 **Evidence of the identity and authority of the officers of the named corporation to the forthcoming instrument must be submitted.**

Corporation: State of Washington

- 7 **Title is to vest in persons not yet revealed, and when so vested, will be subject to matters disclosed by a search of the records against their names.**

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 this policy.

1. Investigation should be made to determine if there are any service, installation, maintenance or construction charges for sewer, water, garbage or electricity.
2. A consolidation statement of all charges and advances in connection with this commitment with this order will be provided at closing.
3. In the event that the transaction fails to close and this commitment is cancelled, a fee will be charged to comply with the State Insurance Code and the filed schedule of this Company.
4. **IMPORTANT:** The Whitman County Auditor's Office **WILL NOT** accept any document for recording unless it conforms, **TO THE LETTER**, with all of the new Washington State recording requirements. Among other things, the requirements state:
"First page shall include a three-inch top margin, one-inch bottom and one-inch side margins. If a cover sheet is used, it is considered the first page. All pages following the first page must have one-inch margins on all sides. Nothing except the return address on the first page may appear in these margins."
This means that documents with loops or tails on the ends of signatures, initials, notary seals or page numbers in the margins will have to be returned without being recorded.
5. **NOTE:** the legal description in this commitment is based on information provided with the application and the public records as defined in the policy to issue. The parties to the forthcoming transaction must notify the title insurance company **prior to closing** if the description does not conform to their expectations.
6. According to the available information, the address of the improvements located on said land is:
540 E Main Street, Pullman, WA 99163
7. The description can be abbreviated as suggested below if necessary to meet standardization requirements. The Full text of the description must appear in the documents(s) to be insured.

Ptn. Lots 1-2, Blk 16, Main St. Extension to Pullman
8. **NOTE:** any sketch attached hereto is done so as a courtesy only, and is not part of any title commitment or policy. It is furnished solely for the purpose of assisting in locating the premises and Pioneer Title, as an agent for First American, expressly disclaims any liability which may result from reliance made upon it.
9. There have been no transfers or conveyances of record for said premises in the 24 months prior to September 21, 2012, the date of our original Commitment for Title Insurance.

**End of Schedule B
Conditions and Stipulations as hereto Attached**

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Schedule C

The following are the requirements to be complied with:

1. Instruments necessary to create the estate or interest or mortgage to be insured must be properly executed, delivered, and duly filed for record.

FIRST AMERICAN TITLE INSURANCE COMPANY PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information- particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, Whether in writing, in person, by telephone or any other means;
- Information about your transaction with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purpose and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except; (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that company with federal regulations to guard your nonpublic personal information.

COMMITMENT

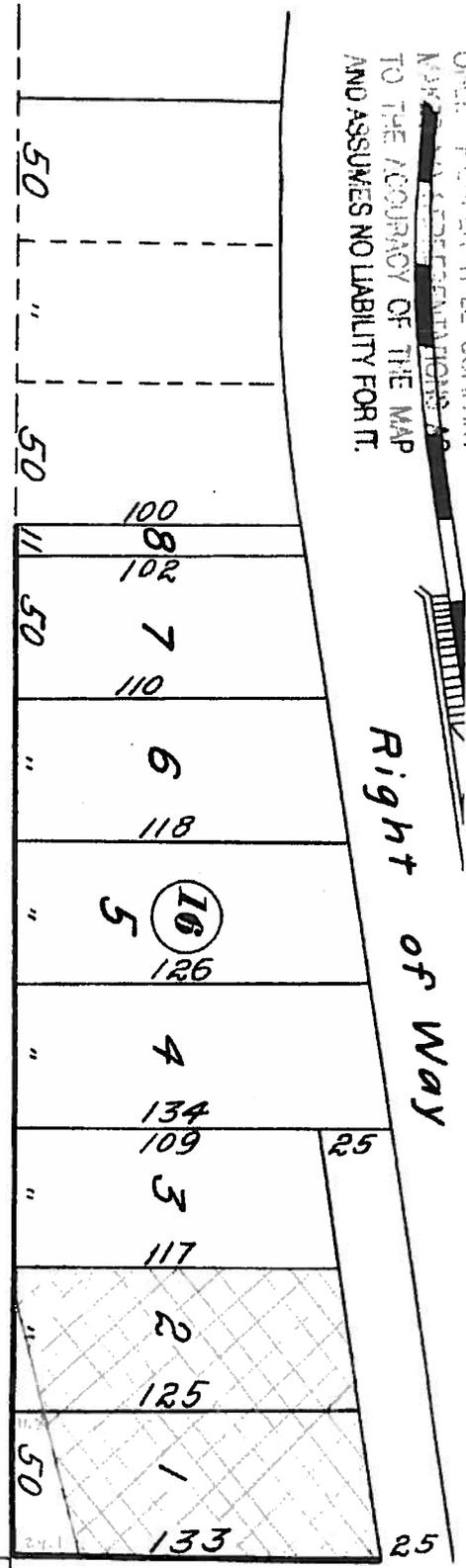
Conditions and Stipulations

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 acquires 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 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 and Stipulations.
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 of 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, exclusion from coverage, and the Conditions and Stipulations 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. Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest or the lien of the insured mortgage covered hereby or any action asserting such claim, shall be restricted to the provisions and conditions and stipulations of this Commitment.

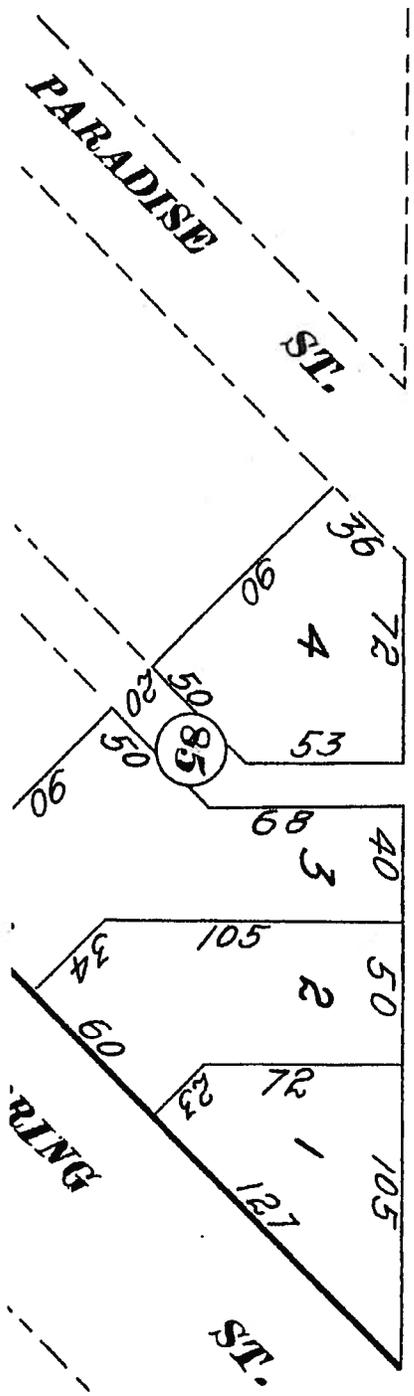
THIS IS NOT A SURVEY. THIS MAP IS FOR INFORMATIONAL PURPOSES ONLY. PLEASE REFER TO THE COMPANY RECORDS FOR THE INFORMATION TO THE ACCURACY OF THE MAP AND ASSUMES NO LIABILITY FOR IT.



Right of Way



MAIN ST.



1/4 1/4 Line



Book 244 of Deeds, page 80

PULLMAN MEMORIAL ASSOCIATION, a corporation)	Doc. No. 136633
-to-)	Warranty Deed
The State of Washington)	

The grantor, Pullman Memorial Association, a corporation of Pullman, Washington for and in consideration of One and no/100 Dollars (\$1.00), in hand paid, conveys and warrants to The State of Washington, the following described real estate, situated in the County of Whitman, State of Washington:

P Lots one (1) and two (2) in Block sixteen (16) of Main Street Extension addition to the Town of Pullman, according to the recorded plats thereof.

EXCEPTING THEREFROM the right of way easement granted to The Washington Water Power Company, a corporation, by deed recorded in Book 222 of Deeds, page 570, records of Whitman County, Washington.

ALSO EXCEPTING a triangular tract on the south end of said lots described as follows: Beginning at the S.E. corner of said lot 1, thence north along the east line of said lot 1, a distance of 24.1', thence south westerly in a straight line, intersecting the lot line between Lots 1 and 2, 11.8' north of the southwest corner of said lot 1, to a point on the south line of lot 2, thence east along the south line of said lots 2 and 1, to the point of beginning.

IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by its proper officers and its corporate seal to be hereunto affixed this sixth day of November, 1936

(Corporate Seal)

PULLMAN MEMORIAL ASSOCIATION
 By Otho West, It's President
 (1) By Geo. H. Cannon, It's Secretary

Acknowledged November 6, 1936, in Whitman County, Washington, on behalf of the corporation that executed this instrument, by Otho West and Geo. H. Gannon, President and Secretary respectively thereof, before D. F. Archer, Notary Public in and for the State of Washington, residing at Pullman (Seal)

50¢ U. S. Documentary Stamp attached and cancelled.
50¢ State Documentary Stamp attached and cancelled.

Recorded December 18, 1937, at 8:00 A.M.

Book 147 of Deeds, page 439

ORDINANCE No. 202.

An Ordinance to define and establish the channel of the South Palouse River where the same flows through certain parts of the City of Pullman where dikes are proposed to be constructed; and authorizing and directing the Mayor and City Attorney to acquire, for the City, by deed, condemnation, or otherwise, the title to said channel, and rights-of-way for said proposed dikes, and to bring such suits, either in law or equity, as are necessary to secure the removal of all obstructions from the channel of said South Palouse River within the City of Pullman.

WHEREAS, the City Council has heretofore passed an ordinance, being Ordinance No. 201, declaring its intention to construct dikes along the banks of certain portions of the South Palouse River within the City of Pullman; And, Whereas, to carry out said intention, it is first necessary to definitely locate and define the channel of said South Palouse River within said City; Now, Therefore,

The City Council of the City of Pullman do Ordain as follows:

SECTION 1. That the shore-lines of the channel of the South Palouse River where the same flows through the City of Pullman between the points hereinafter designated, be and the same are hereby defined, described, and established as follows, to-wit;

COMMENCING at the east end of the south masonry abutment of the State street bridge across the South Palouse river and running thence on a line with this abutment to the east line of State street, thence on a 13 degree curve to the right a distance of 500 feet, thence on a tangent a distance of 71.8 feet, thence on a 14 degree curve to the left a distance of 234.4 feet to the west end of the masonry abutment at the south end of the Kamiaken street bridge; ALSO commencing at a point 84.6 feet due north of the north curb line of Main street measuring along the west line of lot 8 in block 17 of Pullman, thence westerly along a line bearing ~~no~~ ^{North} ~~from~~ ^{from} Main street a distance of 179.1 feet, thence on a 24 degree curve to the right a distance of 110 feet to the east end of the south abutment of the Kamiaken street bridge; ALSO commencing at a point 84.6 feet due north of the north curb line of Main street measuring along the west line of lot 8 in block 17 of Pullman, thence running easterly along a 14 degree curve to the left a distance of 300 feet to the east end of the O.R. & N. wooden trestle over the South Palouse river; and also a line parallel to, and sixty (60) feet north of the line above described and located;

SECTION 2. That the sixty foot space or strip between said shore lines above described be, and the same is, hereby, established and declared to be the officially defined and meandered channel of the South Palouse River through the City of Pullman.

SECTION 3. That the Mayor and City Attorney of the City of Pullman are hereby authorized and directed, in the name of the City, to take all steps necessary and proper to acquire by deed, condemnation, or otherwise, the title to the land included in said

Handwritten notes:
part 1-2-3-4-5-6-7
17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100

SECTION 4. That the Mayor and City Attorney of the City of Pullman are hereby authorized and directed, in the name of the City, to take such steps and bring such suits, either in law or equity, as are necessary to secure the removal of all obstructions from the channel of said South Palouse River within the City of Pullman.

SECTION 5. That this ordinance shall be in full force and effect five days after its passage, approval, and publication.

Passed October 6, 1910.

E. Maguire,

Mayor.

Attest: Geo. N. Henry,
City Clerk.

Approved October 6, 1910.

Published October 7, 1910.

Approved as to form;

D. C. Dow,
City Attorney.

Filed for record October 25, 1910, at 11:40 A. M.

5/3711 ✓

Book 222 of Deeds, page 570

Goldy Mensen now known as Goldy Russell,)

-to-

) RIGHT OF WAY EASEMENT

THE WASHINGTON WATER POWER COMPANY, a cor-)
poration.)

Dated September 28, 1928

Ack'd September 28, 1928, by Goldy Mensen now known as Goldy Mensen Rus-
sell, before Spalding A. Marshall, Notary Public, Whitman County,
Washington, residing at Spokane. (Seal)

Recorded November 22, 1928, at 8:00 A. M.

Consideration - \$1.00

CONVEYS and WARRANTS the right to erect, construct, reconstruct and
maintain an electric transmission line and telephone system attached
to transmission line poles or structures, to be located over, along
and across the following described property, in Whitman County, State
of Washington, to-wit:

Lots 1 and 2 of Block 16 of the Main Street Extension of Pull-
man,

Said line to be built along North property line of above described
property.

Together with the right to inspect said line.

(Signed) Goldy Mensen Russell

ok

ow

ALSO
GI

Return to:
City of Pullman
P.O. Box 249
Pullman, WA 99163



618630
PAGE: 1 of 22
07/16/1999 08:39A
512 29.00
LEASE WHITMAN COUNTY

Document Title: Lease (Interim Trail Use)

Reference Number(s) of Related Documents: None

Grantors: Coulee City Railroad

Grantee: City of Pullman, a municipal corporation of the state of Washington

Legal Description: A 12-foot wide path with shoulders west of Bishop Boulevard at Bleasner Drive for a distance of approximately 245.5 feet and encompassing 3,438 square feet, more or less, and more particularly illustrated in Appendix 1 (Detail D1).

A 10-foot wide path with shoulders between Whitman Street and Stadium Way and more particularly illustrated in Appendix 1 (Detail C1, B4, and B3) for a distance of approximately 2,606 feet and encompassing 31,275 square feet, more or less.

A 10-foot wide path with shoulders between Stadium Way to a point north of Turner Drive, yet to be determined, for a distance of approximately 1,235 feet and encompassing between 13,860 to 14,820 feet, more or less and more particularly illustrated in Appendix 1 (Detail B1 and B2).

1. Parcels situated in Whitman County, Washington.

SUBDIVISION	SECTION	TOWNSHIP	RANGE	MERIDIAN

2. Additional legal description: See Attached Lease

Assessor's Property Tax Parcel Numbers:

N/A

part

McGees Add S² 32-15-45

1-0940-0000 2002-0000

Unrecorded Grandviews 1st Add

Terrace Park Sub Lots 10-12 & 15

Lawrence & Holbrooks Blocks 1 & 2

Cutlook Short Plat

Pullman Blocks 40, 39, 4, 7, 8, 14, 13, 17, 38

Holbrooks Add. BL X, A

Main St- Extension Lot 16

Davis Add B's 65 & 66

Wilkinson's Add. BL 1

Ag College BL 4, H, E,

Ag College Replat 2A, 2B

Richardsons Add

Meadow's 1st Lts 38-48

Wilruco's 1st Add



**Lease
(Interim Trail Use)
Palouse and Coulee City Railroad and
Pullman, Washington**

Whereas City of Pullman ("City") a municipal corporation of the State of Washington, and Palouse and Coulee City Railroad ("Railroad") wish to cooperate in preserving a transportation corridor for possible future rail reactivation and for interim use as a trail (the "Pullman Greenway");

Whereas Railroad, although it does not wish to abandon unused portions of its right of way but does not require the corridor described hereinafter and is prepared to cooperate with City in preserving that corridor for possible future rail reactivation and in making the corridor available for trail use; and

Whereas City and Railroad agree that preserving the corridor for possible future rail reactivation and for interim trail use is in the best interests, now and in the future, of the citizens of Pullman and the surrounding area;

Railroad leases to City and City leases from Railroad as of the date this document is accepted by the City subject to the terms and provisions of this lease as follows:

- I. This lease affects the following described property.
 - A. A 12-foot wide path with shoulders west of Bishop Boulevard at Bleasner Drive for a distance of approximately 245.5 feet and encompassing 3,438 square feet, more or less, and more particularly illustrated in Appendix I (Detail D1). The property description herein shall be conformed to the improvements when installed. All property hereinafter is referred to collectively as the "Pullman Greenway."
 - B. A 10-foot wide path with shoulders between Whitman Street and Stadium Way and more particularly illustrated in Appendix I (Detail C1, B4, and B3) for a distance of approximately 2,606 feet and encompassing 31,275 square feet, more or less. The property description herein shall be conformed to the improvements when installed.
 - C. A 10-foot wide path with shoulders between Stadium Way to a point north of Turner Drive, yet to be determined, for a distance of approximately 1,235 feet and encompassing between 13,860 to 14,820 feet, more or less, and more particularly illustrated in Appendix I (Detail B1 and B2). The termination point should be as determined by City improvements. All property is located within Pullman, Whitman County, Washington. The property description herein shall be conformed to the improvements when installed.



2. Leasehold Improvements, Pathways and Fences. The City, at its sole cost and expense, agrees to make all improvements to the Pullman Greenway. Further, the City, at its sole cost and expense, agrees to construct and install a six foot chain link security fence to provide a positive separation between the Pullman Greenway and the Railroad tracks as follows:
 - A. From the north end of the path bridge near Benewah Street as shown in Appendix 1 (Detail D2) to the Main Street overcrossing as shown in Appendix 1 (Detail D3), excepting the street crossing of Benewah Street. For this section of path, which was previously secured by separate 8d Rails to Trails Agreement, the fence will be constructed at a location 10-foot offset from the centerline of the track, which will also be the easterly edge of the path.
 - B. From a point approximately 500 feet south of Stadium Way to Stadium Way as shown in Appendix 1 (Detail B3). The fence will be constructed at the west edge of the path.
 - C. From Stadium Way north to that location at which the path diverts westerly toward Grand Avenue as shown in Appendix 1 (Details B2 and B1). The fence will be constructed at the east edge of the path.
3. Railroad Improvements. The City further agrees to pay for the following improvements to be made by the Railroad to its property for the purpose of providing for the public safety in the use of the Pullman Greenway.
 - A. For the realignment of track in Appendix 1 (Detail B3) and installation of a new switch, not to exceed \$52,250.
 - B. For the installation of a track crossing not to exceed \$15,000, plus a sum of not to exceed \$7,500 for a crossing agreement.
4. Leasehold Rent. For the term of the lease and any extensions or renewals as hereafter provided, the following terms:
 - A. For property described in subparagraph A: \$6,876.
 - B. For property described in subparagraph B: \$62,550.
 - C. For property described in subparagraph C a sum of \$29,640. If the termination point is reduced, then the sum to be paid shall be reduced by \$2/square foot. The final determination shall be made by the City by July 31, 2000.

5. Payment. Payment for each portion of the leasehold rent shall be triggered by the City's receipt of acceptable bids for the respective improvements and invoice by the Railroad.

For leasehold improvements to be made by the Railroad, payment shall be made after receipt of receipts detailing all or any portion of the work completed.

Payments shall be due within 30 days after receipt of invoice or documentation of the Railroad.

6. Lease Term. The initial term of the lease shall be 99 years from the date first written above.
7. Extension. This lease may be extended for an additional term of 99 years at the City's election provided that Railroad does not give notice of it's present intention to reoccupy and use the right of way for railroad operations.
8. Condition of Property.

- A. For path section shown in Appendix 1 (Details B1, B2 and B3), Railroad shall cause all pertinent track, ties, and other track material to be removed from the line by December 31, 1999, subject to reasonable extensions due to weather or other good cause. In the event closing occurs before all track, ties, and other track material is removed, Railroad shall have a right of entry for removal of same, provided, however, that Railroad shall be solely liable for any injuries or claims for damages arising out of Railroad's actions and inactions on the corridor. In the event salvage must be expedited to accommodate deadlines imposed by state agencies in connection with trail construction grants, Railroad shall take all reasonable steps to expedite salvage so as to permit compliance with such deadlines.
- B. The premises, including all structures, shall be conveyed AS IS, WHERE IS, with no representations as to usability for any particular use; provided, however, that Railroad shall comply with the following conditions upon salvage or removal of track and ties from the property: (i) the premises shall be reasonably cleaned of railroad debris, including broken ties and tie butts, where not employed for continued rail use; (ii) bridges and culverts shall not be damaged, normal wear and tear excepted, (iii) all road crossings shall be restored to a fashion acceptable to the jurisdiction responsible for said crossing, or, if a private crossing, in a reasonable fashion, employing suitable material and compaction to provide a smooth and reliable surface; (iv) private property rights shall be respected; and (v) salvage operations shall comply with all applicable federal, state and local regulations or requirements relating to said activity on the premises.



9. Railroad Lease Operations. In the event Railroad determines to cease rail service and dispose of its right-of-way, Railroad agrees to convey its interest in the leasehold and City will pay any filing fees and supply counsel or pay for the attorneys' fees associated with such transfer.
10. Compliance with Laws. City shall, at its sole cost and expense, promptly comply with all local, state or federal laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force with respect to City's use and occupancy of the Premises.
11. Hazardous Substances. City shall not, without Railroad's prior written consent, keep on or around the Premises, common areas or building for use, disposal, treatment, generation, storage or sale, any substances designated as, or containing components designated as, hazardous, dangerous, toxic or harmful (collectively referred to as "Hazardous Substances") and/or is subject to any regulation by federal, state or local law regulation, statute or ordinance. With respect to any such Hazardous Substances, City shall:
 - A. Comply promptly, timely, and completely with all governmental requirements for reporting, keeping and submitting manifests, and obtaining and keeping current identification numbers;
 - B. Submit to Railroad true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities;
 - C. Within five (5) days of Railroad's request, submit written reports to Railroad regarding City's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to Railroad of City's compliance with the applicable government regulations;
 - D. Allow Railroad or Railroad's agent or representative come on the Premises at all times to check City's compliance with all applicable government regulations regarding Hazardous Substances; and
 - E. Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances present on the Premises, such levels or standards shall be established by an on-site inspection by the appropriate governmental authorities and shall be set forth in an addendum to this Lease).

Any and all costs incurred by Railroad and associated with Railroad's inspection of City's Premises and Railroad's monitoring of City's compliance with this



Section 11, including Railroad's attorneys' fees and costs, shall be considered additional rental adjustments and shall be due and payable to Railroad immediately upon demand by Railroad.

12. Maintenance and Repair by City. City shall at all times without limiting the scope of its liability throughout the Lease Term at its sole cost and expense keep the Premises in good order, condition and repair.
13. Commercial Signs. City shall not approve the installation, maintenance or continued presence of any commercial signs on property included in this lease without the concurrent approval of Railroad.
14. Liens. City shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by City.
15. Encumbrances. City shall not cause or suffer to be placed, filed or recorded against the title to the Premises, or any part thereof, any mortgage, deed of trust, security agreement, financing statement or other encumbrance, and further, in no event shall the lien of any mortgage, deed of trust, or other security agreement or financing statement created by City cover the Premises or any part thereof nor any leasehold improvements, alterations, additions, or improvements thereto.
16. Partial Invalidity. If any term, covenant, or condition of this Lease or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.
17. Recording. City shall not record this Lease without the prior written consent of Railroad.
18. Waiver. The waiver by Railroad of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.
19. Marginal Headings. The marginal headings and article titles to the sections and subsections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.
20. Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.



21. **Prior Agreements.** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. City expressly waives the right to rely on any conduct of Railroad, its agents or representatives for the purpose of amending or modifying this agreement. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.
22. **Inability to Perform.** This Lease and the obligations of City hereunder shall not be affected or impaired because Railroad is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of Railroad.
23. **Choice of Law.** This Lease shall be governed by the laws of the State of Washington.
24. **Jurisdiction and Venue.** Jurisdiction for any claims arising out of City's occupancy shall be in Washington and venue for any claims shall be in Whitman County.
25. **Attorneys' Fees.** In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover the fees of its attorneys in such action or proceeding, including costs of appeal, if any, in such amount as the court may adjudge reasonable as attorneys' fees. In addition, should it be necessary for Railroad to employ legal counsel to enforce any of the provisions herein contained, City agrees to pay all attorneys' fees and court costs reasonably incurred.
26. **Interpretation.** As a further condition of this agreement, City and Railroad acknowledge that this Lease shall be deemed and construed to have been prepared mutually by each party and it shall be expressly agreed that any uncertainty or ambiguity existing therein shall not be construed against any party. In the event that any party shall take an action, whether judicial or otherwise, to enforce or interpret any of the terms of this Lease, the prevailing party shall be entitled to recover from the other party all expenses which it may reasonably incur in taking such action, including attorneys' fees and costs, whether incurred in a court of law or otherwise.
27. **Indemnities.** Subject to statutory limitations the City shall indemnify and hold Railroad harmless from any and all liability, costs or expense, including attorneys' fees, arising after the date of closing with respect to claims arising



with respect to the premises during its use as the Pullman Greenway. This indemnity shall apply to claims for injuries, death or property loss or damage, other than (in the case of the Railroad) for liability arising from salvage operations by or under the authority of Railroad on the property, or from other activities of the Railroad. Railroad will indemnify and hold City harmless from any and all liability, cost or expense, including attorneys' fees, incurred by or assessed against City arising before the date of closing on account of injuries, death, or property loss or damage resulting from Railroad's acts or omissions in connection with Railroad's use, operation or maintenance of the premises.

- 28. Successors and assigns. Wherever referred to herein, the term City shall imply, mean and apply to the City, any successors, assigns, heirs, or duly authorized agents, who shall be severally and collectively liable for any and all performance hereunder, except as provided in paragraph 26 above. Wherever referred to herein the term Railroad shall imply, mean and apply to the Railroad, any successors, assigns, or duly authorized agents, who shall be severally and collectively liable for any and all performance hereunder.
- 29. Notices and demands. All notices, demands, payments and other instruments required or permitted to be given or served by either party shall be in writing and deemed to have been given or served by either party if sent by registered or certified mail, or express mail, addressed to the other party at the address shown as follows, unless otherwise specifically provided in this contract:

for City of Pullman,

City of Pullman
 Attn: City Supervisor
 P.O. Box 249
 Pullman, WA 99163-0249
 Ph: (509) 334-4555
 Fax: (509) 334-2751

for Railroad,

President
 Palouse and Coulee City Railroad
 315 W. 3rd
 Pittsburg, KS 66762
 Ph: (316) 231-2230
 Fax: (316) 231-2568

Accepted by City of Pullman this 30th day of June, 1999.



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LEASE WHITMAN COUNTY

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

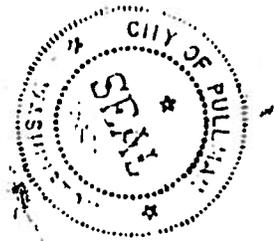
By: [Signature]
Mayor

ATTEST:

[Signature]
Finance Director

Approved as to form:

[Signature]
Pullman City Attorney



Accepted by Railroad this 2nd day of June, 1999.

PALOUSE AND COULEE CITY RAILROAD
CO., a Washington corporation

By: [Signature]

Title: U.P. Real Estate

Attest: [Signature]

Title: Accounts Payable



STATE OF WASHINGTON)
) ss.
COUNTY OF Whitman)

On this 30th day of June, 1999, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Michelle D. Chandler, to me known to be the person who signed as Mayer of CITY OF PULLMAN, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said officer of the corporation, that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

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

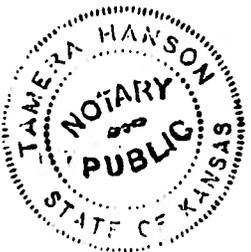


Jane McHarque
Print Name: JANE McHARQUE
Notary Public in and for the State of Washington,
residing at Pullman
My commission expires: 6-15-2001

STATE OF Kansas)
) ss.
COUNTY OF Crawford)

On this 2nd day of June, 1999, before me, the undersigned, a Notary Public in and for the State of Kansas, duly commissioned and sworn, personally appeared Ray Bundy, to me known to be the person who signed as O.P. Real Estate of PALOUSE AND COULEE CITY RAILROAD, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said officer of the corporation, that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

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



Tamera Hanson
Print Name: TAMERA HANSON
Notary Public in and for the State of Kansas
residing at Libby
My commission expires: Nov 12 2000



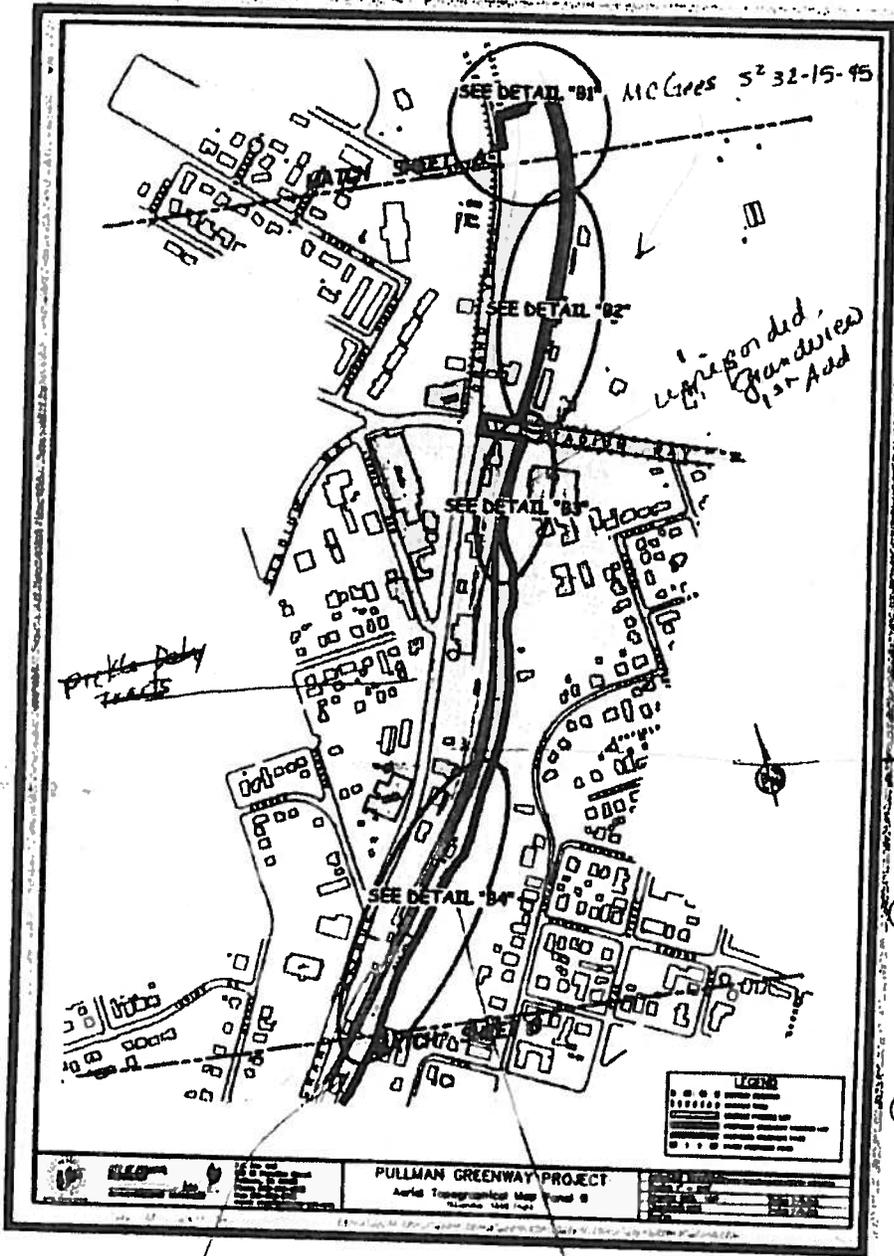
LIST OF EXHIBITS

**Aerial Topographical Pullman Greenway Project
Map, Panel B**

**Aerial Topographical Pullman Greenway Project
Map, Panel C**

**Aerial Topographical Pullman Greenway Project
Map, Panel D**

- Detail "B1" - North portion of a 10-foot wide path with shoulders between Stadium Way to a point north of Turner Drive, yet to be determined, for a distance of approximately 1,235 feet and encompassing between 13,860 to 14,820 feet, more or less**
- Detail "B2" - South portion of a 10-foot wide path with shoulders between Stadium Way to a point north of Turner Drive, yet to be determined for a distance of approximately 1,235 feet and encompassing between 13,860 to 14,820 feet, more or less**
- Detail "B3" - North portion of a 10-foot wide path with shoulders between Whitman Street and Stadium Way**
- Detail "B4" - Central portion of a 10-foot wide path with shoulders between Whitman Street and Stadium Way**
- Detail "C1" - South portion of a 10-foot wide path with shoulders between Whitman Street and Stadium Way**
- Detail "D1" - A 12-foot wide path with shoulders west of Bishop Boulevard at Bleasner Drive for a distance of approximately 245.5 feet and encompassing 3,438 square feet, more or less**
- Detail "D2" - South portion of a 10-foot wide path with shoulders between the north end of the path bridge near Benewah Street and the Main Street overcrossing**
- Detail "D3" - North portion of a 10-foot wide path with shoulders between the north end of the path bridge near Benewah Street and the Main Street overcrossing**



Leigerson did
 Grandview
 1st Add

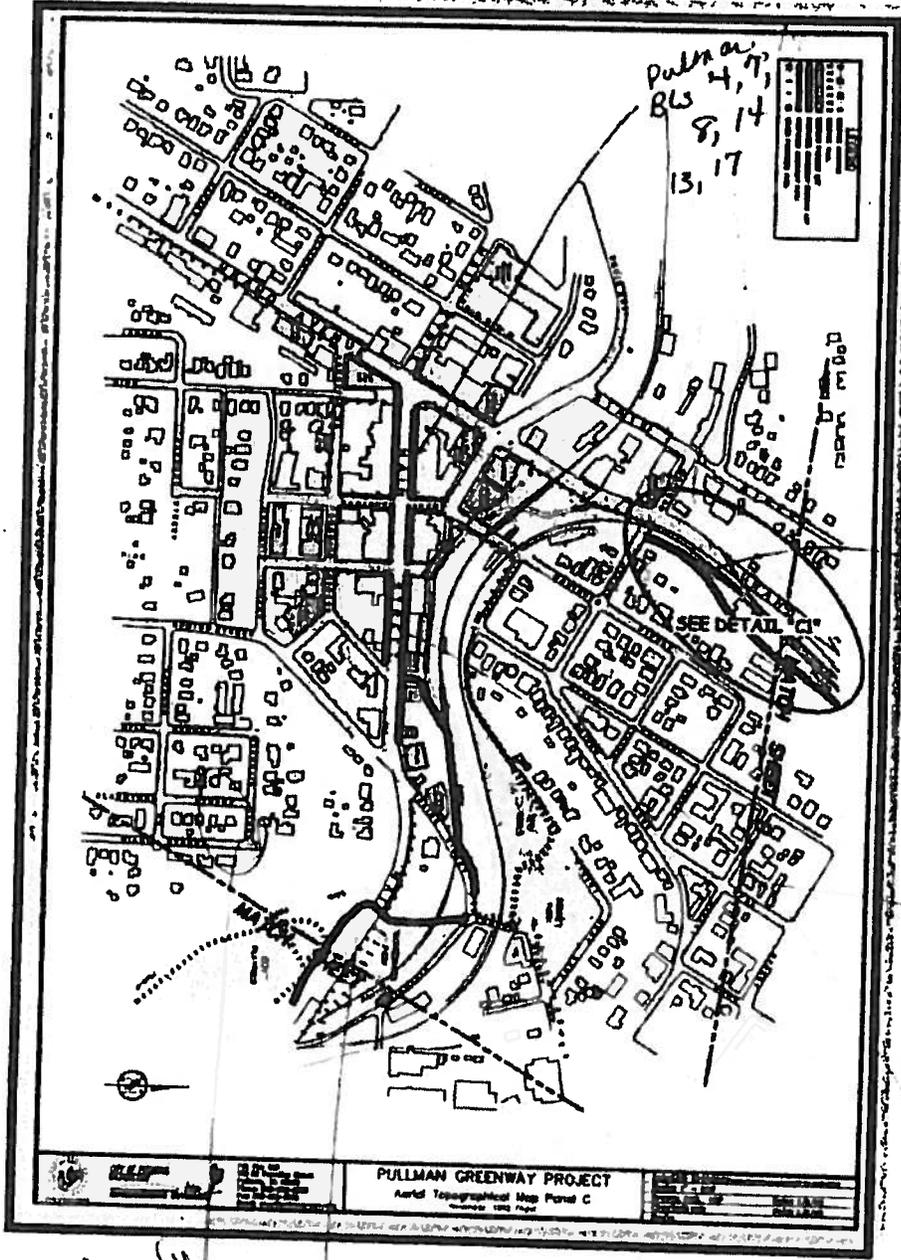
Pickle Duty
 Tracts

Terrace Park
 Sub.
 10-12-15

- ① L & H
- L & Hotbrooks
- H & H
- B & H
- ② L & H

Outlook Short
 Plat

Pullman
 B1 40
 7-12/39



Pullman,
 BLS 4, 7,
 8, 14
 13, 17

Pullman
 B1 38

Holbrook
 B1 (A)

Man St
 Ext. 16

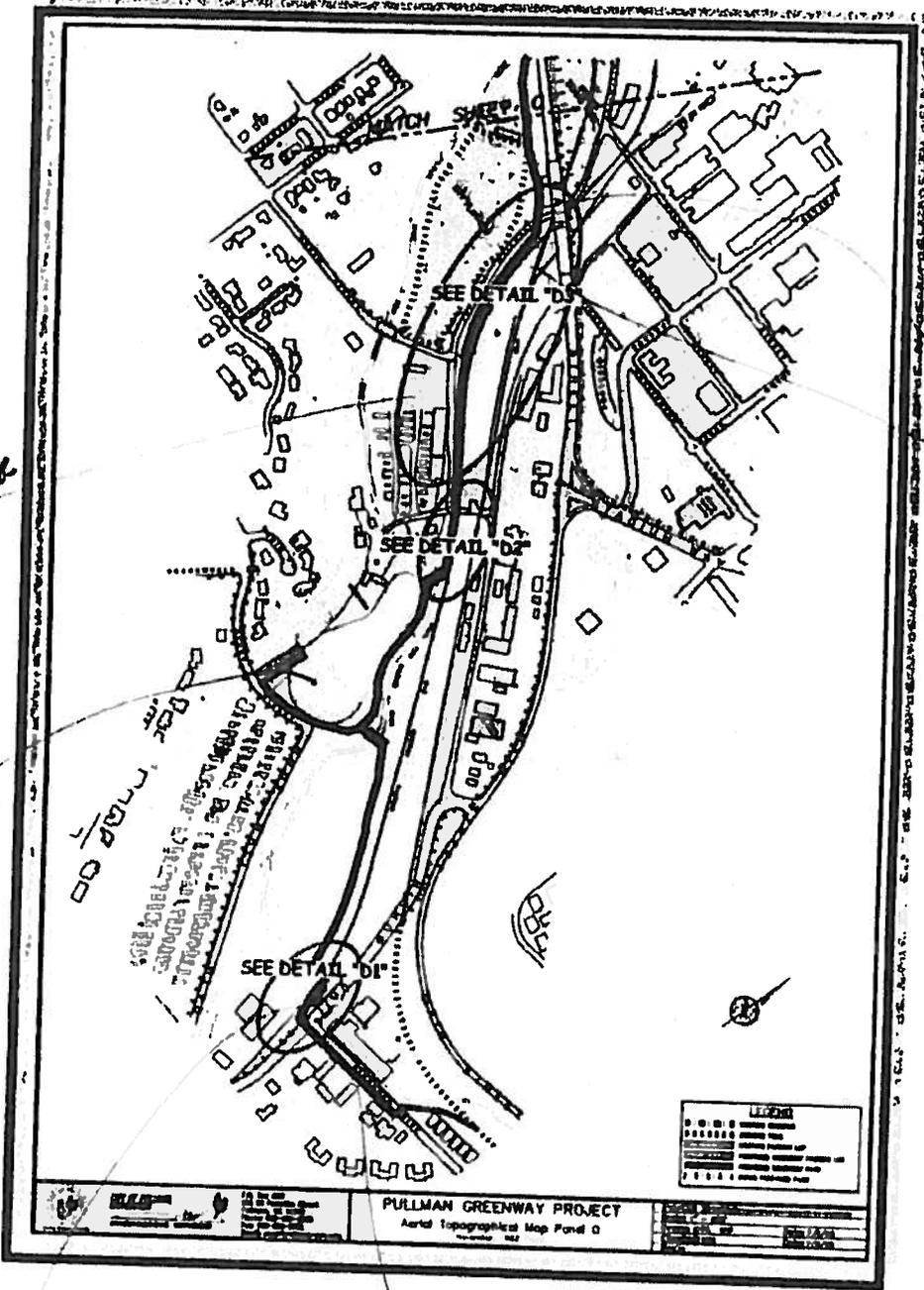
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 4-10-02
 PL 1544
 of David

Daw's
 B1 65 & 66

Wilkinson's Add EL (1)



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Agri College Ac
Bl 4

Richardson's
Add

Ag College
Re-plot
2A - 2B

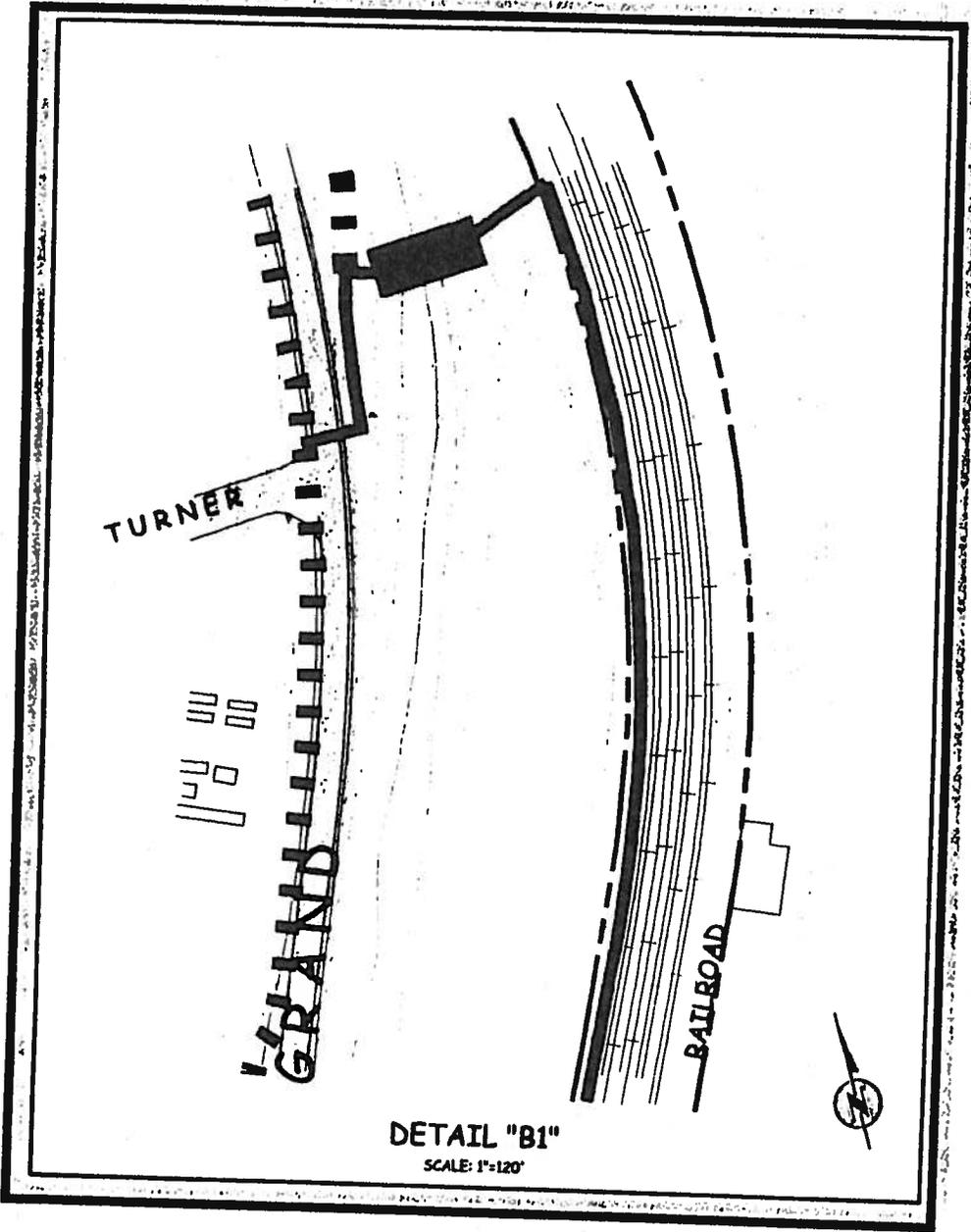
Wil Ruos
1st Add



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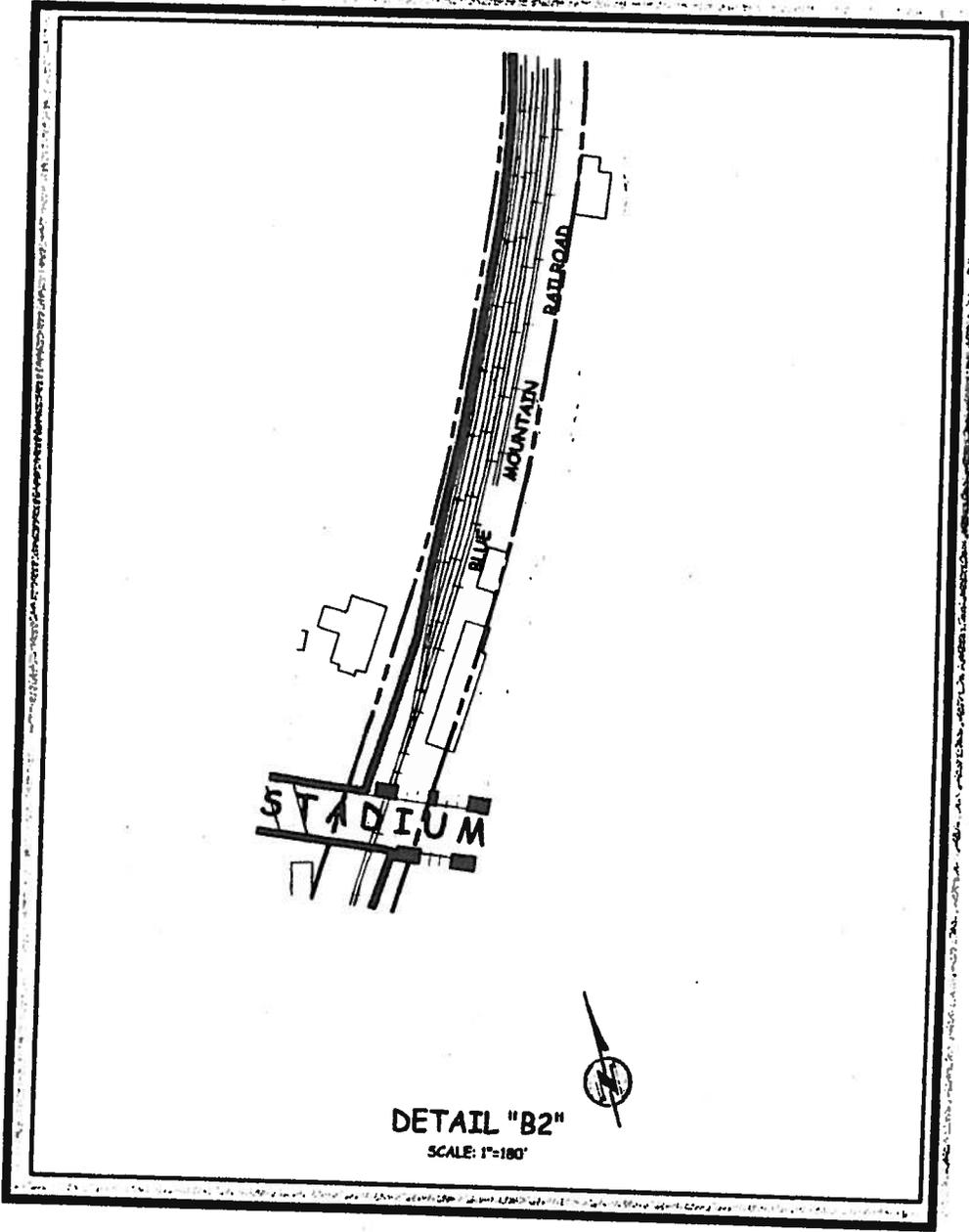
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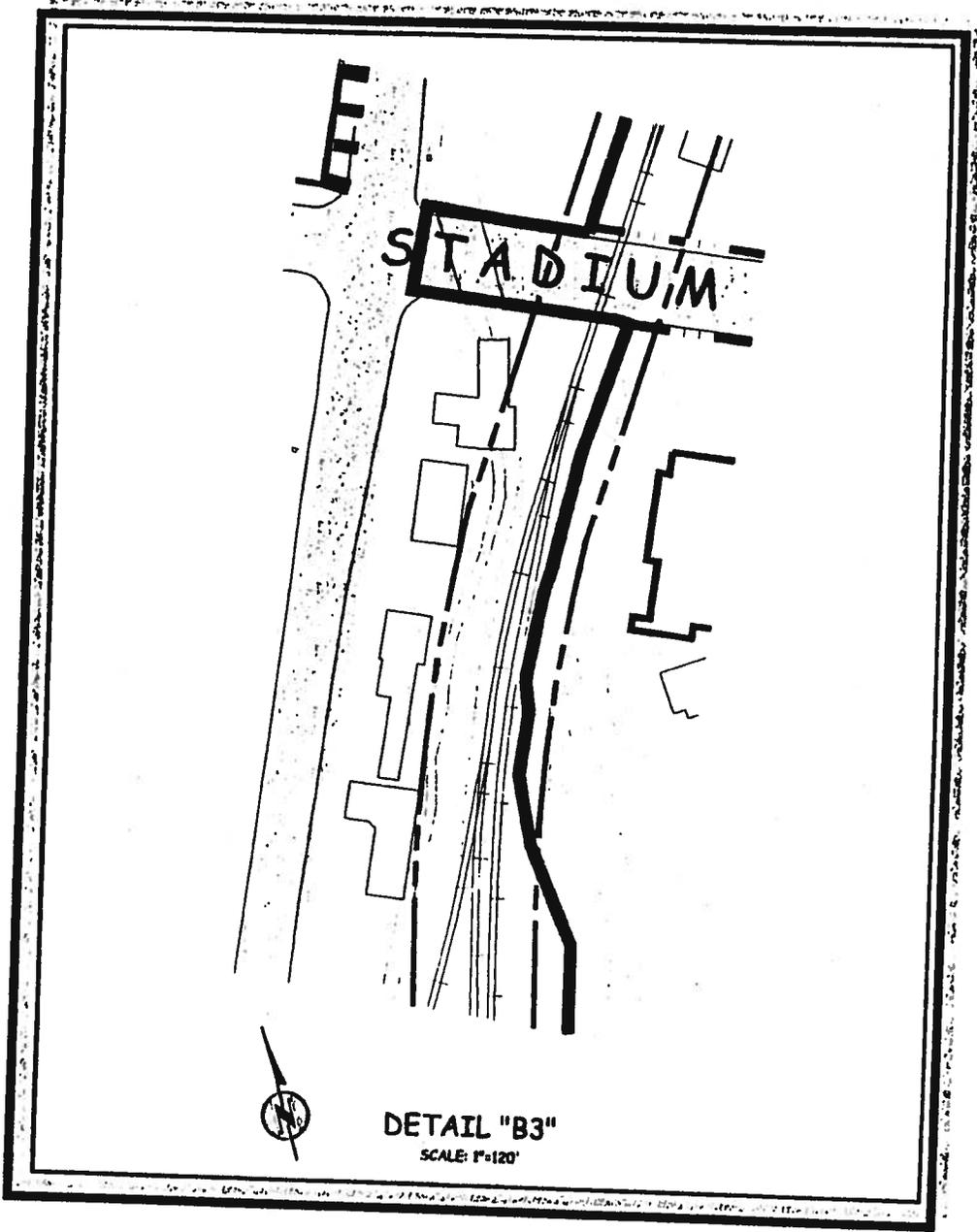


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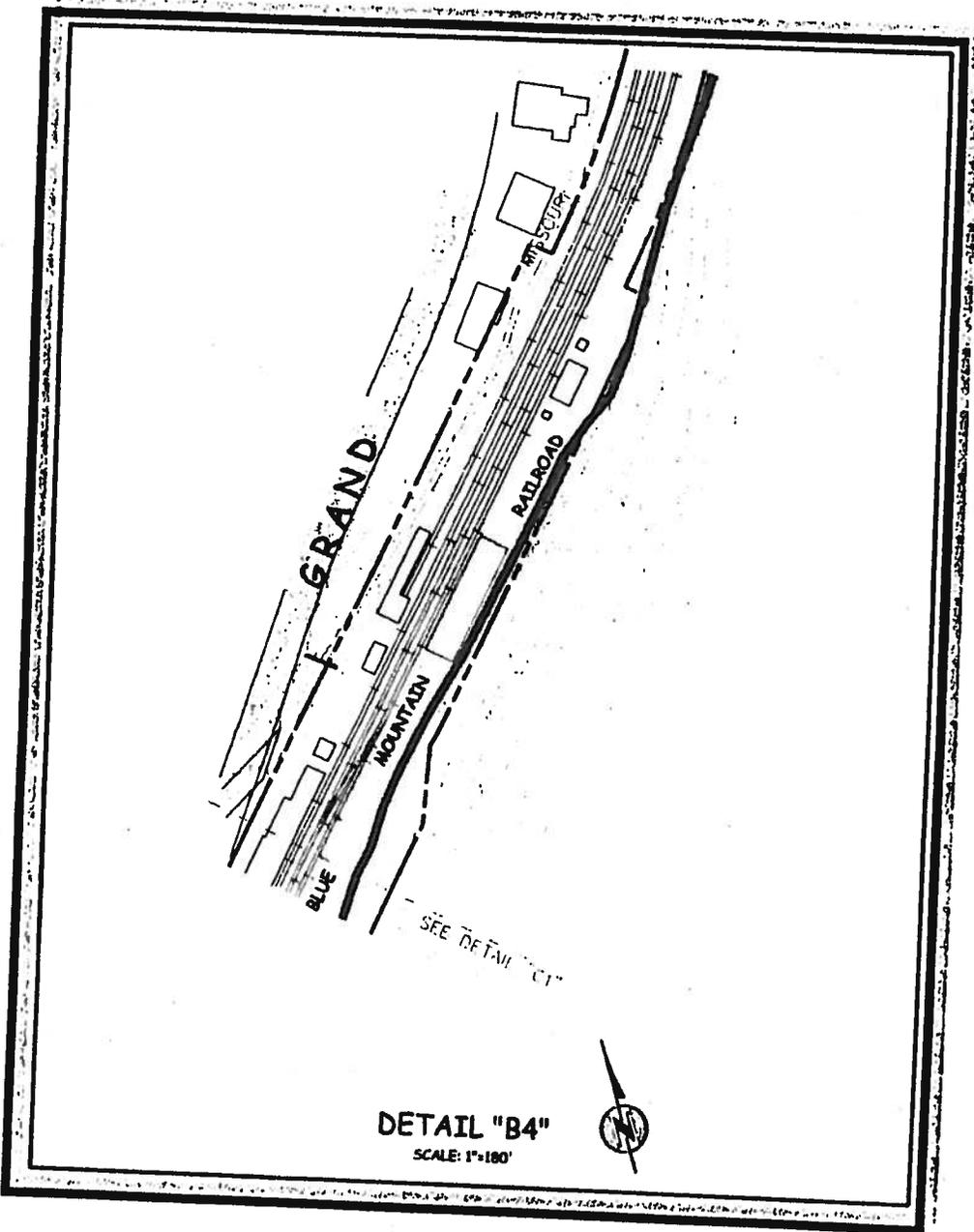
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DETAIL "B3"
SCALE: 1"=120'

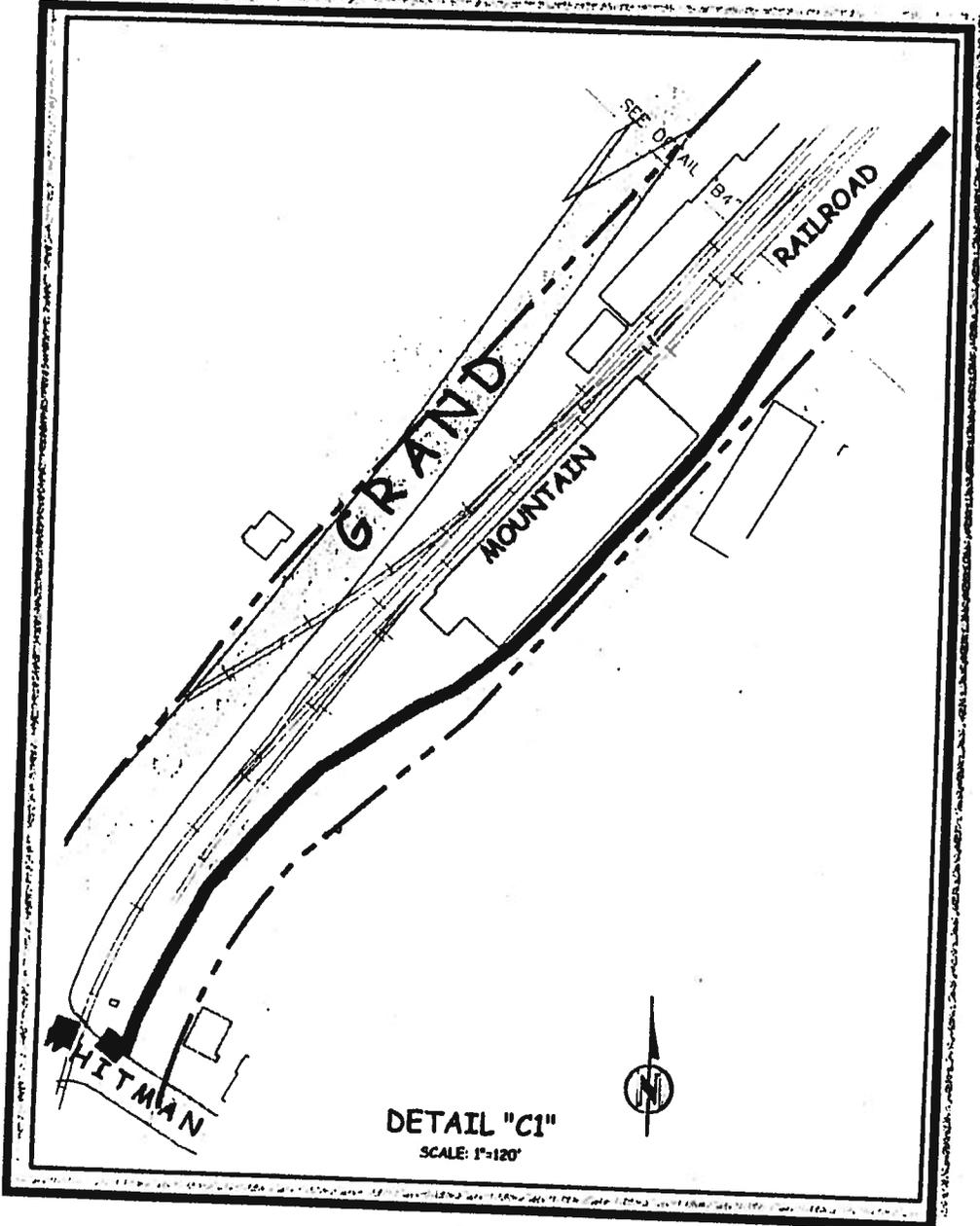


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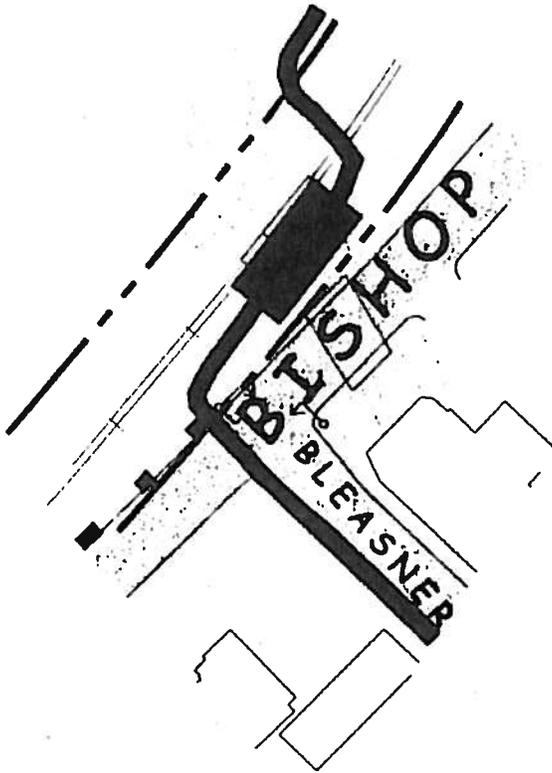


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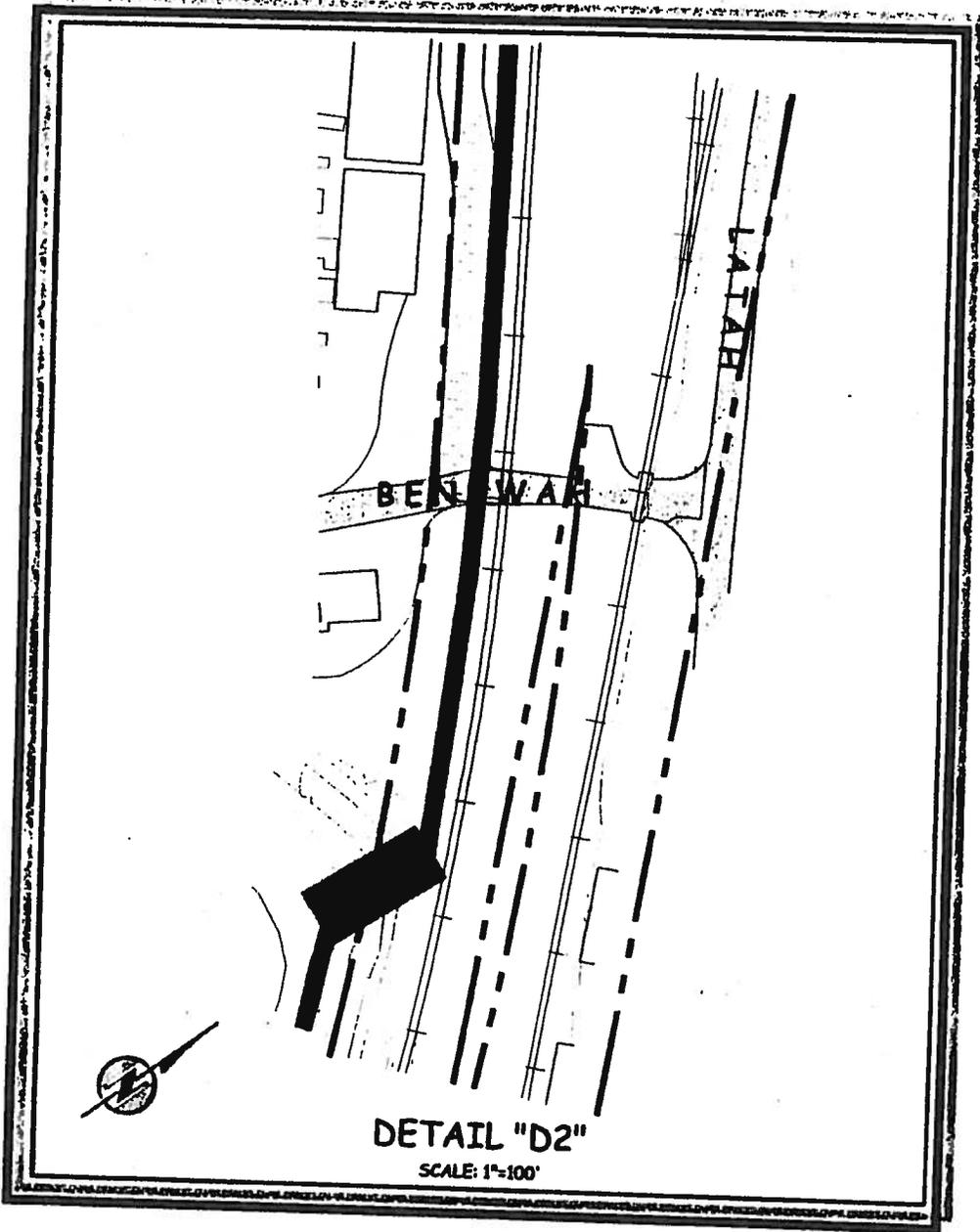


DETAIL "D1"

SCALE: 1"=100'



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DETAIL "D2"

SCALE: 1"=100'



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