



King County

**Ron Sims**

King County Executive

701 Fifth Avenue, Suite 3210  
Seattle, WA 98104

206-296-4040 Fax 206-296-0194

TTY Relay: 711

www.metrokc.gov

May 9, 2005

Peter J. Rickershauser  
Vice President, Network Development  
Burlington Northern Santa Fe Corporation  
2600 Lou Menk Drive  
Forth Worth, TX 76131

Dear Mr. Rickershauser:

King County, Washington ("the County") seeks to purchase from BNSF Railway Company ("BNSF") the 47 mile Woodinville Subdivision ("the Property"), as described in the attached exhibit. The parties have commenced negotiations, retained real estate appraisers, and BNSF has shared information with the County. While work remains to be completed to establish the terms on which the County will acquire the Property, including determination of the purchase price, the parties seek to memorialize their good faith intentions to negotiate for a conveyance. Toward that end the parties agree as follows:

1. **Term.** This Agreement shall take effect as of May 10, 2005. It shall terminate on the earlier of August 31, 2005 or the date on which the parties enter into an asset transfer agreement providing for conveyance to the County of the Property, if any may be negotiated and finalized.
2. **Deposit.** Subject to enactment by the King County Council of an ordinance appropriating sufficient funds, the County shall within 20 days of such enactment make a good faith deposit of \$ 3.5 million toward the purchase price of the Property. The deposit shall be placed in an escrow account and the deposit, along with any accrued interest, shall be applied to the purchase price of the Property, if any purchase and sale shall take place. The deposit and half of any accrued interest will be returned to the County, and the remainder of any accrued interest shall be disbursed to BNSF if no agreement to purchase the Property has been entered into by August 31, 2005. If the ordinance fails to pass and/or no deposit is made as agreed, this Agreement shall be deemed null and void ab initio.
3. **Exclusivity.** During the term of this Agreement BNSF shall not (a) solicit offers to purchase any part of the Property, (b) negotiate with any other prospective purchaser of the Property, or (c) enter into any agreement with any person or entity other than the County to transfer, alienate or encumber any real property interest in the Property (other than routine renewals of existing leases, licenses, and permits as they may arise). Nothing herein shall obligate either party to enter into a purchase and sale agreement or to agree to any particular terms for the purchase and sale of the Property.



Peter J. Jickershauser

May 9, 2005

Page 2

4. **Notices.** Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if (i) placed in the United States mail, certified, return receipt requested, or (ii) deposited into the custody of a nationally recognized overnight delivery service, addressed to the party to be notified at the address for such party specified below, or to such other address as the party to be notified may designate by giving the other party no less than thirty (30) days' advance written notice of such change in address.

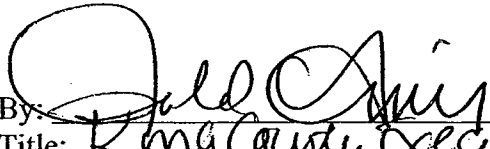
If to King County:

Office of King County Executive Ron Sims  
Bank of America Tower  
701 Fifth Avenue, Suite 3210  
Seattle, Washington 98104  
Attn: Rod Brandon, Director Environmental Sustainability  
Tel: 206-296-4039  
Fax: 206-296-0194

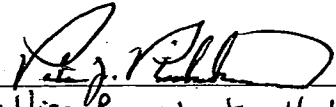
If to BNSF:

BNSF Railway Company  
2500 Lou Menk Drive, AOB-3  
Fort Worth, Texas 76131  
Attn: Jerome M. Johnson  
Assistant Vice President Network Development or  
Attn: Jana Machek  
Tel: 817-352-6154  
Fax: 817-352-7154

AGREED AND ACCEPTED:  
KING COUNTY, WASHINGTON

By:   
Title: King County Executive  
Date: May 10, 2005

AGREED AND ACCEPTED:  
BNSF RAILWAY COMPANY

By:   
Title: Vice President - Network Development  
Date: May 12, 2005

## **Exhibit to Woodinville Subdivision Commitment to Negotiate**

### **Description of Property**

BNSF's Woodinville Subdivision and Redmond Spur rights-of-way between the following Mileposts:

1. Between MP 4.0 at Scopa, a point near the Lake Washington Boulevard grade crossing and MP 37.6 at Bromart, a point on the southern approach to the Snohomish River bridge just south of Snohomish proper.
2. Between Redmond Spur MP 0.0 in Woodinville proper and MP 7.3, the end-of-track in downtown Redmond.