

RESOLUTION NO. 3588

A RESOLUTION of the Port Commission of the Port of Seattle, authorizing a Memorandum of Understanding with the King County Housing Authority for the sale of surplus mobile homes, pursuant to the Housing Cooperation Law, Chapter 35.83 RCW.

WHEREAS, the voters of King County, pursuant to the provisions of enabling legislation adopted by the Legislature of the State of Washington, Chapter 92, Laws of 1911, RCW 53.04.010, authorized and approved at a special election held in King County on the 5th day of September 1911, the formation of a port district coextensive with King County to be known as the Port of Seattle; and

WHEREAS, the Port of Seattle was thereupon established as a port district and has since been and now is a duly authorized and acting port district of the State of Washington; and

WHEREAS, under the Part 150 Noise Program for the Seattle Tacoma International Airport the Port will acquire a significant number of mobile homes over the next three years; and

WHEREAS, Chapter 35.83 of the Revised Code of Washington, the Housing Cooperation Law, authorizes the sale of any Port property to a housing authority with or without consideration; and

WHEREAS, under the terms of the proposed Memorandum of Understanding the Port would sell certain of the Part 150 surplus mobile homes to the King County Housing Authority; and

WHEREAS, on **September 18, 2007** notice of the proposed Memorandum of Understanding was published in the Seattle Journal of Commerce in accordance with RCW 35.83.030 (10);

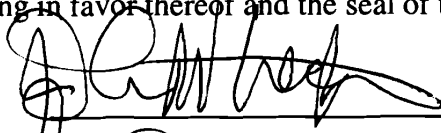
NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle as follows:

Section 1. Pursuant to RCW 35.83.030 (1) and (10), the Port's Chief Executive Officer; Managing Director Aviation Division; Aviation Business Development Manager; and Manager, Aviation Acquisitions and Relocations, are hereby authorized to execute a Memorandum of Understanding, substantially in a form as attached Exhibit A, providing for the sale of surplus Part 150 mobile homes to the King County Housing Authority for the sum of One Dollar (\$1.00) each.

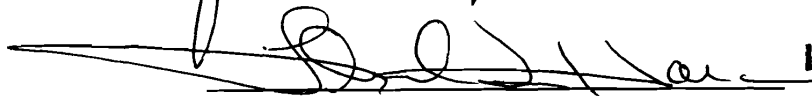
Section 2. The Chief Executive Officer and the Manager, Purchasing, or his designee is authorized to surplus each of the Part 150 mobile homes, regardless of estimated value, prior to sale to the King County Housing Authority. The authority to surplus under this Section 2 supercedes, for this limited purpose only, the disposal of property requirements under RCW 53.08.090 and all Port related property disposal policies.

Section 3. Pursuant to RCW 35.83.060, this Resolution shall take effect immediately upon adoption by a majority of the Port Commissioners present at the meeting at which first introduced, without necessity for a second reading.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting held this 25th day of September, 2007, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.



JOHN CREIGHTON



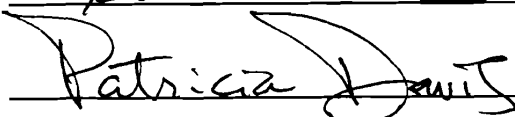
LLOYD HARA



ALEC FISKEN



BOB EDWARDS



PATRICIA DAVIS

Port Commission

Exhibit A
To Resolution No. 3588

MEMORANDUM OF UNDERSTANDING
WSDOT – PORT OF SEATTLE REAL PROPERTY EXCHANGE

This Memorandum of Understanding (MOU) is made and entered into by and between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, an agency of the State of Washington, (WSDOT), and the PORT OF SEATTLE, a municipal corporation of the State of Washington, (PORT). The PORT and WSDOT shall individually be referred to as Party and collectively as “Parties.”

RECITALS

A. The PORT owns certain real property located in King County, Washington that WSDOT requires for its I-5/SR 509 Corridor Completion and Freight Improvement Project, hereinafter called the SR 509 Project.

B. WSDOT owns certain real property located in King County, Washington that the PORT requires for future projects at the Seattle-Tacoma International Airport.

C. It is mutually beneficial for WSDOT and the PORT to exchange properties for their respective projects.

D. The PORT and WSDOT agree to enter into this MOU for the purpose of setting forth in writing the basic understandings between the parties regarding the potential exchange of real property interests between the Parties.

UNDERSTANDINGS

1. Exchange Agreement. The PORT and WSDOT intend to enter into a written Exchange Agreement that will facilitate the acquisition of real property interests by each Party from the other Party through fee title conveyances and leases. The Parties intend the term of the Exchange Agreement to be five (5) years, subject to early termination as may be agreed by the Parties.

2. Consideration. The Parties intend that the cumulative value of each Party’s property interests being granted will be offset against the cumulative value of the other Party’s property interests, with any difference in the values to be paid in cash.

3. Property Interests. The Parties have identified the property interests that may be exchanged under the Exchange Agreement as follows:

3.1 Fee Title. The fee title property interests identified for potential exchange under the Exchange Agreement are set forth in **Exhibit A**, attached hereto and by this reference made a part hereof.

3.2 Leased Premises. The leasehold interests identified for potential exchange under the Exchange Agreement are set forth in **Exhibit B**, attached hereto and by this reference made a part hereof.

3.3 The Parties acknowledge and agree that the properties subject to the Exchange Agreement may change.

3.4 The property interests set forth in this Section shall individually be referred to as Property Interest and collectively referred to as Property Interests.

4. Conditions Precedent to Exchange. The Parties intend that as conditions precedent to the conveyance of a Property Interest under the Exchange Agreement:

4.1 The owner of the Property Interest shall conduct a surplus property review, in accordance with its laws and regulations, and conclude that the Property Interest to be conveyed is surplus to its needs.

4.2 Each party shall obtain the necessary third-party agency authorizations to proceed with the transfer, including but not limited to, federal agency authorizations;

4.3 The Party's must mutually agree upon the fair market value or fair market rental value of the Property Interest to be exchanged; and

4.4 If any condition precedent is not met for a Property Interest, that Property Interest shall be excluded from the Exchange Agreement.

5. Determination of Value. The Parties intend the determination of the fair market value and fair market rental value for the Property Interests, as applicable, under the Exchange Agreement to be made as follows:

5.1.1 WSDOT shall retain, at its sole cost and expense, an appraiser to appraise the fair market value/fair market rental value of each Property Interest. The appraiser shall assume a highest and best use as of the date of the Exchange Agreement and any other assumptions or methods as agreed to in writing by the Parties. WSDOT shall review the appraisal and provide the PORT with a copy of the written appraisal and WSDOT's determination of fair market value for each Property Interest.

5.1.2 The PORT shall, at its sole cost and expense, perform a review of each WSDOT appraisal and determination of fair market value and provide a written concurrence or detailed objection to said determination to WSDOT within fourteen (14) calendar days of receipt of the information provided pursuant to 5.1.1.

5.1.3 In the event WSDOT and the PORT are not able to agree on the fair market value/fair market rental value of a Property Interest, the parties agree to submit the determination of fair market value/fair market rental value to an independent Member Appraisal Institute (MAI) appraiser selected jointly by the Parties (Joint Appraiser). The costs associated with the retention of the Joint Appraiser shall be borne in equal parts by the Parties. The fair

market value/fair market rental value determination of the Joint Appraiser shall be conclusive and binding on both the PORT and WSDOT.

6. Conveyance. The form and timing of each Property Interest conveyance shall be as mutually agreed to in the Exchange Agreement.

7. Cash Payment. The Parties intend to maintain an account of the value of the Property Interests conveyed under the Exchange Agreement and determine the cash payment, if any, as follows:

7.1. Table of Property Values. WSDOT shall maintain a record of each Property Interest conveyed under the Exchange Agreement, including the agreed upon value of the conveyance and a running balance of the cumulative values of each party's conveyances. WSDOT shall make the record available to the PORT upon request.

7.2 Reconciliation.

7.2.1 Within fifteen (15) calendar days after the earlier of termination of the Exchange Agreement or the final conveyance of the last Property Interest, WSDOT shall conduct a reconciliation of the running balance of the values of the Property Interests, as they appear on the Table of Property Values, and give written notice thereof to the PORT, including but not limited to an updated Table of Property Values.

7.2.2 The PORT shall, within fifteen (15) calendar days of receipt of said reconciliation report, provide a written response to WSDOT stating the PORT either, agrees to the reconciliation report or disagrees with the reconciliation report. In the event the PORT disagrees with the report, the PORT shall, as part of its response, also provide the basis for such disagreement and a revised Table of Values.

7.2.3 In the event the PORT disagrees with WSDOT's reconciliation report and provides WSDOT with a response within the prescribed time period, WSDOT shall, within fifteen (15) calendar days of receipt of the PORT's response, provide to the PORT a written statement indicating whether or not it agrees with the PORT's revised Table of Values and reconciliation. In the event WSDOT does not agree, WSDOT and the PORT will invoke an agreed upon dispute resolution process that will be set forth in the Exchange Agreement. In the event WSDOT agrees with the PORT's revised reconciliation report and Table of Values and there is a difference in the cumulative values of the Property Interests conveyed, the Parties shall proceed with the cash payment as set forth in **Section 7.3**.

7.3 Cash Payment. In the event the final Table of Property Values establish the Property Interests conveyed are not of equal value, the party with the lesser cumulative value shall pay the other party the difference between the cumulative value of the Property Interests it conveyed and the cumulative value of the other party's Property Interests conveyed. For

example, and for illustrative purposes only, if the cumulative value of the PORT property interests conveyed to WSDOT is \$4,000,000 and the cumulative value of the WSDOT property interests conveyed to the PORT is \$3,900,000, WSDOT will pay the PORT \$100,000.

8. Cooperation. Each Party agrees to make good faith efforts to negotiate the terms and conditions of the Exchange Agreement and other documents necessary to carry out the intent of the Parties to exchange the Property Interests described herein.

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the dates specified below.

PORT OF SEATTLE
a municipal corporation

STATE OF WASHINGTON
Department of Transportation

By: _____

By: _____

Its: _____

Its: _____