#7

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117911

AN ORDINANCE relating to the City Light Department ("City Light"), declaring certain real property rights surplus and no longer required for providing public utility service or other municipal purpose; authorizing the Superintendent of City Light to execute a Real Property Exchange Agreement between the City of Seattle and Sierra Pacific Industries, Inc. (SPI) for the conveyance of said surplus property and a cash equalization payment of $208,000 in exchange for the conveyance of SPI-owned land to the City in the South Fork of the Nooksack River watershed, Skagit County, Washington for wildlife habitat purposes; authorizing the Superintendent of City Light or his designee to execute Bargain and Sale Deeds for the properties conveyed by the City and accept a Bargain Sale Deed for the lands conveyed to the City; and placing said lands under the jurisdiction of City Light.

WHEREAS, in connection with the relicensing of the Skagit River Hydroelectric Project by the Federal Energy Regulatory Commission and pursuant to Resolution 28349, City Light entered into the Settlement Agreement Concerning Wildlife, incorporating by reference the Wildlife Habitat Protection and Management Plan, (collectively, "Wildlife Agreement"), dated April 1991, with the Washington Department of Wildlife (now, Washington Department of Fish and Wildlife); U.S. Department of the Interior, National Park Service, U.S. Fish and Wildlife Service and Bureau of Indian Affairs; U.S. Department of Agriculture, U.S. Forest Service; Upper Skagit Tribe; Sauk-Suiattle Tribe; Swinomish Indian Tribal Community; and the North Cascades Conservation Council; and

WHEREAS, Ordinance 118226 authorizes the Superintendent of City Light to negotiate for and purchase parcels of land pursuant to the principles and procedures of the Wildlife Agreement; and

WHEREAS, City Light has acquired approximately 10,081 acres of land in Skagit and Snohomish counties to be set aside as wildlife habitat; and

WHEREAS, City Light has conducted a road engineering assessment of the forest road on City-owned property in the South Fork Nooksack River watershed (the"200 Road"), and has determined that the cost of necessary road repairs and improvements for stream passage and drainage would be approximately $300,000-$400,000 between 2012 and 2016 if the City continues to own the land; and

CITY CLERK

WHEREAS, City Light uses the 200 Road with passenger vehicles to infrequently access the City's wildlife habitat land in the South Fork Nooksack River watershed for inspection, land management and administrative purposes; and

WHEREAS, SPI has a permanent access easement for the 200 Road and uses it frequently to access its lands in the South Fork Nooksack River watershed; and

WHEREAS, City Light and SPI have jointly developed a proposed land exchange that would transfer fee title ownership of the 200 Road property from the City to SPI so that City Light will avoid future costs related to road maintenance and repairs, and receive in exchange from SPI fee title to land with wildlife habitat comparable to other City property in the South Fork Nooksack watershed; and

WHEREAS, professional land value appraisals have established the fair market value of the City's 200 Road property at $281,000, and the fair market value of the SPI property at $489,000, respectively; and

WHEREAS, it is in the best interest of the City to exchange its 200 Road property for SPI-owned land in the South Fork Nooksack watershed and increase the total acreage of the City's wildlife habitat land holdings for the Skagit River Hydroelectric Project mitigation by approximately 218 acres, while eliminating the City's long-term road maintenance obligations for Road 200; and

WHEREAS, City Light has conducted the public hearings required by RCW 35.040 before lands and property originally acquired by a city for utility purposes can be sold or conveyed; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Pursuant to RCW 35.94.040 and after public hearing, the following described properties (the "Properties") are declared to be surplus to the City's needs and no longer required for providing continued public utility service or other municipal purpose:

"Property A"

All in Township 36 North, Range 6 East, W.M., Skagit County, Washington, the property described as follows:

Portions of Section 14, described as follows:

The North 1,000 feet of the Northwest 1/4 of the Southwest 1/4; AND the West 200 feet of north 655 feet of Government Lot 2; AND The North 655 feet of Government Lot 3;

Portions of Section 15, described as follows:

The Southeast 1/4 of the Northeast 1/4 of the Southeast 1/4; AND The East 1/2 of the Southeast 1/4 of the Southeast 1/4 Except the East 200 Feet of said Southeast 1/4 of the Southeast 1/4; AND the East 200 feet of the West Half of the Southeast 1/4 of the Southeast 1/4; AND the East 200 feet of the Southwest 1/4 of the Northeast 1/4 of the Southeast Quarter;

Portions of Section 22, described as follows:

Government Lot 1 except the Eastern 200 feet of said Government Lot 1; AND, all of Government Lot 2 except the North 670 feet thereof, also except the West 670 feet thereof;

AND, all of U.S. Government Lot 7, except the South 1,250 feet of Government Lot 7; also except the West 260 feet of Government Lot 7; also except all that portion lying Southerly of a line that is parallel with and 30 feet Northerly of the center line of that certain existing private road known as Road 300; also except all that portion of a line that is parallel with and 30 feet Southerly of the center line of that certain existing private road known as Road 100.

An access easement is reserved by the City across Property A over Road 200. Due to its de minimus use of this road to inspect its conservation properties on an infrequent basis, the City will not be responsible for any costs associated with maintenance, repair, or replacement of the roadway unless such maintenance, repair or replacement is solely caused by the negligent or wrongful acts of the City.

"Property C"

In Township 36 North, Range 6 East, W.M., Skagit County, Washington, the property described as follows:

Portions of Section 12

The following described lands, easements, rights, and property, over and across the South ½ of the Southeast ¼, lying northwesterly of a line parallel to and 100 feet southeasterly of the centerline of the existing forest road known as the "200 Road", said centerline more particularly described as:

Beginning at the Northwest corner of the Southwest ¼ of the Southeast ¼ of said Section 12, thence South 0° 43' East a distance of 466 feet along the West line of said Southwest ¼ of the Southeast ¼ to the true point of beginning (basis of bearing Demeyer survey at AF 200806300108),

thence North 57° East a distance of 51 feet, thence North 51° East a distance 330 feet, thence North 47° East a distance of 165 feet, thence North 38° East a distance of 74 feet, thence North 27° East a distance of 69 feet to a point on the North line of said Southwest ¼ of the Southeast ¼ which true point of ending lies approximately 477 feet easterly of the Northwest corner of the Southwest ¼ of the Southeast ¼ of said Section 12 along said North line, or as existed on September 1, 2011;

An access easement is reserved by the City across Property C over Road 200. Due to its de minimus use of this road to inspect its conservation properties on an infrequent basis, the City will not be responsible for any costs associated with maintenance, repair, or replacement of the

roadway unless such maintenance, repair or replacement is solely caused by the negligent or wrongful acts of the City.

"Property A2"

In Township 36 North, Range 6 East, W.M., Skagit County, Washington, the property described as follows:

Portions of Section 13

Commencing at the North 1/4 corner of Section 13, T36N, R6E., W.M., thence Westerly 1303.59' along the North line of Section 13 to the West 1/16th on the North line of Section 13, which is a 5/8" rebar/1" plastic cap marked "NWS & GPS, LS 21423, and the true point of beginning; thence Southerly 365 feet along the west line of the NE 1/4 of the NW 1/4 of Section 13, thence Northeasterly, 772 feet more or less to a point on the north line of Section 13 which is 680 feet Easterly from the point of beginning, thence, Westerly 680 feet along the north line of Section 13 to the point of beginning,

An access easement is reserved by the City across Property A2 over Road 200. Due to its de minimus use of this road to inspect its conservation properties on an infrequent basis, the City will not be responsible for any costs associated with maintenance, repair, or replacement of the roadway unless such maintenance, repair or replacement is solely caused by the negligent or wrongful acts of the City.

Section 2. The Superintendent of the City Light Department ("Superintendent"), or his designee, is authorized to execute on behalf of The City of Seattle the "Real Property Exchange Agreement Between The City of Seattle & Sierra Pacific Industries DBA Sierra Pacific Industries, Inc.," attached hereto as Attachment "1," ("Exchange Agreement").

Section 3. The Superintendent or his designee is further authorized, in accordance with the Exchange Agreement, to execute and deliver Bargain and Sale Deeds, substantially in the form as attached hereto as Attachments 2 and 3, conveying the Properties and reserving to the City a permanent road access easement on, over, and through said Properties.

Section 4. The Superintendent or his designee is further authorized, in return for conveying the Properties and providing a cash equalization payment of $208,000 to SPI in accordance with the Exchange Agreement, to accept for and on behalf of the City from SPI a Bargain and Sale Deed for conveyance of approximately 349.9 acres of land located in the South Fork of the Nooksack River watershed, Skagit County, Washington for wildlife habitat purposes, described as follows:

"Property B"

The West ½ and the West ½ of the Southeast ¼ of Section 2, Township 36 North, Range 7 East, W.M., EXCEPTING THEREFROM that portion of the West ½ of the Southwest ¼ of Section 2, Township 36 North, Range 7 East, W.M., lying Westerly of a line drawn parallel with and 30 feet Westerly of the centerline of an existing private road known as Road 300. Situate in the County of Skagit, State of Washington.

The property described in this Section will be under the jurisdiction of Seattle City Light. The Bargain and Sale Deed for Property B shall be substantially in the form attached hereto as Attachment 4.

Section 5. The Superintendent or his designee is further authorized to execute all such other documents as may be deemed necessary or desirable to effectuate the real property conveyances authorized herein.

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2013, and signed by me in open session in authentication of its passage this _____ day of _____, 2013.

_____

President _____of the City Council

Approved by me this ____ day of _____, 2013.

_____

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2013.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Attachment 1 – Real Property Exchange Agreement

Attachment 2 – Bargain and Sale Deed - Property A

Attachment 3 – Bargain and Sale Deed – Properties C and A2

Attachment 4 – Bargain Sale Deed – Property B

REAL PROPERTY EXCHANGE AGREEMENT BETWEEN THE CITY OF SEATTLE & SIERRA PACIFIC INDUSTRIES DBA SIERRA PACIFIC INDUSTRIES, INC.

THIS REAL PROPERTY EXCHANGE AGREEMENT (the "Agreement") is entered into this ____ day of _____, 2013 by and between the City of Seattle, a municipal corporation of the City of Seattle, by and through its City Light Department, 700 – 5th Avenue, Suite 3300, Post Office Box 34023, Seattle, WA 98124-4023 (the "City") and Sierra Pacific Industries, dba Sierra Pacific Industries, Inc., 14353 McFarland Road, Mount Vernon, WA 98273, a California Corporation (collectively "SPI").

WHEREAS, the City is the owner of certain real property located in Skagit County, Washington as legally described on Exhibit A, attached hereto and incorporated by this reference ("the City Property" or "Property A"), and

WHEREAS, SPI is the successor in interest to the Sierra Pacific Holding Company and the owner of certain real property located in Skagit County, Washington as legally described on Exhibit B, attached hereto and incorporated by this reference ("the SPI Property" or "Property B"), and

WHEREAS, the City is the owner of certain real property located in Skagit County, Washington as legally described on Exhibit C, attached hereto and incorporated by this reference ("Property C"), and

WHEREAS, the City is the owner of certain real property located in Skagit County, Washington as legally described on Exhibit D, attached hereto and incorporated by this reference ("Property A2"), and

WHEREAS, the City and SPI have each determined that the portions of the forest road known as the "Road 200" that exist on Properties A, C, and A2 would best be under fee title ownership of a timber company since SPI and other timber companies use this road regularly for business purposes and need the road to be maintained for their large hauling trucks, and the City uses "Road 200" infrequently to inspect its conservation lands in the area and only needs an access easement over the road to reach such conservation lands, and

WHEREAS, the City and SPI have also determined that the Property B, being high-quality habitat adjacent to other City-owned conservation lands and US Forest Service lands, would benefit by being transferred to City ownership to be managed for habitat conservation purposes consistent with the adjacent City conservation lands, and

WHEREAS, the fair market values of the Properties A, C and A2, as compared to Property B are not equal, as determined by recent appraisals prepared for each property; and

WHEREAS, Properties C and A2 are small parcels of City-owned property that are not adjacent to SPI-owned property, as legally described on Exhibits C and D, attached hereto and incorporated by this reference; and

WHEREAS, Properties C and A2 contain portions of Road 200 that SPI and the City want to be under ownership of a timber company that will maintain these segments of the road; and

WHEREAS, SPI does not own property adjacent to Properties C and A2 but another timber company, Bloedel Timberland Development Inc. ("Bloedel"), does own adjacent property, and the City will need to transfer Properties C and A2 to Bloedel to avoid creation of substandard lots and achieve the objective of placing these segments of Road 200 under ownership of a timber company. SPI will use the value of Properties C and A2 as partial compensation toward a separate land exchange between SPI and Bloedel, as more particularly described in a separate agreement between SPI and Bloedel (the "SPI/Bloedel Exchange"); and

WHEREAS, SPI and the City desire to provide for the exchange of Property A from the City to SPI, for the exchange of Property B from SPI to the City, and for the transfer of Properties C and A2 from the City to Bloedel;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other valuable consideration, the mutual receipt and sufficiency of which is hereby acknowledged by the City and SPI, the parties agree as follows:

1.0 City Conveyance of Property A to SPI. At closing, the City shall provide for the direct conveyance of Property A to SPI, subject to the contingencies and the terms and conditions of this Agreement. The legal description of Property A is set forth in Exhibit A, and the conveyance to SPI shall include the following:

(a) Conveyance of Property A by Bargain and Sale Deed, in a form substantially similar to that attached to this Agreement as Exhibit E; and

(b) All improvements, located upon or within said Property A, including the portions of Road 200 within Property A; and

(c) A cash equalization payment of Two Hundred Eight Thousand Dollars ($208,000); and

(d) An access easement reserved by the City across Property A over Road 200 from its junction with Road 100 in sections 14, 15, and 22 of T36N, R6E; and

(e) All other easements, rights of way and other rights used in connection with Property A.

2.0 SPI Conveyance of Property B to City. At closing, SPI shall provide for the direct conveyance of Property B to the City, subject to the contingencies and the terms and conditions of this Agreement. The legal description of Property B is set forth in Exhibit B, and the conveyance to the City shall include the following:

(a) Conveyance of Property B by Bargain and Sale Deed, in a form substantially similar to that attached to this Agreement as Exhibit F; and

(b) All improvements, if any, located upon or within Property B; and

(c) All easements, rights of way and other rights used in connection with Property B.

3.0 City Conveyance of Properties C and A2. At closing, the City shall provide for the conveyance of Properties C and A2 by Bargain and Sale Deed to Bloedel, subject to the contingencies and the terms and conditions of this Agreement. The legal descriptions of Properties C and A2 are set forth in Exhibits C and D, and the conveyances to Bloedel shall include the following:

(a) All improvements, located upon or within said Properties C and A2, including the portions of Road 200 within Properties C and A2; and

(b) An access easement reserved by the City across Properties C and A2 over Road 200 in sections 12 and 13 of T36N, R6E; and

(c) All other easements, rights of way and other rights used in connection with Properties C and A2.

The City shall execute a Bargain and Sale Deed in the form attached to this Agreement as Exhibit G, to be held in escrow for SPI to use as part of the SPI/Bloedel Exchange. Said Bargain and Sale Deed for Properties C and A2 shall be recorded at Closing subsequent to recording of the deeds for Properties A and B.

4.0 Property Appraisals and Values. The properties described in Exhibits A, B, and C (Properties A, B, and C) are the subjects of independent appraisals prepared by International Forestry Consultants, Inc., dated December 17, 2010 and amended June 30, 2011 and reviewed by S.A. Newman Firm dated July 7, 2011. An Update Amendment to the Appraisal was completed by International Forestry Consultants, Inc., on June 10, 2012 to reflect minor adjustments in boundaries Properties A & C and the addition of Property A2 to encompass all City segments of the Road 200. The City and SPI acknowledge and agree that, as determined by such Appraisals, Properties A, C, and A2 together have a current market value of Two Hundred Eighty-One Thousand Dollars ($281,000), and Property B has a current market value of Four Hundred Eighty-Nine Thousand Dollars ($489,000). The City and SPI agree to exchange their respective properties (including the transfer of Properties C and A2 to Bloedel as partial consideration by SPI for the SPI/Bloedel Exchange), with the City making up the difference between the valuations through a cash equalization payment in the amount of Two Hundred Eight Thousand Dollars ($208,000) to be provided to SPI at closing as provided in Section 1.0 (c) of this Agreement. In the event that Property C or A2 are not transferred to Bloedel for the benefit of SPI per this Agreement, the City and SPI agree that the current market value of Property C is Ten Thousand Four Hundred Fifty Eight Dollars ($10,458) and the current market value of Property A2 is Six Thousand Eighty-Five Dollars ($6,085) and the City would have to make an additional cash equalization payment in these amounts to SPI to satisfy this Agreement.

5.0 Contingencies to Closing.

5.1 The City's Contingencies to Closing. The City's obligations pursuant to this Agreement are expressly contingent upon satisfaction of, or the City determining in its sole discretion to waive, each of the following contingencies. The City shall have the following specified time periods from the date of mutual execution of this Agreement to waive and remove the City's contingencies:

5.1.1 Condition of Title. Upon mutual acceptance of this Agreement, SPI shall cause Land Title Company of Skagit County (the "Title Company") to issue a supplement to the preliminary commitment, Second Schedule A, for standard owner's policy of title insurance dated October 28, 2010, for SPI's property (Property B), as described in Exhibit B, together with full copies of any exceptions set forth therein (the "Preliminary Commitment"). The City shall have ten (10) days after delivery of the Preliminary Commitment within which to notify SPI, in writing, of the City's disapproval of any exceptions shown on the Preliminary Commitment. If at any time prior to Closing, the Title Company issues an updated Commitment with any additional exceptions to title not shown on the Commitment, SPI shall remove or cure such defects or cause the Title Company to insure over said defects and all other exceptions at Closing.

If the City disapproves any of the exceptions or defects set forth in the Preliminary Commitment, SPI shall have five (5) days from delivery of the City's notice to eliminate any disapproved exceptions from the policy of title insurance to be issued in favor of the City, provided, that all monetary encumbrances and liens, if any, shall be deemed automatically disapproved and shall be paid by SPI at Closing; and provided, further that, if such exception or defects cannot be eliminated within such five (5) day period, SPI may notify the City in writing of SPI's agreement to remove such exceptions or defects, in which case such exceptions or defects shall be removed from title prior to closing.

If disapproved exceptions are not eliminated within said five (5 day period, or if SPI fails to notify the City within five (5) days of its willingness to remove such exceptions prior to Closing, or if SPI notifies the City in writing that SPI will not eliminate the same, then this Agreement shall terminate, and neither the City nor SPI shall have any further rights, duties or obligations hereunder, unless within two (2) days after the earlier of (i) the expiration of said five (5) day period, or (ii) the date that SPI notifies the City that SPI will not eliminate the disapproved exceptions, the City waives its prior disapproval and elects to proceed with Closing subject to the disapproved exception with no reduction in the agreed value of Property B.

5.1.2 Inspection. The City has ten (10) days from the date of mutual execution of this Agreement within which to fully examine all aspects and

conditions of Property B and to determine that this property and its conditions are fully acceptable for the City's intended purpose. If the City does not notify SPI of its disapproval of the inspection within the time period set forth herein, this contingency shall be deemed waived.

5.1.3 Transfer of Title to Properties C and A2. The City shall transfer title to Properties C and A2 by giving instructions to escrow to record the Bargain and Sale Deed (Exhibit G). Said Bargain and Sale Deed shall be recorded at Closing subsequent to and only in the event that recording of the Bargain and Sale Deeds for Properties A and B has occurred. However, in the event that SPI notifies the City prior to Closing that it has elected not to proceed with the SPI/Bloedel Exchange, the City shall compensate SPI for the fair market value of Property C in the amount of Ten Thousand Four Hundred Fifty Eight Dollars ($10,458) and for the fair market value of Property A2 in the amount of Six Thousand Eighty-Five Dollars ($6,085) and the unrecorded deed from the City to Bloedel being held in escrow shall be returned to the City.

5.1.4 Waiver of Contingencies. If the City notifies SPI in writing that the contingencies set forth herein have been waived, or if the contingencies otherwise are satisfied or expire on their own terms, the Closing of this transaction shall thereafter proceed in accordance with the terms of this Agreement.

5.1.5 The conditions contained in Subsection 5.1 of this Agreement are intended solely for the benefit of the City. Except as otherwise expressly provided herein, if any of the foregoing conditions are not satisfied, the City will have the right, at its sole election, either to waive the condition in question and proceed with the exchange at Closing, or in the alternative to terminate this Agreement by the delivery of timely written notice to SPI, whereupon, except as otherwise provided in the Agreement, neither party will have any further rights, duties or obligations under this Agreement.

5.1.6 The Planning & Development Services department of the County of Skagit, State of Washington (the "County"), shall have agreed to execute all documentation necessary to allow the transfer of Properties C and A2 to Bloedel by the City without the requirement of a formal Boundary Line Adjustment. In the event the County shall have determined prior to Closing that a formal Boundary Line Adjustment will be required, the City and SPI

shall have thirty (30) days (or such longer period as may be agreed between the City and SPI) after notification by the County of such requirement within which to determine whether to: 1) comply with the County's requirement of a formal Boundary Line Adjustment for Properties C and A2 and proceed with the transactions contemplated by this Agreement, 2) amend this Agreement to remove Properties C and A2 altogether from this transaction, or 3) mutually terminate this Agreement with no further rights, duties or obligations of either party under this Agreement.

5.2 SPI's Contingencies to Closing. SPI's obligations pursuant to this Agreement are expressly contingent upon the satisfaction of, or SPI determining in its sole discretion to waive, each of its contingencies. SPI shall have the following specified time periods from the date of mutual execution of this Agreement to waive and remove the following contingencies:

5.2.1 Condition of Title. Upon mutual acceptance of this Agreement, SPI shall cause Land Title Company of Skagit County (the "Title Company") to issue a supplement to the preliminary commitment, Second Schedule A, for standard owner's policy of title insurance dated October 28, 2010, for the City's property (Property A), as described in Exhibit A, together with full copies of any exceptions set forth therein (the "Preliminary Commitment"). SPI shall have ten (10) days after delivery of the Preliminary Commitment within which to notify the City, in writing, of SPI's disapproval of any exceptions shown on the Preliminary Commitment. If at any time prior to Closing, the Title Company issues an updated Commitment with any additional exceptions to title not shown on the Commitment, the City shall remove or cure such defects or cause the Title Company to insure over said defects and all other exceptions at Closing.

If SPI disapproves any of the exceptions or defects set forth in the Preliminary Commitment, the City shall have five (5) days from delivery of SPI's notice to eliminate any disapproved exceptions from the policy of title insurance to be issued in favor of SPI, provided, that all monetary encumbrances and liens, if any, shall be deemed automatically disapproved and shall be paid by the City at Closing; and provided, further that, if such exception or defects cannot be eliminated within such five (5) day period, the City may notify SPI in writing of the City's agreement to remove such exceptions or defects, in which case such exceptions or defects shall be removed from title prior to closing.

If disapproved exceptions are not eliminated within said five (5 day period, or if the City fails to notify SPI within five (5) days of its willingness to remove such exceptions prior to Closing, or if the City notifies SPI in writing that the City will not eliminate the same, then this Agreement shall terminate, and neither SPI nor the City shall have any further rights, duties or obligations hereunder, unless within two (2) days after the earlier of (i) the expiration of said five (5) day period, or (ii) the date that the City notifies SPI that the City will not eliminate the disapproved exceptions, SPI waives its prior disapproval and elects to proceed with Closing subject to the disapproved exception with no reduction in the agreed value of Property A.

5.2.2 Inspection. SPI has ten (10) days from the date of mutual execution of this Agreement within which to fully examine all aspects and conditions of Property A and to determine that this property and its conditions are fully acceptable for SPI's intended purpose. If SPI does not notify the City of its disapproval of the inspection within the time period set forth herein, this contingency shall be deemed waived.

5.2.3 Waiver of Contingencies. If SPI notifies the City in writing that the contingencies set forth herein have been waived, or if the contingencies otherwise are satisfied or expire on their own terms, the Closing of this transaction shall thereafter proceed in accordance with the terms of this Agreement.

5.2.4 The conditions contained in Subsection 5.2 of this Agreement are intended solely for the benefit of SPI. Except as otherwise expressly provided herein, if any of the foregoing conditions are not satisfied, SPI will have the right, at its sole election either to waive the condition in question and proceed with the exchange at Closing, or in the alternative to terminate this Agreement by the delivery of timely written notice to the City, whereupon, except as otherwise provided in the Agreement, neither party will have any further rights, duties or obligations under this Agreement.

5.2.5 The County shall have agreed to execute all documentation necessary to allow the transfer of Properties C and A2 to Bloedel by the City without the requirement of a formal Boundary Line Adjustment. In the event the County shall have determined prior to Closing that a formal Boundary Line

Adjustment will be required, the City and SPI shall have thirty (30) days (or such longer period as may be agreed between the City and SPI) after notification by the County of such requirement within which to determine whether to: 1) comply with the County's requirement of a formal Boundary Line Adjustment for Properties C and A2 and proceed with the transactions contemplated by this Agreement, 2) amend this Agreement to remove Properties C and A2 altogether from this transaction, or 3) mutually terminate this Agreement with no further rights, duties or obligations of either party under this Agreement.

6.0 Closing and Escrow.

6.1 Escrow Agent. Upon mutual execution of this Agreement, the parties shall cause to be delivered an executed counterpart with Land Title Company of Skagit County, P.O. Box 445, 111 East George Hopper Road, Burlington, WA 98233 (the "Escrow Agent"). For consummation of the exchange contemplated hereby, the City and SPI shall execute such additional and supplementary escrow instructions as may be reasonable or appropriate to enable the Escrow Agent to comply with the terms of this Agreement. In the event of a conflict between the provisions of this Agreement and any escrow instructions, the terms of this Agreement shall govern.

6.2 Closing Date. The exchange transaction set forth in this Agreement shall be closed by December 31st, 2013, subject only to the satisfaction of the contingencies set forth herein.

6.3 Conveyance of Title to Property A. On the Closing Date, the City shall convey to SPI title to Property A, by Bargain and Sale Deed, subject to the City's reservation of an access easement across Property A over Road 200, and the exceptions to title approved by SPI. Prior to or concurrent with the delivery of the Bargain and Sale Deed, the City shall also deliver or cause to be delivered to SPI, for SPI's benefit, a final Standard Coverage Owner's Policy of Title Insurance for the Property, in SPI's name and in the amount of the appraised value of $264,457 for the City's property described in Exhibit A. The final title policy shall contain only those permitted exceptions approved by SPI pursuant to this Agreement.

6.4 Conveyance of Title to Property B. On the Closing Date, SPI shall convey to the City title to its property described in Exhibit B, by Bargain and Sale Deed, subject only to the exceptions to title approved by the City. Prior to or concurrent with the

delivery of the Bargain and Sale Deed, SPI shall also deliver or cause to be delivered to the City, for the City's benefit, a final Standard Coverage Owner's Policy of Title Insurance for the Property, in the City's name and in the amount of the appraised value of $489,000 for SPI's property described in Exhibit A. The final title policy shall contain only those permitted exceptions approved by the City pursuant to this Agreement.

6.5 Conveyance of Title to Properties C and A2. The City shall deliver to escrow a separate Bargain and Sale Deed for Properties C and A2, in the same or similar form as shown in Exhibit G, naming Bloedel Timberlands Development Inc. as Grantee, subject to the City's reservation of an access easement across Property C over Road 200. Said Bargain and Sale Deed shall be recorded at Closing subsequent to and only in the event that recording of the Bargain and Sale Deeds for Properties A and B has occurred. Prior to or concurrent with the delivery of the Bargain and Sale Deed, the City shall also deliver or cause to be delivered to Bloedel, for SPI's benefit, a final Standard Coverage Owner's Policy of Title Insurance for the Property, in Bloedel's name and in the amount of the appraised value of $10,458 for the City's property described in Exhibit C and in the amount of the appraised value of Six Thousand Eighty-Five Dollars ($6,085) for the City's property described in Exhibit D. However, in the event that SPI notifies the City prior to Closing that it has elected not to proceed with the SPI/Bloedel Exchange, the City shall compensate SPI for the fair market value of Property C in the amount of Ten Thousand Four Hundred Fifty Eight Dollars($10,458) and the fair market value of Property A2 in the amount of Six Thousand Eighty-five Dollars ($6,085) , and said Bargain and Sale Deed being held in escrow shall not be recorded, and shall be returned to the City. Both the cash value and deed for Properties C and A2 shall be held in escrow to cover both of these compensation options.

6.6 Prorations. All taxes and assessments for the exchanged properties shall be respectively prorated as of the Date of Closing between the two parties. SPI and the City shall cooperate to obtain a waiver for any taxes, interest, and penalties for withdrawal of land designated as Classified Forest Lands, subject to the provisions of RCW 84.33.

6.7 Closing Costs. On Closing, the parties shall share equally: (i) all recording fees; and (ii) escrow fees charged by the Escrow Agent.

With respect to the City's property (Properties A, C and A2), the City is exempt from paying real estate excise and property taxes and compensating taxes associated with the exchange but will pay the premium for the owner's standard form of title insurance to be issued by the Title Company for the benefit of SPI in the amount of the $281,000 appraised value of its property described in Exhibits A, C, and D. SPI shall pay the cost of any other title insurance, including any extended coverage and any endorsement thereto that SPI may require.

With respect to SPI's property, SPI shall pay any and all real estate excise and property taxes and compensating taxes associated with the exchange, and the premium for the owner's standard form of title insurance to be issued by the Title Company for the benefit of the City in the amount of the $489,000 appraised value of its property described in Exhibit B. The City shall (i) pay the cost of any other title insurance, including any extended coverage and any endorsement thereto that the City may require.

6.8 Closing Obligations of the City. At Closing, the City shall deliver to the Escrow Agent the following duly executed and acknowledged documents and cash (where appropriate):

6.8.1 Two Bargain and Sale Deeds sufficient to convey fee simple title to Properties A, C and A2, as legally described in Exhibits A, C, and D and in a form similar to Exhibits E and G, attached to this Agreement, subject only to the title exceptions approved by SPI pursuant to this Agreement, and the reserved access easement by the City over Road 200 on Properties A, C and A2.

6.8.2 Cash difference between the appraised value of the City's property and SPI's property, which is a total of Two Hundred and Eight Thousand Dollars ($208,000)

6.8.3 Additional cash in the amount of Sixteen Thousand Five Hundred Forty-Three Dollars ($16,543) in the event that the Bargain and Sale Deed for Properties C and A2 to Bloedel is not recorded in accordance with Section 6.5.

6.8.4 A Closing statement in form and content reasonably satisfactory to SPI.

6.8.5 A signed Real Estate Excise Tax Affidavit.

6.9 Closing Obligations of SPI. At Closing, SPI shall deliver to the Escrow Agent the following duly executed and acknowledged documents (where appropriate):

6.9.1 Bargain and Sale deed sufficient to convey fee simple title to Property B, as legally described in Exhibit B, in a form similar to Exhibit F, attached to this Agreement, subject only to the title exceptions approved by the City pursuant to this Agreement.

6.9.2 Closing statement in form and content reasonably satisfactory to the City.

6.9.3 A signed Real Estate Excise Tax Affidavit.

6.10 Possession. The City shall be entitled to possession of Property B, and SPI shall be entitled to possession of Property A upon Closing. SPI shall be benefitted by the transfer of Properties C and A2 to Bloedel and Bloedel shall be entitled to possession of Properties C and A2 as provided by the agreed terms of the SPI/Bloedel Exchange.

7.0 Miscellaneous Covenants.

7.1 Reservation of City Access Easement. In conjunction with this Agreement, the City will reserve an access easement for the portions of Road 200 that pass through Properties A, C, and A2 in the Bargain and Sale Deeds for those properties. Due to its de minimus use of this road to inspect its conservation properties on an infrequent basis, the City will not be responsible for any costs associated with maintenance, repair, or replacement of the roadway unless such maintenance, repair or replacement is solely caused by the negligent or wrongful acts of the City. The covenants set forth herein shall survive termination of this Agreement.

7.2 Indemnification. SPI shall indemnify, defend and hold harmless the City from and against any and all loss, claims, demands, causes of action, liability, liens and encumbrances, costs and expenses, including all out-of-pocket litigation costs and the reasonable fees and expense of counsel, to the extent caused by any act or omission of SPI, (a) related in any way to the Properties A, B, C, or A2 and occurring or arising before the Closing, or in any way related to or arising from any act, omission or

agreement of SPI on, before or after Closing; and (b) arising out of the inaccuracy in or breach of any representation or warranty of SPI, or any breach or default by SPI under this Agreement. The City shall notify SPI in writing of the nature of any claim for indemnification.

The City shall indemnify, defend, and hold harmless SPI from and against any and all loss, claims, demands, causes of action, liability, liens and encumbrances, costs and expenses, including all out-of-pocket litigation costs and the reasonable fees and expense of counsel, to the extent caused by any act or omission of the City, (a) related in any way to the Properties A, B, C, or A2 and occurring or arising before the Closing, or in any way related to or arising from any act, omission or agreement of the City on, before or after Closing; and (b) arising out of the inaccuracy in or breach of any representation or warranty of the City, or arising out of any breach or default by the City under this Agreement. SPI shall notify the City in writing of the nature of any claim for indemnification. This Section shall survive termination or expiration of this Agreement.

7.3 Representations and Warranties. Both the City and SPI hereby make the following representations and warranties about their respective properties to be exchanged in accordance with this Agreement, as of Closing:

7.3.1 To the best knowledge of such party, there are no parties or trespassers in possession of, or which have a right to possess all or any portion of the Property, and there are no leases or licenses affecting the Property.

7.3.2 Such party has complied in all material respects with all applicable laws, ordinances, regulations, statutes and rules relating to the Property, and every part thereof, and has not received nor is aware of any notification from any governmental authority having jurisdiction, requiring any work to be done on the Property or advising of any condition (including without limitation hazardous wastes) which would render the Property unusable or affect the usability or value of the Property or any part thereof for the purposes of the each party.

7.3.3 Such party shall not and has not entered into any leases, trust deeds, mortgages, restrictions, encumbrances, liens, licenses or other instruments or agreements affecting the Property (each, an "Instrument") without the prior written consent of the other party from and after the date of this Agreement.

Such party shall not assume nor be deemed to have assumed any obligation or liability under any such Instrument without its express written agreement to do so.

7.3.4 Such party is not holding fee title as nominee for any other person or entity.

7.3.5 Neither the execution nor delivery of this Agreement, nor consummation of the transaction contemplated hereby, nor fulfillment of, nor compliance with the terms and conditions hereof, contravenes any provision of any law, statute, rule or ordinance to which such party or the properties being exchanged are subject, or conflicts with or results in a breach of or constitutes a default under any of the terms or conditions of any agreement or instrument to which the City and SPI are a party or by which they are bound, or constitutes a default under any of the foregoing and there exists no default in respect to any obligation pertaining to the properties being exchanged.

7.3.6 No labor, materials or services have been furnished in, on or about the exchange properties or any part thereof as a result of which any mechanics', laborers', or material persons' liens or claims might arise.

7.3.7 Such party shall not be required, by virtue of the transaction contemplated by this Agreement, to satisfy any obligation of the other party.

7.3.8 Such party is not in default and there has occurred no uncured event which, with notice, the passage of time or both would be a default under any contract, transaction, agreement, lease, encumbrance or other instrument pertaining to its Property.

7.3.9 There is no litigation either pending or, to the best of such party's knowledge, threatened, which could now or in the future in any way constitute a lien, claim or obligation of any kind on its Property, affect the use, ownership or operation of its Property or otherwise adversely affect its Property. For purposes of this subsection, "litigation" includes any lawsuit, action, administrative proceeding, governmental investigation and all other proceedings before any tribunal having jurisdiction over such party or its Property.

7.3.10 To the best of such party's knowledge: 1) its Property does not contain and has not been used in any manner for the production or storage of any hazardous or toxic substance, material or waste; 2) there has been no discharge, deposit, or dumping of hazardous or toxic substances, materials or wastes on the properties; and 3) there exists no contamination on or in the properties of soil, groundwater or otherwise.

7.3.11 To such party's knowledge, its Property does not contain underground tanks of any type, or any materials containing or producing any polychlorinated biphenyls or any asbestos.

7.3.12 To such party's knowledge, there are no surface or subsurface conditions with respect to its Property which constitute or with the passage of time may constitute a public or private nuisance.

7.3.13 To such party's knowledge, there are no easements, tenancies or rights of way which have been acquired by prescription or which are otherwise not of record that encumber or may encumber its Property. There are no disputes, claims or actions involving the location of any fence or other monumentation of its Property's boundaries nor any claims or actions involving the location of any fence or boundary.

8.0 Default. If either party fails, without legal excuse, to complete the exchange provided for herein, the defaulting party shall pay to the non-defaulting party the sum of Two Thousand Dollars ($2,000) as agreed and liquidated damages, and not as a penalty, as the non-defaulting party's sole and exclusive remedy for the defaulting party's breach. Upon receipt of such amount by the non-defaulting parting, the parties shall be relieved of any further obligations or liability hereunder.

_____ The City's Initials _____ SPI's Initials

9.0 Covenant to Maintain.

9.1 <u>The City's Covenants.</u> The City shall maintain Properties A, C, and A2 in their current condition. The City agrees that it will not damage, dissipate, nor commit waste on any portion of Properties A, C, or A2, nor through inaction permit any damage, dissipation or

waste on any portion of its property, between the date of acceptance of this Agreement and the Closing Date. The City shall surrender Property A to SPI and Properties C and A2 to Bloedel in good condition as exists on the date of this Agreement.

9.2 SPI's Covenants. SPI shall maintain Property B in its current condition. SPI agrees that it will not damage, dissipate, nor commit waste on any portion of Property B, nor through inaction permit any damage, dissipation or waste on any portion of Property B, between the date of acceptance of this Agreement and the Closing Date. SPI shall surrender Property B to the City in good condition as exists on the date of this Agreement.

10.0 Notices. All notices, demands, consents, approvals and other communications which are required or allowed to be given by either party to the other hereunder shall be in writing and shall be either (i) hand delivered to the other party; (ii) sent by the United States regular mail, postage prepaid, return receipt requested, or (iii) delivered by a duly licensed and reliable professional same-day or overnight courier, all addressed to the appropriate party at its address set forth below, or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals and other communication shall be deemed given when delivered or three days after mailing to the following addresses:

To the City:

SEATTLE CITY LIGHT
REAL ESTATE SERVICES
ATTENTION: MARY DAVIS
700 – 5th AVENUE, SUITE 3300
POST OFFICE BOX 34023
SEATTLE, WA 98124-4023

To SPI:

SIERRA PACIFIC INDUSTRIES
ATTENTION: JOHN GOLD
14353 Mc FARLAND ROAD
MOUNT VERNON, WA 98273

11.0 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts.

12.0 Brokers and Finders. Each party represents and warrants to the other that, to such party's knowledge, no broker, agent or finder is involved in this transaction. In the event any broker or other person makes a claim for a commission or finder's fee based upon the transaction contemplated by this Agreement, the party through whom said broker or other person makes its claim will indemnify and hold harmless the other party from said claim and

all liabilities, costs, and other expenses related thereto, including but not limited to, reasonable attorneys' fees, which may be incurred by such other party in connection with such claim. This indemnity shall survive the closing of this transaction.

13.0 Amendments. This Agreement may be amended or modified only by a written instrument executed by both parties to this Agreement.

14.0 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Washington. Venue for any dispute arising hereunder shall be in King County, Washington.

15.0 Attorney's Fees. If either party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the party not prevailing in the dispute will pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights under this Agreement, including without limitation, court costs and reasonable attorney's fees, whether incurred at the pre-trial, trial or appeals level and including arbitration fees, if any.

16.0 Time is of the Essence. Time is of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

17.0 Waiver. Neither the City's nor SPI's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.

18.0 Assignment. Neither party may assign this Agreement without the other party's prior written consent, which may be withheld for any reason.

19.0 Negotiation and Construction. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party.

20.0 Additional Acts. Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by any party hereto, the parties agree to perform, execute and/or deliver, or cause to be performed, executed and/or delivered, any and all such further acts, deeds and assurances which may reasonably be required to effect the transactions described in this Agreement.

21.0 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the exchange of properties, as described in Exhibits A, B, and C, and supersedes all prior agreements and understandings, oral or written, between the parties relating to the subject matter of this Agreement.

22.0 Authorization. Each of the individuals executing this Agreement warrants and represents to the other that he or she has the full power and authority to enter into this Agreement on behalf of the entity that such party purports to represent.

23.0 Exhibits. The following exhibits are attached and shall be incorporated into the Agreement by reference:

Exhibit A	Legal description of City's Property A to be exchanged
Exhibit B	Legal description of SPI's Property B to be exchanged
Exhibit C	Legal description of City Property C to be deeded to Bloedel
Exhibit D	Legal description of City Property A2 to be deeded to Bloedel
Exhibit E	Bargain and Sale Deed for Property A from City to SPI
Exhibit F	Bargain and Sale Deed for Property B from SPI to City
Exhibit G	Bargain and Sale Deed for Properties C and A2 from City to Bloedel
Exhibit H	Map

The parties have executed this Agreement as of the date first stated above.

THE CITY:

The City of Seattle, Washington,
a municipal corporation,
acting by and through the
City of Seattle Department of
Lighting:

By:_____

By:_____
Jorge Carrasco
Superintendent of Seattle City Light
Its:_____

SPI:

Sierra Pacific Holding Company
Sierra Pacific Industries, dba
Sierra Pacific Industries, Inc.
all California Corporations

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **Jorge Carrasco** signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as **Superintendent of the City Light Department of the City of Seattle, a municipal corporation,** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date_____

_____
Printed Name_____
Notary Public in and for the State of WA
Residing at_____
My commission expires _____

Notary Seal

(ACKNOWLEDGMENT)

STATE OF)
) ss.
COUNTY OF)

On this _____ day of _____, 2013, before me personally appeared _____, to me known to be the _____ **of Sierra Pacific Holding Company, and Sierra Pacific Industries dba Sierra Pacific Industries, Inc.** executed the within and foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of said corporations for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Given under my hand and official seal the day and year in this certificate above written.

_____

Printed Name_____
Notary Public in and for the State of WA
Residing at_____
My commission expires _____

_____
Notary Seal

Exhibit A to Land Exchange Agreement
Legal description of City's Property A to be exchanged

Exhibit A

All in Township 36 North, Range 6 East, W.M., Skagit County, Washington, the following described property:

Portions of Section 14 – approximately 51.9 acres described as follows:

The North 1,000 feet of the Northwest 1/4 of the Southwest 1/4;

AND the West 200 feet of north 655 feet of Government Lot 2;

AND The North 655 feet of Government Lot 3;

Portions of Section 15 – approximately 33.1 acres, described as follows:

The Southeast 1/4 of the Northeast 1/4 of the Southeast 1/4;

AND The East 1/2 of the Southeast 1/4 of the Southeast 1/4 Except the East 200 Feet of said Southeast 1/4 of the Southeast 1/4;

AND the East 200 feet of the West Half of the Southeast 1/4 of the Southeast 1/4;

AND the East 200 feet of the Southwest 1/4 of the Northeast 1/4 of the Southeast Quarter;

Portions of Section 22 – approximately 39.2 acres, described as follows:

Government Lot 1 except the Eastern 200 feet of said Government Lot 1;

AND, all of Government Lot 2 except the North 670 feet thereof, also except the West 670 feet thereof;

AND, all of U.S. Government Lot 7, except the South 1,250 feet of Government Lot 7; also except the West 260 feet of Government Lot 7; also except all that portion lying Southerly of

a line that is parallel with and 30 feet Northerly of the center line of that certain existing private road known as Road 300; also except all that portion of a line that is parallel with and 30 feet Southerly of the center line of that certain existing private road known as Road 100.

Exhibit B to Land Exchange Agreement
Legal description of SPI's Property B to be exchanged

Exhibit B

The West 1/2 and the West 1/2 of the Southeast 1/4 of Section 2, Township 36 North, Range 7 East, W.M.,

EXCEPTING THEREFROM that portion of the West 1/2 of the Southwest 1/4 of Section 2, Township 36 North, Range 7 East, W.M., lying Westerly of a line drawn parallel with and 30 feet Westerly of the centerline of an existing private road known as Road 300.

Situate in the County of Skagit, State of Washington.

Exhibit C to Land Exchange Agreement
Legal description of City Property C to be deeded to Bloedel

Exhibit C

In Township 36 North, Range 6 East, W.M., Skagit County, Washington, the following:

Section 12

The following described lands, easements, rights, and property, over and across the South 1/2 of the Southeast 1/4, lying northwesterly of a line parallel to and 100 feet southeasterly of the centerline of the existing forest road known as the "200 Road", said centerline more particularly described as:

beginning at the Northwest corner of the Southwest 1/4 of the Southeast 1/4 of said Section 12, thence South 0° 43' East a distance of 466 feet along the West line of said Southwest 1/4 of the Southeast 1/4 to the true point of beginning (basis of bearing Demeyer survey at AF 200806300108),
thence North 57° East a distance of 51 feet,
thence North 51° East a distance 330 feet,
thence North 47° East a distance of 165 feet,
thence North 38° East a distance of 74 feet,
thence North 27° East a distance of 69 feet to a point on the North line of said Southwest 1/4 of the Southeast 1/4 which true point of ending lies approximately 477 feet easterly of the Northwest corner of the Southwest 1/4 of the Southeast 1/4 of said Section 12 along said North line, or as existed on September 1, 2011;

Exhibit D to Land Exchange Agreement
Legal description of City Property A2 to be deeded to Bloedel

Exhibit D

In Township 36 North, Range 6 East, W.M., Skagit County, Washington, the following:

Section 13 – 2.9 Acres

Commencing at the North 1/4 corner of Section 13, T36N, R6E., W.M., thence Westerly 1303.59' along the North line of Section 13 to the West 1/16th on the North line of Section 13, which is a 5/8" rebar/1" plastic cap marked "NWS & GPS, LS 21423, and the true point of beginning; thence Southerly 365 feet along the west line of the NE 1/4 of the NW 1/4 of Section 13, thence Northeasterly, 772 feet more or less to a point on the north line of Section 13 which is 680 feet Easterly from the point of beginning, thence, Westerly 680 feet along the north line of Section 13 to the point of beginning,

Exhibit E to Land Exchange Agreement
Bargain and Sale Deed for Property A from City to SPI

When recorded return to:

Sierra Pacific Industries
14353 McFarland Road
Mount Vernon, WA 98273

At the request of Land Title & Escrow Co. Order no. 131844-OE

BARGAIN AND SALE DEED

THE GRANTOR(S) **CITY OF SEATTLE, a municipal corporation of the State of Washington, acting by and through its CITY LIGHT DEPARTMENT a corporation of the State of Washington,**

for and in consideration of ten dollars ($10.00) and other good and valuable consideration in hand paid, bargains, sells, and conveys to

Sierra Pacific Holding Company and Sierra Pacific Industries, dba Sierra Pacific Industries, Inc., all California Corporations, ("Grantee"),

the real estate, situated in Skagit County, Washington State described in "Exhibit A" attached to and made part of this deed.

Grantor, their successors and assigns, reserves a non-exclusive easement for the purposes of ingress, egress over, through, under and across a portion of said property using roadways as they exist today or may be altered in the future. Said roadways are approximately 10 feet-wide gravel vehicular drive areas with 2 foot shoulders, culverts, and open ditches. Grantor's use of these roadways will be de minimus and shall not require Grantor to bear any repair or maintenance costs

Abbreviated Legal: Ptns 14,15, & 22, 36N R6E, W.M.

Tax Parcel Number(s): P51269, P51271, & P51295.

Executed this _____day of _____ 2013, pursuant to Ordinance No. _____of The City of Seattle.

THE CITY OF SEATTLE
SEATTLE CITY LIGHT _____

by ___

_____

Print Name: Jorge Carrasco

Title: Superintendent

APPROVED AS TO FORM AND ACCEPTED BY PURCHASER
The undersigned Grantee(s)/Purchaser(s) herein, does/do hereby approve this Bargain and Sale Deed as to form and acknowledge and accept all of the terms, conditions and provisions contained herein.

Sierra Pacific Holding Company and Sierra Pacific Industries, dba Sierra Pacific Industries, Inc.

By: _____ Date: _____

Print Name: _____

Title: _____

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **Jorge Carrasco** signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the **Superintendent of the City Light Department of the City of Seattle**, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date_____

_____
Printed Name _____
Notary Public in and for the State of WA
Residing at_____
My commission expires _____

Notary Seal

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2013, before me personally appeared _____, to me known to be the _____ **of Sierra Pacific Holding Company and Sierra Pacific Industries dba Sierra Pacific Industries, Inc.** executed the within and foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of said corporations for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Given under my hand and official seal the day and year in this certificate above written.

Date_____

_____
Printed Name _____
Notary Public in and for the State of _____
Residing at_____
My commission expires _____

Notary Seal

Exhibit A

All in Township 36 North, Range 6 East, W.M., Skagit County, Washington, the following described property:

Portions of Section 14 – approximately 51.9 acres described as follows:

The North 1,000 feet of the Northwest 1/4 of the Southwest 1/4;

AND the West 200 feet of north 655 feet of Government Lot 2;

AND The North 655 feet of Government Lot 3;

Portions of Section 15 – approximately 33.1 acres, described as follows:

The Southeast 1/4 of the Northeast 1/4 of the Southeast 1/4;

AND The East 1/2 of the Southeast 1/4 of the Southeast 1/4 Except the East 200 Feet of said Southeast 1/4 of the Southeast 1/4;

AND the East 200 feet of the West Half of the Southeast 1/4 of the Southeast 1/4;

AND the East 200 feet of the Southwest 1/4 of the Northeast 1/4 of the Southeast Quarter;

Portions of Section 22 – approximately 39.2 acres, described as follows:

Government Lot 1 except the Eastern 200 feet of said Government Lot 1;

AND, all of Government Lot 2 except the North 670 feet thereof, also except the West 670 feet thereof;

AND, all of U.S. Government Lot 7, except the South 1,250 feet of Government Lot 7; also except the West 260 feet of Government Lot 7; also except all that portion lying Southerly of a line that is parallel with and 30 feet Northerly of the center line of that certain existing private road known as Road 300; also except all that portion of a line that is parallel with and 30 feet Southerly of the center line of that certain existing private road known as Road 100.

Exhibit F to Land Exchange Agreement
Bargain and Sale Deed for Property B from SPI to City

When recorded return to:

Seattle City Light
Real Estate Services
Attention: Mary Davis,
700 5th Avenue, Suite 3200,
Room SMT 3338
Post Office Box 34023
Seattle, WA 98124-9871

At the request of Land Title & Escrow Co. Order no. 131844-OE

BARGAIN AND SALE DEED

THE GRANTOR(S) **Sierra Pacific Holding Company and Sierra Pacific Industries, dba Sierra Pacific Industries, Inc., all California Corporations,**

for and in consideration of ten dollars ($10.00) and other good and valuable consideration in hand paid, bargains, sells, and conveys to

CITY OF SEATTLE, a municipal corporation of the State of Washington, acting by and through its CITY LIGHT DEPARTMENT a corporation of the State of Washington ("Grantee"),

the real estate, situated in Skagit County, Washington State described in "Exhibit A" attached to and made part of this deed.

Abbreviated Legal: W1/2 SE 1/4; NW 1/4; ptn SW 1/4; of 2-36-7 E.W.M.

Tax Parcel Number(s): P51326

Dated:
Sierra Pacific Holding Company and Sierra Pacific Industries, dba Sierra Pacific Industries, Inc.

by ____ _____

_____

Print Name:__

Title:_____

Date: _____

APPROVED AS TO FORM AND ACCEPTED BY PURCHASER
The undersigned Grantee(s)/Purchaser(s) herein, does/do hereby approve this Bargain and Sale Deed as to form and acknowledge and accept all of the terms, conditions and provisions contained herein.

THE CITY OF SEATTLE
SEATTLE CITY LIGHT

By: _____

Print Name: Jorge Carrasco

Print Title: Superintendent

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2013, before me personally appeared _____, to me known to be the _____ **of Sierra Pacific Holding Company and Sierra Pacific Industries dba Sierra Pacific Industries, Inc.** executed the within and foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of said corporations for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Given under my hand and official seal the day and year in this certificate above written.

Date_____

_____
Printed Name _____
Notary Public in and for the State of _____
Residing at_____
My commission expires _____

Notary Seal

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Jorge Carrasco signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the Superintendent of the City Light Department of the City of Seattle, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date_____

_____
Printed Name _____
Notary Public in and for the State of WA
Residing at_____
My commission expires _____

Notary Seal

Exhibit A

The West ½ and the West ½ of the Southeast ¼ of Section 2, Township 36 North, Range 7 East, W.M.,

EXCEPTING THEREFROM that portion of the West ½ of the Southwest ¼ of Section 2, Township 36 North, Range 7 East, W.M., lying Westerly of a line drawn parallel with and 30 feet Westerly of the centerline of an existing private road known as Road 300.

Situate in the County of Skagit, State of Washington.

Exhibit G to Land Exchange Agreement
Bargain and Sale Deed for Properties C and A2 from City to Bloedel

When recorded return to:

Bloedel Timberlands Development, Inc.
1938 Fairview Ave. E., Suite 300
Seattle, WA 98102

At the request of Land Title & Escrow Co. Order no. 131844-OE

BARGAIN AND SALE DEED

THE GRANTOR(S) **CITY OF SEATTLE, a municipal corporation of the State of Washington, acting by and through its CITY LIGHT DEPARTMENT a corporation of the State of Washington,**

for and in consideration of ten dollars ($10.00) and other good and valuable consideration in hand paid, bargains, sells, and conveys to

Bloedel Timberlands Development, Inc., ("Grantee"),

the real estate, situated in Skagit County, Washington State described in "Exhibit A" attached to and made part of this deed.

Grantor, their successors and assigns, reserves a non-exclusive easement for the purposes of ingress, egress over, through, under and across a portion of said property using roadways as they exist today or may be altered in the future. Said roadways are approximately 10 feet-wide gravel vehicular drive areas with 2 foot shoulders, culverts, and open ditches. Grantor's use of these roadways will be de minimus and shall not require Grantor to bear any repair or maintenance costs

Abbreviated Legal: Ptns 12 & 13, 36N R6E, W.M.

Tax Parcel Number(s): P51263 & P51264

Executed this _____day of _____ 2013, pursuant to Ordinance No. _____of The City of Seattle.

THE CITY OF SEATTLE
SEATTLE CITY LIGHT _____

by ____ _____

Print Name: Jorge Carrasco

Title: Superintendent

APPROVED AS TO FORM AND ACCEPTED BY PURCHASER
The undersigned Grantee(s)/Purchaser(s) herein, does/do hereby approve this Bargain and Sale Deed as to form and acknowledge and accept all of the terms, conditions and provisions contained herein.

Boedel Timberlands Development, Inc.

By: _____ Date:_____

Print Name: _____

Title: _____

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **Jorge Carrasco** signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the **Superintendent of the City Light Department of the City of Seattle**, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date_____

_____
Printed Name _____
Notary Public in and for the State of WA
Residing at_____
My commission expires _____

Notary Seal

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2013, before me personally appeared _____, to me known to be the _____ **of Bloedel Timberlands Development, Inc..** executed the within and foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of said corporations for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Given under my hand and official seal the day and year in this certificate above written.

Date_____

_____
Printed Name _____
Notary Public in and for the State of _____
Residing at_____
My commission expires _____

Notary Seal

Exhibit A

All in Township 36 North, Range 6 East, W.M., Skagit County, Washington, the following described property:

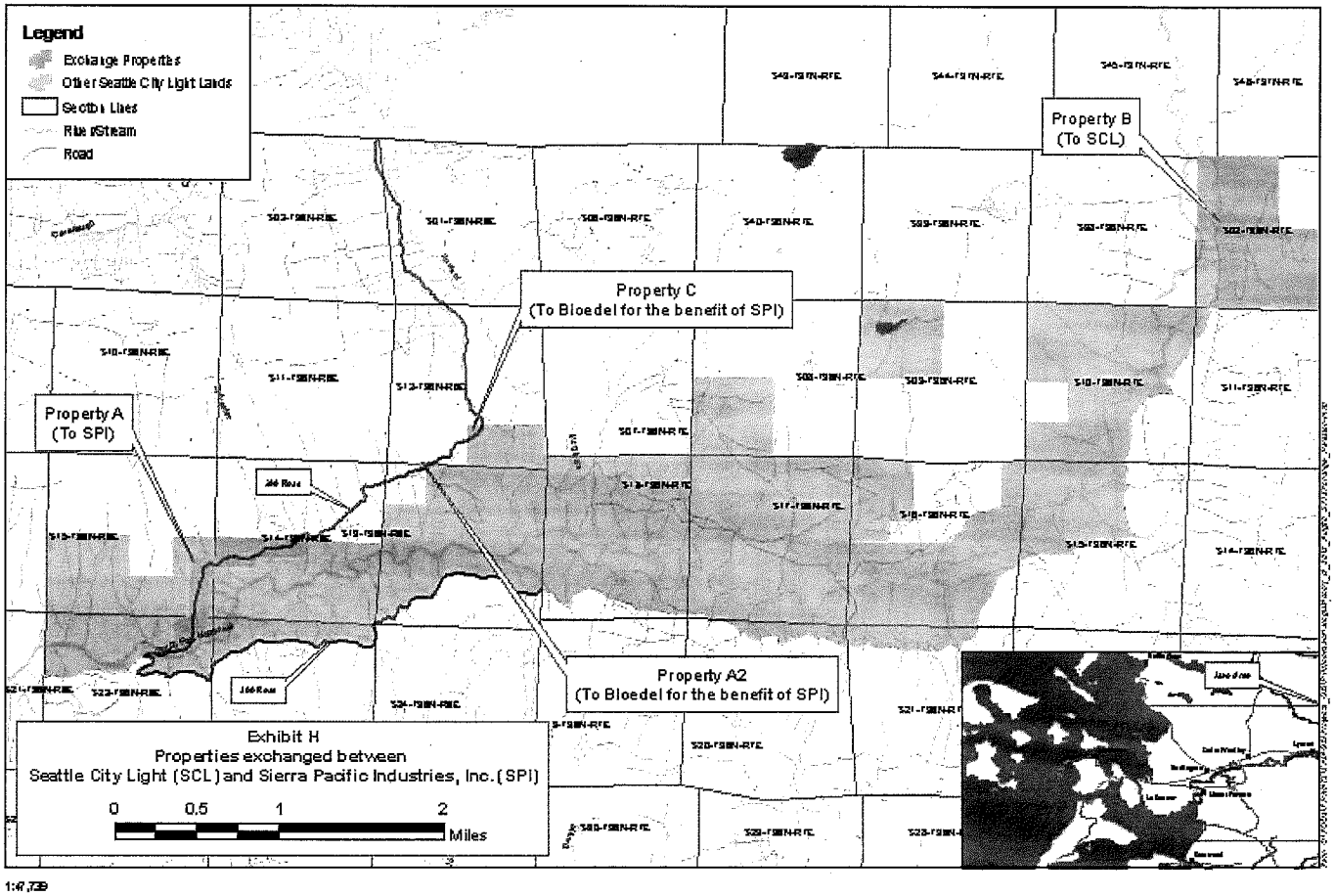
Portion of Section 12, (approximately 4.6 acres) described as follows:
The following described lands, easements, rights, and property, over and across the South 1/2 of the Southeast 1/4, lying northwesterly of a line parallel to and 100 feet southeasterly of the centerline of the existing forest road known as the "200 Road", said centerline more particularly described as:

beginning at the Northwest corner of the Southwest 1/4 of the Southeast 1/4 of said Section 12, thence South 0° 43' East a distance of 466 feet along the West line of said Southwest 1/4 of the Southeast 1/4 to the true point of beginning (basis of bearing Demeyer survey at AF 200806300108),
thence North 57° East a distance of 51 feet,
thence North 51° East a distance 330 feet,
thence North 47° East a distance of 165 feet,
thence North 38° East a distance of 74 feet,
thence North 27° East a distance of 69 feet to a point on the North line of said Southwest 1/4 of the Southeast 1/4 which true point of ending lies approximately 477 feet easterly of the Northwest corner of the Southwest ¼ of the Southeast 1/4 of said Section 12 along said North line, or as existed on September 1, 2011;

AND,

Portion of Section 13, (approximately 2.9 acres) described as follows:
Commencing at the North 1/4 corner of Section 13, T36N, R6E., W.M., thence Westerly 1303.59' along the North line of Section 13 to the West 1/16th on the North line of Section 13, which is a 5/8" rebar/1" plastic cap marked "NWS & GPS, LS 21423, and the true point of beginning; thence Southerly 365 feet along the west line of the NE 1/4 of the NW 1/4 of Section 13, thence Northeasterly, 772 feet more or less to a point on the north line of Section 13 which is 680 feet Easterly from the point of beginning, thence, Westerly 680 feet along the north line of Section 13 to the point of beginning.

Exhibit H to Land Exchange Agreement
Map



When recorded return to:

Sierra Pacific Industries
14353 McFarland Road
Mount Vernon, WA 98273

At the request of Land Title & Escrow Co. Order no. 131844-OE

BARGAIN AND SALE DEED

THE GRANTOR(S) **THE CITY OF SEATTLE, a municipal corporation of the State of Washington, acting by and through its CITY LIGHT DEPARTMENT a corporation of the State of Washington,**

for and in consideration of ten dollars ($10.00) and other good and valuable consideration in hand paid, bargains, sells, and conveys to

Sierra Pacific Holding Company and Sierra Pacific Industries, dba Sierra Pacific Industries, Inc., all California Corporations, ("Grantee"),

the real estate, situated in Skagit County, Washington State described in "Exhibit A" attached to and made part of this deed.

Grantor, their successors and assigns, reserves a non-exclusive easement for the purposes of ingress, egress over, through, under and across a portion of said property using roadways as they exist today or may be altered in the future. Said roadways are approximately 10 feet-wide gravel vehicular drive areas with 2 foot shoulders, culverts, and open ditches. Grantor's use of these roadways will be de minimus and shall not require Grantor to bear any repair or maintenance costs

Abbreviated Legal: Ptns 14,15, & 22, 36N R6E, W.M.

Tax Parcel Number(s): P51269, P51271, & P51295.

Executed this _____day of
_____ 2012, pursuant
to Ordinance No. _____of
The City of Seattle.

THE CITY OF SEATTLE
SEATTLE CITY LIGHT

_____

by _____

_____

Print Name: Jorge Carrasco

Title: Superintendent

APPROVED AS TO FORM AND ACCEPTED BY PURCHASER
The undersigned Grantee(s)/Purchaser(s) herein, does/do hereby approve this Bargain and Sale Deed as to form and acknowledge and accept all of the terms, conditions and provisions contained herein.

Sierra Pacific Holding Company and Sierra Pacific Industries, dba Sierra Pacific Industries, Inc.

By: _____ Date: _____

Print Name: _____

Title: _____

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **Jorge Carrasco** signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the **Superintendent of the City Light Department of the City of Seattle**, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date_____

_____
Printed Name _____
Notary Public in and for the State of WA
Residing at_____
My commission expires _____

Notary Seal

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2012, before me personally appeared _____, to me known to be the _____ **of Sierra Pacific Holding Company and Sierra Pacific Industries dba Sierra Pacific Industries, Inc.** executed the within and foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of said corporations for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Given under my hand and official seal the day and year in this certificate above written.

Date_____

_____
Printed Name _____
Notary Public in and for the State of _____
Residing at_____
My commission expires _____

Notary Seal

Exhibit A

All in Township 36 North, Range 6 East, W.M., Skagit County, Washington, the following described property:

Portions of Section 14 – approximately 51.9 acres described as follows:

The North 1,000 feet of the Northwest 1/4 of the Southwest 1/4;

AND the West 200 feet of north 655 feet of Government Lot 2;

AND The North 655 feet of Government Lot 3;

Portions of Section 15 – approximately 33.1 acres, described as follows:

The Southeast 1/4 of the Northeast 1/4 of the Southeast 1/4;

AND The East 1/2 of the Southeast 1/4 of the Southeast 1/4 Except the East 200 Feet of said Southeast 1/4 of the Southeast 1/4;

AND the East 200 feet of the West Half of the Southeast 1/4 of the Southeast 1/4;

AND the East 200 feet of the Southwest 1/4 of the Northeast 1/4 of the Southeast Quarter;

Portions of Section 22 – approximately 39.2 acres, described as follows:

Government Lot 1 except the Eastern 200 feet of said Government Lot 1;

AND, all of Government Lot 2 except the North 670 feet thereof, also except the West 670 feet thereof;

AND, all of U.S. Government Lot 7, except the South 1,250 feet of Government Lot 7; also except the West 260 feet of Government Lot 7; also except all that portion lying Southerly of a line that is parallel with and 30 feet Northerly of the center line of that certain existing private road known as Road 300; also except all that portion of a line that is parallel with and 30 feet Southerly of the center line of that certain existing private road known as Road 100.

When recorded return to:

Bloedel Timberlands Development, Inc.
1938 Fairview Ave. E., Suite 300
Seattle, WA 98102

At the request of Land Title & Escrow Co. Order no. 131844-OE

BARGAIN AND SALE DEED

THE GRANTOR(S) **CITY OF SEATTLE, a municipal corporation of the State of Washington, acting by and through its CITY LIGHT DEPARTMENT a corporation of the State of Washington,**

for and in consideration of ten dollars ($10.00) and other good and valuable consideration in hand paid, bargains, sells, and conveys to

Bloedel Timberlands Development, Inc., ("Grantee"),

the real estate, situated in Skagit County, Washington State described in "Exhibit A" attached to and made part of this deed.

Grantor, their successors and assigns, reserves a non-exclusive easement for the purposes of ingress, egress over, through, under and across a portion of said property using roadways as they exist today or may be altered in the future. Said roadways are approximately 10 feet-wide gravel vehicular drive areas with 2 foot shoulders, culverts, and open ditches. Grantor's use of these roadways will be de minimus and shall not require Grantor to bear any repair or maintenance costs

Abbreviated Legal: Ptns 12 & 13, 36N R6E, W.M.

Tax Parcel Number(s): P51263 & P51264

Executed this _____day of
_____ 2013, pursuant
to Ordinance No. _____of
The City of Seattle.

THE CITY OF SEATTLE
SEATTLE CITY LIGHT

_____

by _____

_____

Print Name: Jorge Carrasco

Title: Superintendent

APPROVED AS TO FORM AND ACCEPTED BY PURCHASER
The undersigned Grantee(s)/Purchaser(s) herein, does/do hereby approve this Bargain and Sale Deed as to form and acknowledge and accept all of the terms, conditions and provisions contained herein.

Boedel Timberlands Development, Inc.

By: _____ Date:_____

Print Name: _____

Title: _____

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **Jorge Carrasco** signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the **Superintendent of the City Light Department of the City of Seattle**, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date_____

_____
Printed Name _____
Notary Public in and for the State of WA
Residing at_____
My commission expires _____

Notary Seal

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2013, before me personally appeared _____, to me known to be the _____**of Bloedel Timberlands Development, Inc..** executed the within and foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of said corporations for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Given under my hand and official seal the day and year in this certificate above written.

Date_____

_____
Printed Name _____
Notary Public in and for the State of _____
Residing at_____
My commission expires _____

Notary Seal

Exhibit A

All in Township 36 North, Range 6 East, W.M., Skagit County, Washington, the following described property:

Portion of Section 12, (approximately 4.6 acres) described as follows:
The following described lands, easements, rights, and property, over and across the South 1/2 of the Southeast 1/4, lying northwesterly of a line parallel to and 100 feet southeasterly of the centerline of the existing forest road known as the "200 Road", said centerline more particularly described as:

beginning at the Northwest corner of the Southwest 1/4 of the Southeast 1/4 of said Section 12, thence South 0° 43' East a distance of 466 feet along the West line of said Southwest 1/4 of the Southeast 1/4 to the true point of beginning (basis of bearing Demeyer survey at AF 200806300108),

thence North 57° East a distance of 51 feet,
thence North 51° East a distance 330 feet,
thence North 47° East a distance of 165 feet,
thence North 38° East a distance of 74 feet,
thence North 27° East a distance of 69 feet to a point on the North line of said Southwest 1/4 of the Southeast 1/4 which true point of ending lies approximately 477 feet easterly of the Northwest corner of the Southwest ¼ of the Southeast 1/4 of said Section 12 along said North line,
or as existed on September 1, 2011;

AND,

Portion of Section 13, (approximately 2.9 acres) described as follows:
Commencing at the North 1/4 corner of Section 13, T36N, R6E., W.M., thence Westerly 1303.59' along the North line of Section 13 to the West 1/16th on the North line of Section 13, which is a 5/8" rebar/1" plastic cap marked "NWS & GPS, LS 21423, and the true point of beginning; thence Southerly 365 feet along the west line of the NE 1/4 of the NW 1/4 of Section 13, thence Northeasterly, 772 feet more or less to a point on the north line of Section 13 which is 680 feet Easterly from the point of beginning, thence, Westerly 680 feet along the north line of Section 13 to the point of beginning.

When recorded return to:

Seattle City Light
Real Estate Services
Attention: Mary Davis,
700 5th Avenue, Suite 3200,
Room SMT 3338
Post Office Box 34023
Seattle, WA 98124-9871

At the request of Land Title & Escrow Co. Order no. 131844-OE

BARGAIN AND SALE DEED

THE GRANTOR(S) **Sierra Pacific Holding Company and Sierra Pacific Industries, dba Sierra Pacific Industries, Inc., all California Corporations,**

for and in consideration of ten dollars ($10.00) and other good and valuable consideration in hand paid, bargains, sells, and conveys to

CITY OF SEATTLE, a municipal corporation of the State of Washington, acting by and through its CITY LIGHT DEPARTMENT a corporation of the State of Washington ("Grantee"),

the real estate, situated in Skagit County, Washington State described in "Exhibit A" attached to and made part of this deed.

Abbreviated Legal: W1/2 SE 1/4; NW 1/4; ptn SW 1/4; of 2-36-7 E.W.M.

Tax Parcel Number(s): P51326

Dated:

Sierra Pacific Holding Company and Sierra Pacific Industries, dba Sierra Pacific Industries, Inc.

by _____ _____

_____

Print Name:_____

Title:_____

Date: _____

APPROVED AS TO FORM AND ACCEPTED BY PURCHASER
The undersigned Grantee(s)/Purchaser(s) herein, does/do hereby approve this Bargain and Sale Deed as to form and acknowledge and accept all of the terms, conditions and provisions contained herein.

THE CITY OF SEATTLE
SEATTLE CITY LIGHT

By: _____

Print Name: Jorge Carrasco

Print Title: Superintendent

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2012, before me personally appeared _____, to me known to be the _____ **of Sierra Pacific Holding Company and Sierra Pacific Industries dba Sierra Pacific Industries, Inc.** executed the within and foregoing instrument, and acknowledged that said instrument was the free and voluntary act and deed of said corporations for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Given under my hand and official seal the day and year in this certificate above written.

Date_____

_____
Printed Name _____
Notary Public in and for the State of _____
Residing at_____
My commission expires _____

Notary Seal

(ACKNOWLEDGMENT)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Jorge Carrasco signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the Superintendent of the City Light Department of the City of Seattle, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date_____

_____
Printed Name _____
Notary Public in and for the State of WA
Residing at_____
My commission expires _____

Notary Seal

Exhibit A

The West ½ and the West ½ of the Southeast ¼ of Section 2, Township 36 North, Range 7 East, W.M.,

EXCEPTING THEREFROM that portion of the West ½ of the Southwest ¼ of Section 2, Township 36 North, Range 7 East, W.M., lying Westerly of a line drawn parallel with and 30 feet Westerly of the centerline of an existing private road known as Road 300.

Situate in the County of Skagit, State of Washington.

Form revised: December 12, 2012

FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	CBO Analyst/Phone:
City Light	Lynn Best / 386-4586	Calvin Chow / 684-4652

Legislation Title:

AN ORDINANCE relating to the City Light Department ("City Light"), declaring certain real property rights surplus and no longer required for providing public utility service or other municipal purpose; authorizing the Superintendent of Seattle City Light to execute a Real Property Exchange Agreement between the City of Seattle and Sierra Pacific Industries, Inc. (SPI) for the conveyance of said surplus property and a cash equalization payment of Two Hundred Eight Thousand Dollars ($208,000), in exchange for the conveyance of SPI-owned land to the City in the South Fork of the Nooksack River watershed, Skagit County, Washington for wildlife habitat purposes; authorizing the Superintendent of City Light or his designee to execute Bargain and Sale Deeds for the properties conveyed by the City and accept a Bargain and Sale Deed for the lands conveyed to the City; and placing said lands under the jurisdiction of the City Light Department.

Summary and background of the Legislation:

The ordinance would authorize the Superintendent of City Light or his designee to execute a Real Property Exchange Agreement on behalf of The City of Seattle that will exchange 131.6 acres of City-owned land and $208,000 in exchange for 349.9 acres of SPI-owned land in the South Fork Nooksack River watershed for fair market value. The ordinance would authorize acceptance of a Bargain and Sale Deed executed by SPI, as Grantor, conveying Skagit County Parcel P51326 of 349.9 acres, located in Skagit County, to the City for wildlife habitat protection purposes. The Ordinance would also authorize the execution of Bargain Sale Deeds that dispose of portions of City-owned Skagit County Parcels P51263, P51264, P51269, P51271, & P51295.

Background: In connection with the relicensing of the Skagit River Hydroelectric Project by the Federal Energy Regulatory Commission and pursuant to Resolution 28349, City Light entered into the Settlement Agreement Concerning Wildlife, incorporating by reference the Wildlife Habitat Protection and Management Plan, (collectively, "Wildlife Agreement"), dated April 1991, with several Federal, State, Tribal, and private non-profit parties. Ordinance 118226 authorizes the Superintendent of City Light to negotiate for and purchase parcels of land pursuant to the principles and procedures of the Wildlife Agreement.

This land exchange will transfer, to timber companies, a small percentage of City-owned Wildlife Mitigation land that was purchased in 1991-1992. The SCL land to be disposed has a forest road that is regularly used by neighboring private timber companies for hauling harvested timber from their lands. In exchange, the City will receive lands currently owned by SPI that are not encumbered by timber hauling roads. Without his exchange, the City will be obligated to make significant expenditures (estimated to be up to $400,000) for road repairs and maintenance to meet State of Washington Road Abandonment and Management Plan (RMAP) regulations and will further be exposed to future maintenance costs. The City-owned land to be disposed has an appraised Fair Market Value of $281,000, while the land to be acquired by SCL has an appraised Fair Market Value of $489,000. The City will pay SPI $208,000 from its Skagit Mitigation funds to equalize the values. The acquired parcel will be managed by City Light as part of the Skagit Wildlife Mitigation Lands Program. A map of the properties to be exchanged is attached as Attachment A.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:
Skagit Hydro Project Mitigation	6991	Skagit and Nooksack watersheds	1991	n/a

Please check any of the following that apply:

____ **This legislation creates, funds, or anticipates a new CIP Project.**

____ **This legislation does not have any financial implications.**

(

__X__ **This legislation has financial implications.**

Appropriations:
This legislation requires no new appropriations (see Appropriations Notes).

Fund Name and Number	Department	Budget Control Level*	Existing 2013 Appropriation	New 2013 Appropriation (if any)	2014 Anticipated Appropriation
TOTAL					

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

The $208,000 needed for the exchange is available in SCL Project 6991 (Skagit Mitigation).

Spending Plan and Future Appropriations for Capital Projects:
No additional appropriations are required (see Notes below).

Spending Plan and Budget	2013	2014	2015	2016	2017	2018	Total
Spending Plan							
Current Year Appropriation							
Future Appropriations							

Spending Plan and Budget Notes:
The property will be maintained as wildlife habitat. Sufficient funds for the management (one or two property visits and inspections annually by a City Light Environmental Affairs Division staff member) of the acquired property is available in the existing CIP budget for Skagit River Hydroelectric Project Mitigation (6991), approximately $200 per year.

Funding Source:
The existing CIP, -6991, will be used for the exchange and for future monitoring of the acquired property.

Funding Source (Fund Name and Number, if applicable)	2013	2014	2015	2016	2017	2018	Total
Skagit CIP -- 6991	200	200	200	200	200	200	**1,000**
TOTAL	**200**	**200**	**200**	**200**	**200**	**200**	**1,000**

Funding Source Notes:

Bond Financing Required:
Not applicable.

Type	Amount	Assumed Interest Rate	Term	Timing	Expected Annual Debt Service/Payment
TOTAL					

Bond Notes:
Uses and Sources for Operation and Maintenance Costs for the Project:
Not applicable (see notes).

O&M	2013	2014	2015	2016	2017	2018	Total
Uses							
Start Up							
On-going							
Sources (itemize)							

Operation and Maintenance Notes:
The only operational and maintenance costs anticipated are for periodic monitoring visits by SCL Environmental Affairs and Real Estate Services Division staff.

Periodic Major Maintenance Costs for the Project:
No major maintenance costs are anticipated but if one were to arise, existing Skagit Mitigation budget would be utilized.

Major Maintenance Item	Frequency	Cost	Likely Funding Source
TOTAL			

Funding sources for replacement of project:
n/a

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:
No positions are affected by this legislation.

Position Title and Department*	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions **	2014 FTE **
TOTAL							

* *List each position separately*
*** 2014 positions and FTE are total 2014 position changes resulting from this legislation, not incremental changes. Therefore, under 2014, please be sure to include any continuing positions from 2013.*

Position Notes:
Existing position in SCL is responsible for managing the Skagit Wildlife Mitigation Lands.

Do positions sunset in the future?
n/a

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**

b) **What is the financial cost of not implementing the legislation?**
If the legislation were not implemented, SCL would be required to complete extensive upgrades and repairs to the hauling road on SCL land to comply with Washington Department of Natural Resources Road Management and Abandonment Plan (RMAP). This is estimated at $400,000. SCL would also still be responsible for possible maintenance in the future.

c) **Does this legislation affect any departments besides the originating department?**
No

d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

No other alternatives exist at this time.

e) **Is a public hearing required for this legislation?**
Yes.

f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No

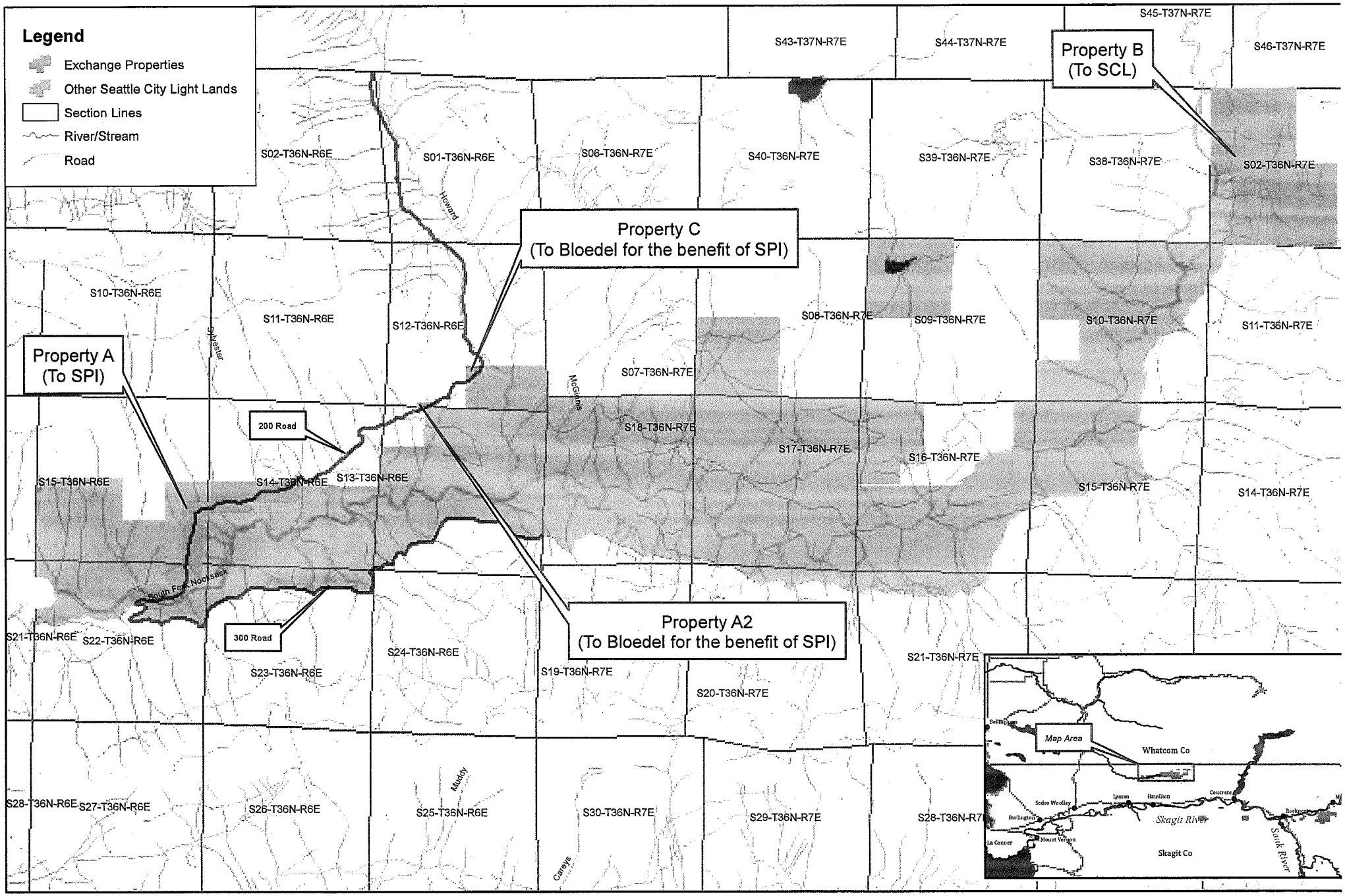
g) Does this legislation affect a piece of property?
Yes, see attached map for lands to be exchanged.

h) Other Issues:
The acquired property will be part of the Skagit Wildlife Mitigation Lands created pursuant to the Skagit River Wildlife Settlement Agreement for fish and wildlife habitat protection. SCL may seek external grants and partners for additional funding to restore habitat on the property.

List attachments to the fiscal note below:

Attachment A: Map of Properties included in South Fork Nooksack Land Exchange.

Ron Tressler
SCL South Fork Nooksack Land Exchange Ordinance FISC ATT A
August 20, 2012
Version #1



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Attachment A to SCL South Fork Nooksack Land Exchange Ordinance Fiscal Not

City of Seattle
Office of the Mayor

February 19, 2013

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill which would authorize Seattle City Light to execute a land exchange agreement with Sierra Pacific Industries, Inc. in the South Fork Nooksack River watershed in Skagit County, Washington for wildlife habitat protection purposes. The ordinance also authorizes the transfer of 131.6 acres of City-owned land along with cash payment of $208,000 in exchange for the conveyance of 349.9 acres of land to the City from Sierra Pacific Industries, and placing said lands under the jurisdiction of the City Light Department.

The City manages over 10,000 acres of wildlife mitigation lands in the Skagit and South Fork Nooksack watersheds in connection with re-licensing requirements for the Skagit River Hydroelectric Project. The land exchange will result in a net increase of 218.3 acres and eliminates the cost of maintaining a segment of forest road used by timber company vehicles. The land exchange was approved by the Wildlife Management Review Committee that oversees the wildlife habitat land acquisitions under the Skagit Hydroelectric Project Settlement Agreement on Wildlife. This land exchange helps to ensure that the City is in compliance with the federal license and the Settlement Agreement.

Thank you for your consideration of this legislation. Should you have questions, please contact James Baggs, City Light's Power Supply and Environmental Affairs Officer, at 684-3243.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcginn@seattle.gov

DIS CITY CLERK