

Douglas Engle

4117 S. Lamonte, Spokane, WA 99203
cell: 425.691.8756 | e-mail: DEngle76@comcast.net

August 13, 2018

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Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington DC 20423

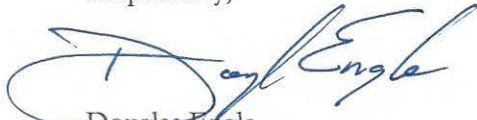
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Office of Proceedings
August 14, 2018
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Public Record

Re: STB Docket F.D. 35692
Eastside Community Rail, LLC –
Acq. & Op. Exemption –
GNP RLY, Inc.

Dear Ms. Brown,

Please accept my reply filing in this matter on behalf of Eastside Community Rail and scores of supporting entities in the exhibits for continued railway operations.

Respectfully,



Douglas Engle

Douglas Engle

4117 S. Lamonte, Spokane, WA 99203
cell: 425.691.8756 | e-mail: DEngle76@comcast.net

August 10, 2018

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington DC 20423

Re: STB Docket FD 35692
Eastside Community Rail, LLC –
Acq. & Op. Exemption –
GNP RLY, Inc.

Dear Ms. Brown,

Snohomish County (“SnoCo”) knows how to get in contact with me via email or phone, yet they set a false impression with the Surface Transportation Board (“Board”) that they earnestly tried to reach me, which they certainly did not. I only recently heard about this action from a friend and intend to submit my reply filing Monday, August 13, 2018.

Truly yours,



Douglas Engle
Eastside Community Rail

BEFORE THE SURFACE TRANSPORTATION BOARD

Eastside Community Rail, LLC –)
Acquisition and Operation Exemption –) F.D. 35692
GNP RLY, Inc.)

REPLY TO SNOHOMISH COUNTY

First, given the timing of SnoCo's filing and my becoming aware of it at the last moment, I was unable to submit to the Board updated business and financial plans to demonstrate the viability of this corridor with freight, excursion and a MOW road. However, I have twice created and submitted reasonable, consistent and conservative plans in the past. Nobody knows the business side of this line better than me. I honestly believe, no I know that this line can be viable again given a chance with the termination of the O&M agreement.

I do not make a single claim that cannot be backed up by evidence presented, previously filed with the STB, or readily available through public sources. I am not a lawyer, but I'll do my best in the following argument given the short time available.

FILING SUBMITTAL BY SNOHOMISH COUNTY

Snohomish County ("SnoCo") knows how to get in contact with me via email or phone, witness email exchanges in April 2018 [EXHIBIT 1, Page 3]. Mr. Montange set a false impression with the Surface Transportation Board ("Board") that they earnestly tried, which they did not. I believe this was an intentional move by SnoCo Park director not sharing my contact information with Mr Montange. I see that before I could reply, they have already filed for a default order. I only recently heard about this action from a friend and have replied as quickly as possible.

Further, it is well known in railway legal circles if not the extensive press coverage that my previous attorney Myles Tobin left Fletcher-Sippel to become the general council for All Aboard Florida in 2015. I have not been contacted by anyone at Fletcher-Sippel concerning this matter. No one has notified me of any legal papers intended for me.

SUMMARY

I been holding on for nearly 9-years to grow this rail line with freight and an excursion service pending the expiration of the 10-year Operating and Maintenance Agreement (“O&M”) executed by GNP with the Port of Seattle (“Port”). I notified Tom Teigen (“Teigen”), SnoCo Director of Parks and Recreation (“Parks”) who manages the rail corridor for the county, via email that the Operations and Maintenance Agreement (“O&M”) once it expires; the railway is not compelled to renew it, which we won’t.

[EXHIBIT 1, Page 5, Paragraph 4]

Mr. Stowe stated that he was assigned his analysis project in support of Parks, which means the director, Teigen, initiated his extensive work. This is a confirmation that immediately after the Darling incident, Teigen was looking to find a way to get the railway out of the Corridor for his career crowning trail. [EXHIBIT 1] At no point did Mr. Stowe contact me to clarify any uncertainties and only made assumptions favorable to Parks at every turn. His analysis does not include all the facts of this matter, which has undeniable mistaken conclusions.

SnoCo then engaged Mr. Montange, a leading rails-to-trails expert in the country, to create a justification around Mr. Stowe’s work to halt freight rail service for Teigen’s over-budget trail that would be more affordable on a rail-bed than next to the rail.

The ownership of the line has a clear lineage from GNP to ECR, which involves the Engle family as the primary investors and preferred equity holders as silent partners to both GNP and Eastside Community Rail “(ECR)”. The easement was transferred from GNP to my wife, Joanne Engle (“Ms. Engle”) and my father, Earl Engle (“E. Engle”) as preferred equity investors, which had long been in the works for months. The easement was then transferred back to GNP in October 2011 before the end of the GNP bankruptcy proceedings. Thus making the freight easement transfer from GNP to ECR completely legal; no railway is trespassing. Ballard provides the required insurance for the complete operating freight railroad per the O&M.

[EXHIBIT 2] In addition, Ballard’s rights are totally valid.

Pursuant to GNP's bankruptcy, the Chapter 11 Trustee, Perry Stacks, transferred all assets, including the freight easement to ECR. [EXHIBIT 3]

The quitclaim deed for the easement in October 2017 to Northwest Signal and Maintenance ("NW Signal") [EXHIBIT 4] clearly shows that all freight easement rights from the family and myself were legitimately transferred as they were before. In my 2015 divorce papers, Ms. Engle had transferred "all [railway] property interests" to me. [EXHIBIT 5, Section VI. Business Opportunity]

There was never any intention or action to deceive or misrepresent easement rights to the STB. I believe that these exhibits clearly show that GNP and ECR had complete rights to the freight easement and its transfer to NW Signal, which is pending completion.

Ballard Terminal Railroad Company ("Ballard") has been servicing railroad customers such as Boise Cascade, Plywood Supply, Kent Gypsum (FBM), and others on the line since 2010, and continues to do so today.

Until the O&M expires next year, obtaining normal railway 35-year financing or private investment is impossible. Ballard should not be forcibly removed from an operating railroad for a trail under these purported circumstances. We fully support any STB statement for FRA financial assistance to maintain and upgrade the line as presented by Ballard.

I maintained passenger rights for the line with NW Signal and have been pursuing U.S. Customs and Immigration Services ("USCIS") EB-5 investment program. I attended a seminar in Seattle in June and an investor conference in Los Angeles in July. There is clear interest in financing upgrades and facilities for excursion purposes, as there are over 100 wineries, distiller and breweries in Woodinville, WA, the base of railway operations. Given a favorable ruling by the Board, I will be engaging EB5 Affiliate Networks to prepare the appropriate documentation to establish a Regional Center to process investment, immigration papers, and due diligence reporting to USCIS. [EXHIBIT 6]

I believe for the Board to fully understand this situation, it needs a clear history of what precipitated this SnoCo filing, which is contrary to every public statement SnoCo executives, elected officials, staff and other Washington municipalities and organizations have made over the past decade. [EXHIBIT 9]

Finally, I request that the board terminate the O&M and License agreements so Ballard and NW Signal can immediately pursue financial assistance to rehabilitate the track suitable for Class 3 rail passenger service, (Class 3 so wine will not splash at 35-mph) which will attract other freight customers on the line and enable private investment in a profitable excursion service, which helps defer MOW costs and will support freight operations on the line.

OWNERSHIP

GNP acquired the freight easement to the rail corridor from BNSF, which is not in question. I transferred those rights in early 2011 to my wife and father in exchange for debt and preferred equity investment, which was months in planning. GNP received the easement rights back during bankruptcy in October 2011 before completion of the bankruptcy process. [EXHIBIT 2]

Additionally, by common law in Washington State, my former wife, Ms. Engle, was a co-owner of GNP and ECR, which she transferred to me upon our divorce in 2015. [EXHIBIT 5] My father, E. Engle, was GNP's and ECR's biggest investor, debt and preferred equity. My sister, friends and railway businesses made significant investment with ECR as well, but in debt only. Investments totaled well over one million dollars and were primarily for the two reactivation efforts.

After the complete transfer of GNP assets and obtaining railway rights from the STB and Association of American Railroads, the freight easement was again transferred back to my wife and father, both preferred equity owners in GNP and ECR. This transfer also protected the easement from third-party claims since the preferred equity holders had first claim on the asset, nothing unusual in business finance. We were very confident in the involuntary bankruptcy proceedings based on the factual evidence submitted and witness

testimony. GNP did not follow-through on reversing the title changes in KingCo or SnoCo, which was not my concern at the time. Effectively, the local title work remained the same in continuity of ownership, less Tom Payne (“Payne”). Nobody was harmed as a result of these transfers.

In October 2017, my father and I sold the freight easement to NW Signal, who has been the signal maintainer for the line for the past 9-years, while I maintain the passenger rights. NW Signal intends to use the old GNP rights and furthering them by purchasing GNP from Payne and filing with the STB for the appropriate approvals. Unfortunately in the middle of that transaction, Payne, a member of the Canadian Railway Hall of Fame, passed and NW Signal remains in the midst of acquiring GNP from Payne’s estate. Please note that the agreement was executed by/on behalf of the Engle’s, not D. Engle or ECR exclusively.
[EXHIBIT 4]

SNOHOMISH COUNTY

A couple years ago, the City of Snohomish and SnoCo celebrated 125-years of rail service on this line, which included many SnoCo elected officials and staff, who over the past decade have all claimed publically, privately and in Board submissions to support rail with trail, which is consistent with our perspective. [EXHIBIT 9] Obviously, SnoCo Parks has a trail-only perspective, after Teigen was given control of SnoCo’s portion of the Eastside Rail Corridor (“Corridor”). I believe that SnoCo commissioners and executive generally support rail with trail, but are getting bad information from Teigen who has a deep personal desire to get “his trail” as the professional highlight of his career.

Mr. Stowe stated that he was assigned his analysis project in support of Parks, which means the director, Teigen, initiated his work. This is a confirmation that after the Darling incident [EXHIBIT 1], Teigen was looking to find a way to get rid of the railway for “his trail.”

GNP and ECR repeatedly over 10-years offered to build a maintenance of way (“MOW”) road that would help the railway in its MOW responsibilities, and allow local jurisdictions use as a trail. The overly zealous Parks who control the corridor property in SnoCo insisted

that they do it themselves, which would be at a much greater cost to the taxpayer than the railway could provide.

In GNP, Ballard and ECR's efforts to reactivate and operate the line, the railways over 10-years, persistently offered to build a maintenance of way ("MOW") road along the track, which could be paved by SnoCo or others and used as a trail. Given the money this would save the county, we always considered it a reasonable and generous offer to our community. I enjoy riding my two bikes (mountain and road bikes), so I really thought this was a win-win for all.

We even offered to build the MOW road it to SnoCo's road standards, substantially greater than required for a MOW road or trail. Parks repeatedly turned this offer down, as they wanted complete control of trail construction. However, we also wanted the benefit of a MOW road, so no agreement was ever reached despite years of effort on our part. In 2016 after their portion of the Corridor acquisition, Parks realized that trail costs were well outside their budget abilities and determined the only way to build Teigen's trail was to remove the tracks. Hence, Stowe's efforts.

In light of SnoCo's continued support [EXHIBIT 9], Teigen's hypocrisy is clear. He wants a trail, but only if Parks can do it themselves. They supported rail and trails unit Teigen found out that "his trail" cost was more than Parks could afford. His strategy in this matter is to undermine an active railway providing interstate commerce to the same customers who've had railway service for decades even with the prospect of higher traffic, so the track can be removed for a trail. SnoCo is using the nearly defunct O&M to harass the railway. Here we are today.

When SnoCo acquired their portion of the Corridor from the Port in 2016, I was asked by the now Mayor of the City of Snohomish, why I turned down a \$1.5M offer from Teigen to buy the freight easement, as stated to her by Teigen representing SnoCo. I never was presented with such an offer, which is just another example of Teigen not being an honest broker or public servant. I continue to believe that this line has greater value, when the O&M agreement expires in 2019, hence my EB-5 efforts (see Future Plans below).

The Corridor traverses hillsides that make it difficult to build a trail alongside the track in some places, and the railway had practical ideas beyond the thinking of SnoCo to resolve these issues if Parks would only work with the railroad and be honest brokers, which Teigen is not.

In March this year, SnoCo Parks approached Darling Son's International ("Darling") in Maltby, WA, a heavy equipment dealer, along the Corridor with a problem they had with Darling parking vehicles inside the right of way ("ROW") [EXHIBIT 1, Page 1 – The SnoCo date appears to be wrong, indicating 2017 not 2018 as mentioned in the email]. Darling has utilized this space for over 10-years under agreement with GNP and ECR. SnoCo made their claim as the landowner of an active railway with a freight easement they do not own. However, the agreement with Darling provides heavy equipment for railway use at a 50% discount rate and nominal rent in exchange for them safely parking equipment inside the right of way across from their primary facilities. Typically, empty trailers and some employee's vehicles are parked in this area and have posed no increased risks.

Further, the Port for the prior eight-years never had an issue with this arrangement. **This is what precipitated the SnoCo STB filing**, presently under consideration by the Board. [EXHIBIT 1]

What's needed is SnoCo's help in bringing over 100 direct jobs to the area with an excursion train, which helps to support freight service on the line by sharing MOW costs per car mile. Additionally, rehabilitating the track and ROW will create many direct jobs. Indirect and induced jobs will only make the economic impact more substantial. The Port of Seattle has about 450,000 cruise ship boarding's a year, with interest expressed by the cruise lines for an excursion train. According to a third-party study, over 90% of Washington wineries support an excursion train. [EXHIBIT 11] The City of Snohomish would be a mid-trip terminus, thus the benefits to SnoCo measure in the millions of dollars AND SnoCo citizens can have their trail too by working with versus against the railroad.

REBUTTAL TO MR. STOWE'S ANALYSIS

I appreciate that Stowe invested appreciable time conducting his incomplete analysis, lacking critical information that I could have willingly provided. Without all the facts, context and situational awareness, he has come to incorrect conclusions.

1. There is clear legal lineage of the freight easement ownership. The initial easement transfer was to the two preferred equity holders. The freight easement was transferred back to GNP during the bankruptcy proceedings.
2. Stowe is not in a position to adjudicate the O&M agreement, including railway uses. Per my email to Teigen and in Stowe's testimony, "Rest assured, the O&M will not be extended beyond the 10-year term, which will allow the railway to obtain normal railway financing for its future operations."
3. The Darling agreement was made before the quitclaim deed transfer to NW Signal, when my father and I owned the freight easement. After the easement transfer, I maintained the passenger rights to the line and had the permission of NW Signals to continue collecting rent from Darling. This is not "abusive" as Stowe declares; it's a valuable cost saving to MOW efforts when needed.
4. The abysmal car counts do not reflect freight potential. Recently, Waste Management reconnected their spur to the freight line and entered discussions with Ballard. In the past, they wrote a letter of support for continued freight operations. [EXHIBIT 12, Page 9] Other freight customers and prospects on or near the line have expressed interest in freight operations in the recent past. [EXHIBIT 12]
5. Stowe does not include any financial analysis of what would make the rail corridor viable. My previous analysis submitted to the Board and "verified" by Rob Finley, who was engaged "to review the financial viability of the freight railroad," stated that my work was "consistent" with the shortline industry, "revenue estimates cautious but reasonable," provided "numerous detailed calculations of cost by the various operating areas," "[p]articularly noteworthy is the addition of contingency expense recognizing that nothing works as planned," and that "[Finley's] version [of profit] is better than the GNP model." [EXHIBIT 14] With nominal support from SnoCo, not Parks, this line is viable once the O&M agreement is terminated.

CORRIDOR POLITICAL "STUDIES"

It is generally known that the Seattle area takes 10-years and three studies for any major public decision, which has been reported in newspapers since 1900. The head of the Cascade Bicycle Club (“CBC”) located in Seattle led the first rail corridor study. Not surprising, the “fox in the chicken coop” found the only use for the 42-mile line was to be a bicycle trail.

At the urging of a SnoCo councilperson, the state legislature required Sound Transit, the Regional Transit Authority, to conduct a second study of the corridor. After a lengthy study period where railroad costs were steadily increased and ridership driven down, Sound Transit had to conclude that the railway was indeed “viable” for transit and other railway services. Parks does not seem interested in a multiple use corridor.

Finally, KingCo conducted its own third study, which supposedly included the “owners of rights” to the corridor, which included Sound Transit, but did not include either Ballard or ECR who operated and owned the freight easement in KingCo. After over a year, KingCo found that the five most analogous rail corridors in the U.S. all had active rail with trail. Given that their study had a predetermined outcome, their first decision was to remove the rail and sort matters out from there. This flies in the face of the region’s number one issue, traffic congestion, and outside studies have consistently put the Seattle region in the top five worst nationally. But a trails-only decision does support CBC voting interests.

Over the past several years, GNP and ECR demonstrated interest in providing transit railway access into Bellevue, which was supported by the city manager at the time. Efforts included a business plan and financials. Several drawings were commissioned to show possible routes, stations and transit oriented development opportunities. [EXHIBIT 13]

In the summer of 2016, Teigen spoke with a group of railway supporters gathered at the former McCory’s restaurant who were trying to acquire and upgrade service on the line. **According to people present, he laughed at them and told them that he looked forward to buying the freight rights from me for \$1.00 (one dollar), not the \$1.5M he supposedly offered.** My associates and myself have experienced countless

misrepresentation by Teigen in our meetings over the years. To us, he is known as “a snake in the grass” or “the snake” not to be trusted.

PORT OF SEATTLE

The Port of Seattle’s role in acquiring the corridor was political and financial. First, the Port CEO, Mic Dinsmore, at the time was fired because of a Sea-Tac airport and compensation scandal that brought the FBI in, so they had a major public relations scandal on their hands. Second, given the transaction was happening in the midst of the Great Recession, 2008-2009, the Port was the only KingCo entity with any money to actually finance the sale. KingCo drafted the railway agreements (O&M and License) and were intimately involved in final negotiations, and were offered to the bidding railways “take it or leave it.” Six railways responded to the bid offer. After this, the Bellevue-Woodinville segment was removed and GNP was the sole bidder. KingCo’s representative, Pam Bissonnette stated that “We’ll never let you south of Woodinville.” This is totally contrary to the supposed multi-use public stance by the public entities. So, it has been an uphill battle for 9-years, but only one year to go with the agreements.

Beyond the nearly half billion-dollar tax credit BNSF received, it also received \$81 million from the Port. An additional \$380 million was won when the KingCo portions of the line were rail banked, which makes the total public cost of this 42-mile corridor nearly one billion dollars, which has never been fully disclosed to the public. The Port in its sales back to other local governmental entities and the local power utility received only about half their cash outlay, \$45 million. SnoCo was the last entity to purchase their 12-mile segment of the 42-mile rail corridor for \$3.5 million, a fraction of the price paid by other entities, just so the Port could be done with it.

KingCo set the 10-year O&M and License term, although we requested a change to 35-years for financing purposes with a verbal agreement with the Port before and after their acquisition of the line from BNSF. The Port supported our RRIF financing effort in a letter. [EXHIBIT 9, Page 10] However, this never transpired, as the Port’s priority was to rid itself of this line as soon as possible, and not change the term, which KingCo did not want. After

repeated efforts by the GNP and ECR to get the 10-year term changed to 35-years, the transfer of ownership to other government entities yielded no such agreement.

The Port refused to offer letters of support for the two railroad reactivation efforts for the Woodinville-Redmond and Woodinville-Bellevue segments, which is particularly interesting since their charter and mission supports intermodal transport of goods. KingCo opposed both reactivation efforts because their interest in the corridor remains trail-only, which was expressed before the third study. Witness Ron Sims, the former KingCo executive and former HUD deputy secretary, negotiated in 2007 with the state and BNSF to replace the Corridor railroad bridge over I-405 with a pedestrian/biking bridge only in 2007-08. This ended the 15-year run of the profitable Spirit of Washington dinner train, a regionally recognized amenity that required the bridge for operations. Millions of dollars and over 100 direct-jobs were lost. The owners sold the train set in two parts after being forced to walk away for a bicycle trail when both could have coexisted.

It is a political misdirection that the Corridor was sought to provide multiple uses, as any affirmative action for rail with trail has been not been supported by the Port, KingCo, or others during reactivation efforts. Light rail may be used on up to 2-miles in the Bellevue segment of the line. KingCo, Redmond, Woodinville and Kirkland's only pursuit is and has been trail-only use, now we see the same with Snohomish County in making this filing.

OPERATING AND MAINTENANCE AGREEMENT

The most important aspect of SnoCo's filing is ignoring the termination of the 2019 of the O&M and License Agreement transferred to it by the Port. Critically, both agreements have a 10-year term, expiring in 2019, which we patiently await.

From a freight perspective, the line is barely alive, holding out for the end of the OMA to achieve grants and normal 35-year financing and private investment. Over the past few years, shippers on the line have invested their own money in maintaining the line – Boise Cascade, Spectrum Glass, and Matheus Lumber. As stated above in the rebuttal to Stowe,

there are more freight possibilities on the line [EXHIBIT 12], and typical railway financing along with FRA financial support, will return the line to viability.

CASCADE BICYCLE CLUB

The Cascade Bicycle Club (“CBC”) has about 15,000 highly organized members primarily in Seattle, and is well supported by them. They do many positive things for the bicycling community, but under recent leadership, they took a trail-only perspective of the “Corridor.” The CBC is a leading player in local politics, especially Seattle and KingCo. The former mayor of Seattle was known as “Mayor McSchwinn” who created a new staff position and put the CBC’s political director in it, while countless street parking spaces and traffic lanes were removed from use for bicycle lanes, while congestion in the Seattle area is consistently in the top five worst in the nation. At their annual post-election breakfast in Seattle that I’ve twice attended, freshly elected politicians speak of their deep gratitude and appreciation of CBC’s “incredible support.” The absurdity of Seattle elections is Seattle essentially runs KingCo, which in turn is the 800-pound gorilla at the state level. Given Teigen worked at KingCo prior to SnoCo, it is no wonder he has an overly zealous interest in a bicycle trail over rail with trail.

REACTIVATION EFFORTS

Mr. Payne and I parted company in the midst of the first reactivation submission. As 50-50 owners, he could not fire me as represented in the SnoCo filing. His highly paid political consultant, Tom Jones (Paul Manafort Jr.), convinced him that he could fire me. Jones also conceived issuing more common stock without a GNP board of directors vote during the reactivation hearing.

The reason for our split was very simple, Payne had twice taken money out of the bank via cashier’s check for his personal use with no receipts violating our agreement that anything over \$1,000 required two signatures, plus it was money my family had put into the company. He also claimed to have entered into legal agreements, like office rental, that were never written or executed; yet I paid. He also tried to bribe a business partner to support his case

in the bankruptcy process, which is also in the bankruptcy testimony. Combined with my discovery as presented in the bankruptcy, Payne did these same kinds of things at his prior railway company, including using an owner's personal credit card for his personal needs. My concern was that the situation demonstrated untrustworthiness, would be found out, and that we could not pass a proper due diligence exercise. Our CPA, who was also a party to the involuntary bankruptcy, confirmed my perspective.

I asked Payne several times if I could help GNP at the STB reactivation hearing in 2011, and I was never replied to. At the hearing, the Board asked if I was there, which I wasn't although I was watching online in Seattle. I should have been there to get Payne's agreement to terminate Jones, then provide the required financing in front of the Board. As such, the board noted GNP insolvency and rejected the reactivation filing. Other than the financial matter, the reactivation filing was a very well supported by business entities, but not local governmental entities. [EXHIBIT 12] I do have some regrets that we couldn't come to a resolution, but Payne was getting very bad advice from Jones, who played a very active role in the Board hearing, clearly visible in the online video.

Ballard led a 2013 effort to reactivate the railway corridor from Woodinville to Bellevue, which ended in a split decision by the STB denied due to "chicken or the egg first" financing issues. The O&M term and lack of reactivation certainty were the most significant issues for Ballard in securing a lender-financing plan prior to reactivation approval. [EXHIBIT 10, Page 1]

This is so critical to a railway as normal financing is 35-years. Thus, no financial establishment is willing to commit to helping our railway grow the line with upgrades to the infrastructure and new facilities, with the uncertainty of what will happen in 2019.

Ballard Terminal Railroad Company, LLC

Although freight traffic on the line is substantially down, Ballard's GM has not adequately pursued meaningful freight leads that would be as large or larger than Boise Cascade. This

lack of meaningful effort, however, is the primary reason I did not transfer the freight easement to Ballard.

Matheus Lumber, once a large customer, and Salt Works are on the KingCo portion of the “backend” line south of freight-allowed operations in Woodinville. Although we have easement rights to operate on the line past Salt Works (#1 salt distributor in the U.S.) to Matheus Lumber (large western U.S. lumber distributor), we are restricted from providing freight service per the O&M agreement. Further, there is a huge distribution warehouse under construction about one-mile further south and other warehouses on this south segment. Once again, expiration of the restrictive O&M agreement will improve the viability of freight operations.

Yes, I have a financial dispute with Ballard. Their \$55,000 claim is absolutely impossible, and I’ve never been given any accounting for their claim amount.

Finally, Ballard is appropriately insured for operations on this line per the O&M agreement. Having duplicate insurance on the line provides no benefit to Snohomish County as deductibles are typically a million dollars. Actual financial security lies in the viability of Ballard, not ECR, as they are fully liable for the compliance with the O&M per their lease agreement.

FUTURE RAILWAY PLANS

The base of rail operations is Woodinville, WA, the home of over 100 wineries, breweries and distilleries – a proven regional tourist destination! Studies commissioned by GNP and ECR demonstrated over 90% support for an excursion business by the state’s wine industry. [EXHIBIT 11] The north terminus is a quaint historic town, Snohomish, WA with fine restaurants and many antique stores.

Financial estimates previously submitted are in line with Spirit of Washington performance as described to me by one of its owners, a \$10M profitable business that existed for over 15-

years, and employing well over 100 direct jobs. The inclusion of indirect and induced jobs will multiply this jobs figure substantially.

NW Signal is a premier contractor and provides Sound Transit electrical line maintenance and crossing services. In 2017 it began using a unique hyrail vehicle with a lifting platform that extends its height and width to service overhead electrical infrastructure in tunnels, which eliminates the need for moving individual ladders and the associated risks to workers. Other Regional Transit Authorities across the country have met with NW Signal to provide them electrical contracting services. NW Signal intends to build a tunnel over a portion of the line to provide electrical service training, while continuing to support railway service on the line. To the best of my knowledge based on several conversations, NW Signal desires freight operations on the line to continue into the foreseeable future, and would very much like an excursion service to defray MOW costs.

I also hope that Ballard will continue providing freight service on the line for NW Signal. My intention is to re-introduce an excursion train on the line as soon as the O&M expires. My financial and business assumptions have previously been “verified” as presented to the Board by a third-party financial executive in railway industry. [EXHIBIT 14] Financing for freight would include an FRA grant and RRIF program loan to upgrade the track and freight facilities. By achieving this support, private investment of 20% is entirely possible.

USCIS EB-5 foreign investment at below market interest rates will be used over 5-years to defray initial cash flow issues. The EB-5 money would be preferred equity and up to 35% of the financing stack. I have recently attended two EB-5 conferences where an excursion and hotel plan was easily recognizable to foreign investors and very well received, as most of the world understands the importance and value of railways, including excursion.

The excursion plan entails a financing stack that includes a normal local lender for excursion facilities and a hotel in Woodinville, where city commissioned hotel studies have shown a several hundred “bed” shortage. Based on over 100 wineries in their community, it is completely understandable and presents a viable hotel opportunity. A hotel can also support excursion train needs for a commercial kitchen, parking, waiting and gift shop areas. A

parking structure could be built over the railway at the station, since the air rights are available. These synergies lower operating costs for both the hotel and excursion train.

PERSONAL NOTE

In December 2015, my wife and I amicably divorced as I wanted to be nearer my family and she wanted to remain in San Francisco – a major life event. I moved to Woodinville – another major life event. Early financing for the railway collapsed in February 2016 without full political support for our efforts – another major life event. SnoCo did not reply to my 6 June 2017 letter. [SnoCo EXHIBIT 17] Then, my right hand person and close friend working the railway, Ernie Wilson, was diagnosed with glioblastoma and later passed – the final straw. I just ignored ECR matters, and the LLC was not renewed. It was all too much for me, and I escaped sailing the North Pacific for four months to clear my head. Upon my return, I was very humbled by my situation. I chose to move home across the state to Spokane where I am enjoying time with my father who turned 80, spending time in the outdoors, and pursuing other business interests... until the O&M terminates.

CONCLUSION

With documented proof of legal ownership of the freight easement by GNP to ECR to NW Signal, the board must decide in ECR and Ballard's behalf. With such a decision, ECR as a company will be reactivated to pursue excursion service financing, which will facilitate ROW maintenance, track upgrades and new facilities.

It should be readily apparent to the Board that this Corridor has been hotly contested over the past decade, with extensive trail-only interests being a motivating factor throughout, witness Mr. Montagne's participation in this matter today. Yet the corridor remains "viable" per Sound Transit and railway interests. Teigen's pursuit of a trail-only solution is at odds with years of SnoCo elected and staff public representations. The railways anxiously await the O&M termination in 2019 to have a chance at revitalizing rail operations on the line.

With great humility and sincerity, I request the Board terminate the O&M and License agreements that have about one-year remaining to support railway efforts to make the

railroad viable again, versus a decision giving up on the railroad all together. Further, STB support of FRA financing would allow the railway to move more quickly in its efforts to make the line viable again. There is money in all forms out there for quality projects, and I've recently been exposed to more private money for real estate than ever before.

With a favorable decision NW Signal may purchase ECR following this proceeding. I will continue pursuing EB-5 investment for the railroad and real estate projects and provide business and financial consulting services to a revitalized ECR and/or NW Signal.

Such a positive Board decision will enable the railways to try, and only has upside potential for all concerned. Continued operation of a long-active railroad is in the public's highest interest. SnoCo can have access to a MOW road, SnoCo and the cities of Woodinville and Snohomish will have an economic boost, freight can prosper, and the railway will create well over 100 new jobs plus sizeable hotel employment.

In SnoCo's filing, EXHIBIT 17, Page 368 (pg 406 overall in the submission), my 6 June 2016 letter had an attached "Example County Resolution." Such a resolution by the Snohomish County Council would move everything forward. Without the Board's supporting decision, we'll never know.

If, however, the board supports abandoning the line, there is less than a 3% chance of an abandoned line ever returning to service. If the railroad is allowed to try one last time and fails, the Corridor will be rail banked with the knowledge that this Corridor will never return to service. The public does not lose anything by allowing the railroads to try one last time.

Submitted by Douglas Engle for Eastside Community Rail and the scores of supporters for continued rail operations in this valuable Corridor.

EXHIBIT 1

From: Douglas Engle dengle76@comcast.net

Subject: Re: Darling Lease

Date: May 4, 2018 at 10:45 AM

To: Tom Teigen Tom.Teigen@co.snohomish.wa.us

Cc: Jake Darling darlingsons@earthlink.net, Reay, Sean Sean.Reay@snoco.org, Iris, Kye Kye.Iris@co.snohomish.wa.us



Tom,

First, I you need to go back to the county's 2010 dispute with Darling over this same matter, which the courts ruled in Darling/GNP's favor. The Port of Seattle was aware of the situation, and it is not the railways responsibility to inform you of a court matter settled in SnoCo. Further, you may recalled a matter one of the corridor owners had with the railway, which ended up in federal court in Seattle, and the result was the matter was moved to the STB because the federal court did not have the proper authority in a railway matter. What makes you think SnoCo has more authority than a federal court?

Second, this has nothing to do with excursion, and the railway did not provide an easement, license or permit to Darling. The property is being used for the benefit of the railway, which the courts addressed above.

Third, the county posses no rights controlling the use of the railway easement for railway purposes. If the county would like to pursue this matter, the STB is the proper venue as this is outside the O&M, and the county is attempting to interfere with reasonable use of ongoing freight operations.

Fourth, given the term of the O&M may expire through time or dispute, the O&M simply ceases to exist and the STB retains governance for all railway matters. There is nothing in O&M 12.1 that compels the railway to renew the agreement... tic toc.

Finally, to be perfectly clear, the vehicles will not be removed as the county has no legal right to do so from an active federal railway easement. Your dispute is not with Darling, but the railway.

Wishing you well,

Doug Engle
425.691.8756

On May 4, 2018, at 10:04 AM, Teigen, Tom <Tom.Teigen@co.snohomish.wa.us> wrote:

Hi Doug and Joe,

Per the County's legal analysis of the OPERATIONS AND MAINTENANCE AGREEMENT BETWEEN PORT OF SEATTLE AND GNP RLY.INC., dated December 18, 2009 the TPO (Third Party Operator) has no such rights to grant leases, easements, licenses or permits that we could find in the O&M or License.

O&M Agreement, Page 5, 2.2 Port's Rights and Obligations. d. Port shall have the right to ...grant easements, licenses or permits affecting the Corridor as long, as such use, easements, licenses or permits do not interfere with or create safety hazards for TPO's continuous and uninterrupted use of the Corridor under the terms of this Agreement.

RAILROAD RIGHT OF WAY LICENSE

Section 3. Port's Rights and Obligations.

3.1 Port shall have the right to use the Excursion Spur and to grant easements, licenses or permits affecting the Excursion Spur as long as such use, easements, licensees or permits do not unreasonably interfere with or create safety hazards for TPO's continuous and uninterrupted use of the Excursion Spur under the terms of this License. TPO shall cooperate with any entity granted such easements, licenses or permits to ensure accommodation of the uses authorized by such easements, licenses or permits so long as such uses do not unreasonably interfere with or create safety hazards for TPO's continuous and uninterrupted use of the Excursion Spur under the terms of this License.

Again, the TPO has no such rights to grant leases, easements, licenses or permits that we could find in the O&M or License.

It is the County's position that commercial use of the County owned property needs to cease.

Per our in-person discussion the date for removal of vehicles is May 15, 2018. Thanks for your prompt attention to this matter.

TT

Tom Teigen, Director
Snohomish County Parks, Recreation & Tourism

6705 Puget Park Drive, Snohomish, WA 98296

Office: (425) 388-6617 / Fax: (425) 388-6645

www:snoco.org / e-mail: tom.teigen@co.snohomish.wa.us

<image001.jpg>

"If everything seems under control, you are just not going fast enough". Mario Andretti

NOTICE: All emails and attachments sent to and from Snohomish County are public records and may be subject to disclosure pursuant to the Public Records Act (RCW 42.56).

From: Douglas Engle [<mailto:dengle76@comcast.net>]

Sent: Tuesday, May 01, 2018 6:25 AM

To: Teigen, Tom <Tom.Teigen@co.snohomish.wa.us>

Cc: Joe Hawkey <darlingsons@earthlink.net>

Subject: Fwd: Darling Lease

Dear Mr. Teigen,

The county is entitled to reclaim any easement land not being used by the railway. In this case, Eastside Community Rail entered into a lease agreement with Darling Sons toward the benefit of railway operations.

Given there were no "Additions [or] Alterations" so no notice was required under the Operating and Maintenance Agreement ("O&M").

The type of railway use is irrelevant as long as it benefits the railway and its operations.

The essence of the agreement is that the railway can use any Darling equipment at a substantially reduced rate in exchange for Darling maintaining the area in question inside the railway easement and may park its vehicles as needed.

The railway is paid a nominal rent to maintain the agreement, which transfers to Eastside successors as long as Darling maintains its side of the agreement.

Rest assured, the O&M will not be extended beyond the 10-year term, which will allow the railway to obtain normal railway financing for its future operations.

Further, I am not aware of any legal action where the county reclaimed the unused area of the easement... due process.

Thus, the county cannot reclaim this area of the corridor as it is being legally utilized by the railway indefinitely.

Regards

regards,

Doug Engle
425.691.8756

Begin forwarded message:

From: "Joe Hawkey" <joe@darlingsons.com>
Date: April 30, 2018 at 3:45:56 PM PDT
To: "Doug Engle" <dengle76@comcast.net>

Doug

Tom Teigen came by today. See attached letter.

Thank you.

Joe Hawkey
Darling Sons Intl LLC
joe@darlingsons.com
360-668-7617

May 23, 2017

6705 Puget Park Drive
 Snohomish, WA 98296
 (425) 388 6600
 FAX (425) 388-6645

Dave Somers
 County Executive

Darling Properties LLC
 20915 Yew Way
 Snohomish, WA 98296-7129

☐E Cease and Desist

To whom it may concern:

This office was recently notified of unauthorized parking within its property, identified by Snohomish County Assessor's tax parcel no. 270524Q0404800, location map attached. The intent of this cease and desist letter is to notify you of our ownership and to request you to remove your equipment/vehicles from our property.

As history, in 2016 the county purchased property known as the Eastside Rail Corridor from the Port of Seattle for a rail-to-trail connection to our Centennial Trail. The length of the corridor is approximately 12 miles, generally from unincorporated Woodinville to Snohomish. The property is currently being engineered and designed for a rail-to-trail purpose and is under the management responsibility of Snohomish County Parks and Recreation.

The county was assigned the active leases within the corridor from the Port of Seattle, and we did not find a lease allowing your occupation. Do you have a previously issued active permit or lease for the parking use? If the parking area is needed by your company we may be able to issue you a temporary Special Use Permit or a land lease for this purpose. The fee is dependent on the amount of land you require for this commercial use. For questions in this matter, please contact me by phone at 425-388-6602.

Sincerely,



Russ Bosanko, Division Manager
 Operations & Community Partnership
 Snohomish County Parks and Recreation

Cc: Tom Teigen, Director, Snohomish County Parks and Recreation

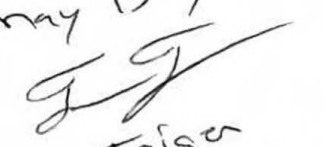
1. Current use of public land (Parks) for commercial use not legal.
 2. Public safety concerns - vehicle & pedestrian
 3. Developing a "Fair Market Value" for site will be reviewed.
 4. All vehicles should be removed by Tuesday May 15th, 2018.
- 
 Tom Teigen
 Director

EXHIBIT 2

AGREEMENT TO PURCHASE REAL ESTATE EASEMENT

GNP Rly, Inc. ("GNP") hereby agrees to purchase from Earl L. Engle and Joanne M. Engle ("Engle's") the Permanent Freight Easement located in Snohomish County in the State of Washington, the legal description of which is described in Attachment A for the following consideration:

- The purchase price shall be TEN dollars (\$10.00) to be paid in its entirety in cash at the time of closing.

It is expressly agreed that this agreement to purchase real estate easement includes the entire agreement of GNP and Engle's. This agreement is binding upon the heirs, personal representatives, successors and assigns of both GNP and Engle's.

This agreement shall be interpreted and enforced in accordance with the laws of the State of Washington.

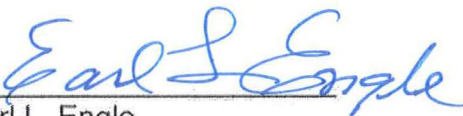
This agreement shall remain CONFIDENTIAL between the parties.

The foregoing agreement is hereby accepted in accordance with the terms and conditions specified above.

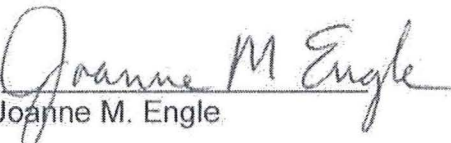
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the 24th day of October 2011.

Approved by:

Earl L. Engle

By: 
Earl L. Engle

Joanne M. Engle

By: 
Joanne M. Engle

GNP Rly Inc.

By: _____
Douglas E. Engle, Director

STATE OF WASHINGTON
COUNTY OF Spokane

I certify that I know or have satisfactory evidence that Earl L. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 10/26/11

NOTARY PUBLIC: Patricia J. Morford

Print Name: Patricia J. Morford

My commission expires: 5/15/14



STATE OF CALIFORNIA
COUNTY OF San Francisco

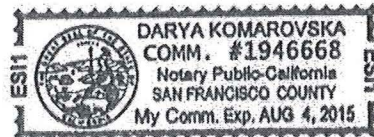
I certify that I know or have satisfactory evidence that Joanne M. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 10/24/2011

NOTARY PUBLIC: Darya Komarowska

Print Name: Darya Komarowska

My commission expires: Aug 4 2015



STATE OF WASHINGTON
COUNTY OF _____

I certify that I know or have satisfactory evidence that Douglas E. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Chief Financial Officer and Treasurer of GNP Rly Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

NOTARY PUBLIC: _____

Print Name: _____

My commission expires: _____

After Recording Return To:

Joanne M. Engle
240 Lombard St
Suite 936
San Francisco, CA 94111

Earl L. Engle
4117 South Lamonte
Spokane, WA 99203

QUIT CLAIM DEED
Woodinville Freight Easement

Grantor: Earl L. Engle & Joanne M. Engle

Grantee: GNP Rly, Inc

Land Description: See Exhibit A attached hereto and incorporated herein (the "Property", AKA "Woodinville Freight Easement").

WHEREAS, Earl L. Engle (53.9%) and Joanne M. Engle (46.1%) ("Engle's") have conveyed to GNP Rly Inc. ("GNP") the Property pursuant a sales agreement with each party; and

WHEREAS, Engle's have entered into a sales agreement with GNP for the Woodinville Freight Easement.

NOW, THEREFORE, Engle's for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) conveys and quit claims to GNP all of Engle's rights, title and interest in and to the Woodinville Freight Easement, together with all after acquired title of Engle's therein.

GNP and Engle's are parties to certain confidential business Agreements concerning the sale of all rights to the Property for themselves and their respective successors.

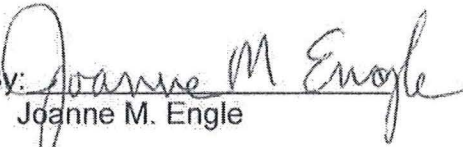
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the 24th day of October 2011.

Approved by:

Earl L. Engle

By: 
Earl L. Engle

Joanne M. Engle

By: 
Joanne M. Engle

GNP Rly Inc.

By: _____
Douglas E. Engle, Director

STATE OF WASHINGTON
COUNTY OF Spokane

I certify that I know or have satisfactory evidence that Earl L. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

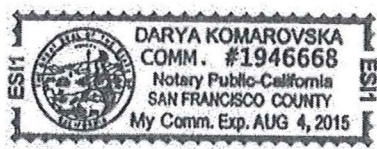
DATED: 10/26/11
NOTARY PUBLIC: Patricia J. Morford
Print Name: Patricia J. Morford
My commission expires: 5/15/14



STATE OF CALIFORNIA
COUNTY OF San Francisco

I certify that I know or have satisfactory evidence that Joanne M. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 10/24/2011
NOTARY PUBLIC: [Signature]
Print Name: Darya Komarowska
My commission expires: Aug 4 2015



STATE OF WASHINGTON
COUNTY OF _____

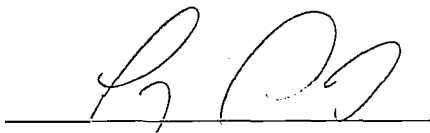
I certify that I know or have satisfactory evidence that Douglas E. Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Chief Financial Officer and Treasurer of GNP Rly Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____
NOTARY PUBLIC: _____
Print Name: _____
My commission expires: _____

EXHIBIT 3

RECORD OF TRANSFER

Perry Stacks, Chapter 11 Trustee for GNP RLY INC. and Douglas Engle, the authorized representative of EASTSIDE COMMUNITY RAIL, LLC do hereby acknowledge and agree that the sale of the assets of GNP RLY INC was consummated and effective as of 12:01AM Monday December 17, 2012. The assets of GNP RLY INC. are now transferred to the control and ownership of EASTSIDE COMMUNITY RAIL, LLC. as approved by the Order of the Bankruptcy Court on September 26, 2012.



Perry Stacks, Chapter 11 Trustee
GNP RLY INC.

Dated 12/17/12



Eastside Community Rail, LLC

Dated 12/17/12

EXHIBIT 4

After Recording Return To:

NW Signal Maintenance, LLC

14850 Lake Hills Blvd.,

Suite B2,

Bellevue, WA 98007

QUIT CLAIM DEED

Portion of Woodinville Freight Easement

Grantor:

EARL ENGLE & Doug Engle
~~ASTSIDE COMMUNITY RAIL, LLC (ESCR)~~ *ESCR*
WEST-NP

Grantee:

NW SIGNAL MAINTENANCE, LLC, or its nominee, successor, or assign ("NW")

Legal Description: See Exhibit A attached hereto and incorporated herein (the "Property").

Abbreviated Legal: In King County

Portion of: Section 9, Township 26 North, Range 5 East, of the Willamette Meridian

WHEREAS, BNSF conveyed to the Port of Seattle (the "Port") certain Property pursuant to that certain Quit Claim Deed effective as of the 18th day of December, 2009, and recorded in the real estate records of King County, Washington an instrument number 20091218001536; and

WHEREAS BNSF reserved in said deed an exclusive easement for freight rail purposes over the Property (the "Reserved Freight Easement") for themselves and their respective successors and assigns; and

WHEREAS ~~ESCR~~ is the present successor and assign to the Reserved Freight Easement,

NOW, THEREFORE, ~~ESCR~~ for and in consideration of TEN THOUSAND AND TEN AND NO/100 DOLLARS (\$10,010.00) conveys and quit claims to NW all of ESCR's right, title and interest in and to the Reserved Freight Easement located in Section 9, Township 26 North, Range 5 East of the Willamette Meridian, together with all after acquired title of ~~ESCR~~ therein.

~~ESCR~~ and NW acknowledge that they are successors and assigns to that certain Freight Easement Sale Agreement dated as of December 18, 2009 concerning the sale of the Rail Freight Easement in and to the property. ~~ESCR~~ and NW for themselves and their respective successors and assigns hereby covenant and agree that the provisions of Section 6 and Section 7 of said Agreement attached hereto as Exhibit B, are incorporated herein by reference and shall be covenants running with the land that are enforceable by ~~ESCR~~ and NW and its respective successors and assigns which provisions shall be included in the Deed and which shall be covenants running with the land.

IN WITNESS WHEREOF, [redacted] and NW have executed this Deed effective as of the 18th day of [redacted] 2017.

DECEMBER

By

Earl Engle

EARL ENGLE

By

Douglas Engle

DOUGLAS ENGLE

NW SIGNAL MAINTENANCE, LLC

By

Kevin Kucera

KEVIN KUCERA

Member

STATE OF WASHINGTON)

CITY OF Spokane) ss

COUNTY OF Spokane)

I certify that I know or have satisfactory evidence that Earl Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:

12/18/2017

Notary Public

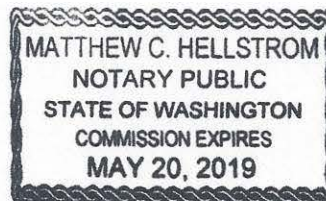
Matthew C. Hellstrom

Print Name

Matthew C. Hellstrom

My commission expires

May 20, 2019



(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)

CITY OF Spokane) ss

COUNTY OF Spokane)

I certify that I know or have satisfactory evidence that Douglas Engle is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12/18/2017
Notary Public Matthew C. Hellstrom
Print Name Matthew C. Hellstrom
My commission expires May 20, 2019



(Use this space for notarial stamp/seal)

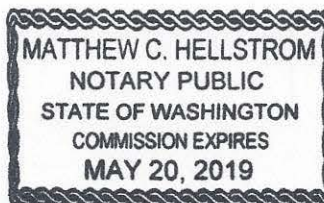
STATE OF WASHINGTON)

CITY OF Spokane) ss

COUNTY OF Spokane)

I certify that I know or have satisfactory evidence that Kevin Kucera is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12/18/2017
Notary Public Matthew C. Hellstrom
Print Name Matthew C. Hellstrom
My commission expires May 20, 2019



(Use this space for notarial stamp/seal)

EXHIBIT 5

SETTLEMENT AGREEMENT

I, Douglas Earl Engle, Husband, and I, Joanne Marie Engle, Wife, agree as follows:

I. GENERALLY: We are now husband and wife. We were married on the 29 day of September, 2007, and separated on the 10 day of June, 2015. We further represent that we have lived together since 2004. We make this agreement with reference to the following facts:

A. CHILDREN: There are no children between Douglas and Joanne Engle.

B. Unhappy and irreconcilable differences have arisen between us, which have caused the irremediable breakdown of our marriage.

C. DISCLOSURE: We each acknowledge receipt of Preliminary Declarations of Disclosure from the other.

D. We now intend, by this agreement, to make a final and complete settlement of all of our rights and obligations concerning division of property.

II. SEPARATION: We agree to live separately and apart, and, except for the duties and obligations imposed and assumed under this agreement, each shall be free from interference and control of the other as fully as if he or she were single.

III. CONFIRMATION OF SEPARATE PROPERTY:

A. The following property was and is the separate property of Husband, and Wife confirms it to him and waives any claim to or interest in it: **see attached F142.**

B. The following property was and is the separate property of Wife, and Husband confirms it to her and waives any claim to or interest in it: **see attached F142.**

IV. DIVISION OF COMMUNITY PROPERTY AND DEBTS: The parties warrant and declare under penalty of perjury that the assets and liabilities are all separate property and not community property based on a post-nuptial agreement dated July 17, 2008. There are no community liabilities.

V. FIRST RIGHT OF REFUSAL: Joanne Marie Engle agrees that if and when selling separate property of 832 Lake Street South, she will provide first right of refusal to Douglas Earl Engle, at an agreed upon fair market selling price.

VI. BUSINESS OPPORTUNITY: The parties warrant and declare under penalty of perjury that the business and investment opportunities and related assets and liabilities are all separate property and not community property or liabilities. Specific opportunities related to Washington State railroad activities are related to Douglas Earl Engle. Specific liabilities related to Washington State railroad activities owed to Joanne Marie Engle are separate property. Joanne agrees to transfer all property interests to Douglas or the railway,

VII. TAXES:

A. Any tax refunds for the current fiscal year shall be distributed as follows: **based on contributing income.** B. Any tax deficiencies for the current year shall be paid as follows: **based on contributing income.**

VIII. RESERVATION OF JURISDICTION: The parties agree that the California court shall have jurisdiction to make whatever orders may be necessary or desirable to carry out this agreement and to divide equally between the parties any community assets or liabilities omitted from division under this agreement.

IX. ADVICE OF COUNSEL: The parties recognize that the termination of the marriage will be determined by this instrument. We recognize that we each have a right to seek advice from independent counsel of our own choosing and that we knowingly and with due regard for the importance of same have elected to proceed with this agreement.

X. EXECUTION OF INSTRUMENTS: Each agrees to execute and deliver any documents, make all endorsements, and do all acts which are necessary or convenient to carry out the terms of this agreement.

XI. PRESENTATION TO COURT: This agreement shall be presented to the court in any divorce proceeding between the parties, it shall be incorporated into the Judgment therein, the parties shall be ordered to comply with all its provisions and all warranties and remedies provided in this agreement shall be preserved.

XII. DISCLOSURES: Each party has made a full and honest disclosure to the other of all current finances and assets, and each enters into this agreement in reliance thereon. Each warrants to the other and declares under penalty of perjury that the assets and liabilities divided in this agreement constitute all of their community assets and liabilities.

XIII. RESOLUTION OF DISPUTES: With the exception of emergencies involving an imminent threat to the physical safety of either of us or a minor child, all disputes arising between us on any matter whatever will be resolved as follows:

(1) If we are unable to resolve any dispute ourselves, we each agree to make a reasonable good-faith effort to resolve the matter in mediation. On the written request of either party, we will within 30 days submit our dispute to mediation with a mediator agreed upon by both of us. If we are unable to agree on a mediator, we will each choose one person to make a choice on our behalf, and those two persons together will appoint our mediator. We will participate in mediation in good faith, and we will each be responsible for half the cost of mediation.

(2) We are each entitled to representation in mediation by an attorney of our choice. Each party will be responsible for his or her own attorney fees.

XIV. BINDING EFFECT: This agreement, and each provision thereof, is expressly made binding upon heirs, assigns, executors, administrators, representatives, and successors in interest of each party.

Dated: _____, Husband,
Douglas Earl Engle

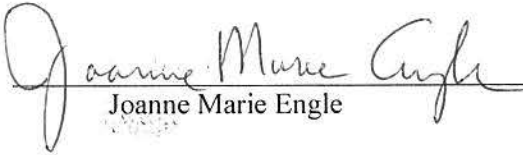
Dated: 12/15/2015 , Wife
Joanne Marie Engle

EXHIBIT 6

From: Jake Hoyle jake.hoyle@eb5an.com 
Subject: RE: EB5AN Agreements
Date: July 29, 2018 at 10:30 PM
To: Douglas Engle dengle76@comcast.net, dengle2001@gmail.com
Cc: Michael Schoenfeld mike.schoenfeld@eb5an.com

JH

Doug,

Attached you will find a few things. The first is our engagement letter for a full set of EB-5 documents. Please update the areas highlighted in yellow and sign and send back digital copies. We will then countersign and return for your records. The complete set of EB-5 project documents will take about 6-8 weeks to complete, depending on the pace of information flow between our teams. For the payment, you can send a wire transfer (instructions attached) or mail a check to "EB5AN Management and Consulting, LLC" to the Florida office address in my signature below. Please confirm which you decide so that our controller can match up and confirm receipt on our end.

Also attached is the complete data request form. I've shared a [Dropbox folder](#) with you where you can upload all of the information that is readily available, just drag and drop everything in there. While we'll eventually need everything on the list, we already have a lot of good information from our work on the prelim report to get started on everything. If you decide to move forward, we can start the documentation process immediately based on what we already have and will schedule a meeting for early next week to go over detailed project structuring.

I'll be available for a call starting Wednesday morning, but feel free to text or email me in the meantime with any questions.

Thanks,
Jake Hoyle
Associate

[Schedule time to talk](#)

EB5 Affiliate Network
3801 PGA Boulevard, Suite 902
Palm Beach Gardens, FL 33410

E-mail: jake.hoyle@eb5an.com
Mobile: 610-333-3413
Office: 1-800-288-9138
Facsimile: 561-775-7503



From: Michael Schoenfeld <mike.schoenfeld@eb5an.com>
Sent: Friday, July 27, 2018 6:00 PM
To: Douglas Engle <dengle76@comcast.net>

Cc: Jake Hoyle <jake.hoyle@eb5an.com>

Subject: Re: EB5AN Agreements

Doug,

Great news!

Jake, cced, will send over our engagement agreement and also lay out the step by step project plan and timeline.

During the deal we'll structure it to best match those markets. We have seen many clients find success in both markets and can suggest what is needed in the structuring. They are 2 very different markets so it will be a balancing act to decide exactly how you'd like to structure it.

Thanks,

Mike

On Fri, Jul 27, 2018 at 1:47 PM, Douglas Engle <dengle76@comcast.net> wrote:

Good day Mike,

It was nice to see you and meet more of your team at the LA conference.

I look forward to working with many of them in the coming months.

Would you be so kind as to send over your agreement doc's and "project plan" for an engagement.

The numbers pencil out for us to pursue Brazil and Vietnam to source investment.

Any EB5AN insights and value-add you can address for those two markets would be graciously appreciated.

We have a team meeting at 1:30 on Tuesday.

Please let me know at your earliest convenience.

Have a wonderful weekend,

Doug Engle

425-691-8756

--

Mike Schoenfeld

Managing Partner

EB5 Affiliate Network, LLC

E-mail: Mike.Schoenfeld@EB5AN.com

Mobile: 404.825.3410

Office: 800.288.9138

Book a Meeting: <https://meetme.so/mike-schoenfeld>



EB5AN M&C

Engle, Doug

Electronic Wire Instructions: EB5AN Management and Consulting LLC

Bank Name: Signature Bank



SIGNATURE BANK®

Bank Address: 200 Park Avenue S, Suite 501 New York, NY 10003

Company Name : EB5AN MANAGEMENT AND CONSULTING LLC

Account Number: 1503023500

Routing Number (wires): 026013576

SWIFT (International): SIGNUS33



Using EB-5 Capital in the Capital Stack for New Hotel Developments

Ali Jahangiri & John Tishler

Wed, 2015-03-04 08:10

Until 2012-2013, [many hotel developers sought EB-5 capital](#) when other forms of capital were unavailable. Today, traditional capital is more accessible for well-conceived hotel projects, and EB-5 capital is no longer as accessible for projects that fail to meet traditional underwriting criteria. Hotel developers seek EB-5 capital today primarily for its pricing advantage.

There are other advantages to EB-5 capital besides low cost. EB-5 also has some important disadvantages that must be anticipated and managed for a successful EB-5 program. This article will discuss the advantages and disadvantages after a brief introduction to the EB-5 program.

What is the EB-5 Visa Program?

[The EB-5 Visa Program for Immigrant Investors](#) was established in 1990 and offers foreign nationals the opportunity to receive a permanent visa for themselves and their family members under age 21. By investing \$1 million (reduced to \$500,000 if the investment is in a targeted employment area, or TEA) in a U.S. business and demonstrating the creation of at least 10 jobs with their investment, the investors are granted green cards. Under current law, 10,000 EB-5 visas are available per year, representing \$2-3 billion of capital per year. (The available capital is less than \$10 billion because almost all larger programs are located in TEAs and use the lower investment threshold, and the investors' family members are also counted against the 10,000 visa limit.)

What hotels are using EB-5 financing?

Hotels funded with EB-5 capital include the [SLS Las Vegas](#), the [Marriott/Residence Inn at LA Live](#), and the [Homewood Suites in East Point, Ga.](#) There are many other upscale and limited service hotels throughout the country currently in the market seeking EB-5 financing such as the [NYLO South Side hotel in Dallas, Texas](#), and [Silverstein Properties' Four Seasons Hotel in New York](#).

Why are new hotel construction projects so popular in the EB-5 market?

New hotel construction is probably the most popular type of investment today in the EB-5 market. The reasons relate to the two primary goals for EB-5 investors:

- Obtaining a visa
- Return of principal

Hotel projects tend to create a high number of jobs per dollars invested. More jobs mean greater security in the visa process. Hotels create substantial direct jobs during the operational phase, and the EB-5 “[regional center](#)” program enables projects sponsored by a regional center to count in addition “indirect and induced” jobs determined through economic models. Hotels can take advantage of indirect and induced jobs deemed created during the construction phase and during the operational phase. Where, as is typical today, EB-5 capital represents a minority of the total capital stack, the total number of jobs created by the project are leveraged for the EB-5 investors. For example, if a \$50 million hotel will create 500 jobs (including indirect and induced jobs), and \$15 million (30 percent) is funded by EB-5 investors each contributing \$500,000, the total of 30 investors will divide the 500 jobs among them, resulting in over 16 jobs per investor. This represents a “cushion” of more than 60 percent over the 10 jobs required for each investor, which enhances an investor’s chances of obtaining his or her visa.

Hotel projects are also perceived to be relatively safe in the marketplace for return of capital. Foreign investors believe they understand the revenue model of a hotel, and they are often comforted by a flag and location they recognize.

How much does EB-5 capital cost?

The investors in most larger EB-5 deals today are recruited by Chinese migration agents. For EB-5 deals marketed through these agents, developers can expect to pay a fixed rate of interest, or preferred return on capital raised, of 5-8 percent annually over the five-year expected life of the investment. Depending on the structure of this deal, there may be upfront points (usually not more than 1 percent) and substantial upfront transactional costs. The annual cost of capital may be lower for developers who have their own infrastructure to recruit and maintain relationships with migration agents. However, these relationships take a long time to build and there is significant effort involved in positioning and maintaining an EB-5 offering that will be presented by migration agents. Most developers will require the services of an intermediary to interface with the migration agents in order to ensure success of the offering.

The cost of EB-5 capital is usually more than the current variable rate offered by senior lenders, and may be more than the effective fixed rate available on a senior loan by purchasing a swap. For this reason, EB-5 capital most often makes up the part of the capital stack that is typically funded with mezzanine capital, traditional equity or preferred equity. Compared with typical costs of between 9-20 percent annually for mezzanine capital, traditional equity or preferred equity (plus potentially points upfront and equity participation), EB-5 capital has obvious appeal for hotel developers.

What are the benefits of EB-5 capital other than cost?

Other advantages to EB-5 capital that make it attractive for hotel developers are:

- EB-5 capital rarely requires personal guarantees from the principals of the developer, though related entity guarantees may be required for some projects and deal structures.
- When not in a first lien position, EB-5 capital will often be unsecured and/or have deep subordination.
- In the form of preferred equity or as an unsecured loan, EB-5 capital may be permitted by senior lenders that would not permit other mezzanine-type structures.
- Covenants are typically light and financial covenants are not common.

- EB-5 capital can be used to replace sponsor equity or other more expensive bridge capital, and can therefore allow a developer to redeploy a portion of its sponsor equity to other projects.
- Where EB-5 capital reduces the amount necessary or outstanding on senior loans, it may enable better senior loan terms and/or easier covenant compliance.

What are the disadvantages of EB-5 capital?

EB-5 capital also has some important limitations and disadvantages that a developer should consider carefully.

Timing. Structuring and raising EB-5 capital takes substantial time and then funds often are not available to the project until visa milestones are met. Time horizons of nine months to two years (and sometimes even longer) are common, depending on the type of program and funding model. Aligning the EB-5 timeline with the project's construction timeline is challenging and critical to success. Bridge financing may be required and is frequently used for EB-5 hotel projects.

Up-front costs. Because EB-5 capital involves a syndicated offering of securities to individual foreign investors who are not professional hotel financiers, comprehensive offering documentation directed to retail investors is required. These documents, and the complexity of EB-5 program requirements, cause higher transaction costs than for most other forms of capital for hotel development. Moreover, many of these costs must be paid well in advance of receipt of capital to offset those costs and many of them cannot be paid directly with EB-5 funds. Because many of these costs are fixed and unaffected by project size, up-front costs are a larger concern for smaller project.

Management diversion. EB-5 financing is complex and typically requires significant management attention for many months of fundraising. Various models outsource some or most of this work to others, but outsourcing typically leads to greater cost of capital.

Constraints on exit. EB-5 program requirements and current uncertainty in USCIS visa adjudication policy may cause limitations on the ability to sell or refinance the hotel when desired. Most EB-5 programs are structured for a five-year investment horizon which is optimized for these concerns, but problems may arise for a developer that wishes to sell or refinance before the end of five years.

Securities law liability. Securities laws in the United States and elsewhere create significant administrative and litigation liability exposure to developers. Persons who participate in a flawed offering of securities can be found personally liable for investor losses. Securities lawyers must consider the effect of other securities laws, including broker-dealer laws and laws governing investment advisers and investment companies.

How do I decide if EB-5 is right for my hotel project?

Hotel developers inexperienced in EB-5 will require help from experienced EB-5 professionals. Some professionals, including broker-dealers and project finance attorneys, will assist by developing EB-5 feasibility studies. While some may perform this type of analysis without charge in hopes of securing a paid engagement, a reliable read on feasibility will likely require a developer to pay for the work involved (one way or another). Unfortunately, many EB-5 programs commence without any real feasibility planning and then fail in the marketplace after incurring substantial cost for execution that was devoid of design for success.

How should I choose EB-5 professionals?

Developers should choose professionals the way they do outside EB-5 — based on professional qualifications, industry experience, successful track records, skill, personal compatibility, and budget compatibility. In choosing professionals, developers should consider that the market has evolved rapidly to reflect [changing adjudication policies at USCIS](#), attention from securities regulators, increasing sophistication, underwriting scrutiny of marketing agents, and enhanced competition in the marketplace. What worked in 2012 or even 2013 very likely will not work today, and developers should assess a professional's recent EB-5 experience and experience outside EB-5 to assess a professional's versatility in the changing legal and market environment.

*Ali Jahangiri is the founder of EB5 Investors Magazine and [EB5Investors.com](#), a unique online platform allowing investors to communicate directly with attorneys, and developers to connect with EB-5 regional centers and funding sources. In 2014, he published *The EB-5 Handbook: A Guide for Investors and Developers*, an essential resource both for foreign investors who wish to pursue their U.S. green cards, and for American developers seeking to learn more about EB-5 capital as a funding option. His articles and Op-Eds have been published across many platforms, including local newspapers and the Huffington Post.*

*John Tishler is an EB-5 corporate and securities attorney with [Sheppard Mullin Richter & Hampton, LLP](#). His EB-5 experience includes securities compliance and representing clients that wish to acquire EB-5 financing. He publishes on several blogs, including the *Financial Institutions Law Blog* and the *Corporate & Securities Law Blog*, and he has authored multiple articles published by the *San Diego Daily Transcript* and the *California Business Law Practitioner*.*

Source URL: <http://nreionline.com/hotel/using-eb-5-capital-capital-stack-new-hotel-developments>

EXHIBIT 7

From: Douglas Engle dengle76@comcast.net 
Subject: ECYR Doc's
Date: February 21, 2017 at 3:00 PM
To: Josh Brower josh@verislawgroup.com
Cc: James Forgette jrforgette@hotmail.com



Engle GNP
Reconv...t11.pdf



BNSF GNP
Pages f...cs.pdf

From: Josh Brower josh@verislawgroup.com 
Subject: Freight Easement Quit Claim Deed--From ECY to BTRR
Date: July 26, 2017 at 11:43 AM
To: dengle76@comcast.net
Cc: James Forgette jrforgette@hotmail.com

JB

Hi Doug. Attached is a draft Quit Claim Deed to transfer the Freight Easement from ECY to BTRR.

James told me that you believe your father and/or ex-wife may have some remaining interest in the Freight Easement. Based on what I have, I do not believe that to be the case.

The only document I have that relates to any ownership by your dad and Joanne is a Quit Claim Deed dated October 2011 **from** Earl and Joanne Engle **to** GNP Rly, Inc. In that document, Earl and Joanne convey their interest **TO** GNP, thereby relinquishing any ownership.

The copy I have is only signed by Joanne.

Despite this, GNP then sold its rights/interest to ECY as part of GNP's bankruptcy. Because of that, any interest Earl may have had was extinguished as part of the Bankruptcy sale.

Am I missing something?

Did ECY convey its interest to Earl and Joanne after ECY acquired the Easement from bankruptcy?

Please let me know if I am missing anything and provide copies of any conveyance documents.

If I am correct, please print the attached document, sign it, have your signatures notarized and return it to me at your earliest convenience.

Thank you.

Josh

Joshua C. Allen Brower
Veris Law Group PLLC
1809 Seventh Avenue, Suite 1400
Seattle, WA 98101
206.829.8233 direct
206.829.9590 office
josh@verislawgroup.com
www.verislawgroup.com

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ECY Quit Claim
for Rer...nt.docx

EXHIBIT 8

LEASE AGREEMENT

This Lease Agreement (as it may be amended and in effect from time to time, (the "Agreement") is made and entered into this 26th day of April, 2013 by and between Ballard Terminal Railroad Company, LLC (hereinafter "Ballard") and Eastside Community Rail, LLC, ("ECRR").

WHEREAS, ECRR has acquired an exclusive freight operating easement on a line of railroad extending from approximately milepost 23.8 in Woodinville to approximately milepost 38.25 in Snohomish, in King and Snohomish Counties, Washington (the "Line"); and

WHEREAS, subject to the terms of this Agreement, Ballard desires to lease the Line and ECRR is agreeable to the same; and

NOW, THEREFORE, the parties hereby agree as follows:

Definitions. As used herein, the following terms shall have the meanings indicated:

"AAR" shall mean the American Association of Railroads.

"Applicable Laws" shall mean all applicable federal, State of Washington and local laws, regulations and rules relating to the provision of the Services and the activities of Ballard relating to or conducted on the Line (including, without limitation, the Federal Locomotive Inspection Act, as amended, and the Federal Safety Appliance Act, as amended, the Federal Railroad Safety Act, as amended, all rules and regulations promulgated by the Federal Railroad Administration and the Surface Transportation Board, the Railroad Retirement Act, as amended, the Federal Employer's Liability Act, as amended, the ICC Termination Act of 1995, as amended, and all rules promulgated by the AAR), as such laws, regulations and rules may be amended and in effect from time to time.

"FRA" shall mean the United States Federal Railroad Administration.

"Hazardous Materials" shall mean any of the following: asbestos; urea formaldehyde; petroleum hydrocarbons and other petroleum products (including gasoline, diesel fuel, fuel oil, crude oil and motor oil and constituents of those products); ethanol; tetrachloroethylene; polychlorinated benzyls; polychlorinated biphenyls; biological hazards; nuclear fuel or materials; chemical, biological or medical wastes; radioactive materials; explosives; known carcinogens; and all dangerous, toxic or hazardous substances defined as hazardous or as pollutant or contaminant in, or the release or disposal of which is regulated by, any Applicable Laws.

"Maintenance Services" shall mean track and right of way maintenance services for the Line, to the extent required by, and in accordance with, this Agreement.

“Operational Agreements” shall mean all easements, crossing agreements, running rights agreements, interchange agreements, trackage agreements and other agreements and contracts affecting the use, occupancy or possession of the Line under which ECRR enjoys any rights or privileges which are pertinent to the Line or to Train Services and/or Maintenance Services in respect of the Line, as the same may be amended or modified and in effect from time to time.

“Person” shall mean any corporation, limited liability company, general or limited partnership, trust, government or governmental entity or political subdivision of any government, unincorporated association, individual or other entity.

“Lease Commencement Date” shall mean the date upon which this Agreement becomes effective pursuant to Section 10(a) hereof.

“Lease Termination Date” shall mean the earliest to occur of (a) the first (1st) anniversary of the Lease Commencement Date, subject to any renewals thereof, or (b) the date of termination of this Agreement pursuant to Sections 10(c) through Section 10(e).

“Services” shall mean the Train Services and Maintenance Services to be provided by Ballard on the Line pursuant to this Agreement.

“STB” shall mean the U.S. Surface Transportation Board.

“Term” shall mean the period commencing on and including the Lease Commencement Date and ending on and including the Lease Termination Date.

“Train Services” shall mean moving railroad cars on the Line pursuant to this Agreement.

1. Lease of Line. ECRR hereby leases to Ballard the Line upon the terms, covenants and conditions contained herein; provided, however, said Line shall be used by Ballard exclusively for railroad purposes and for no other purpose without the expressed written consent of ECRR. This lease shall be exclusive.

Ballard shall not permit or admit any third party to the use of all or any portion of the Line, nor under the guise of doing its own business, contract or make any agreement to handle as its own equipment over or upon the Line, or any portion thereof, the equipment of any such third party under a haulage or other similar arrangement, without the express written consent of ECRR; provided, however, that the foregoing shall not prevent Ballard, pursuant to run-through agreement with any railroad, from using the locomotives of another railroad as its own under this Agreement.

2. Port of Seattle Operations and Maintenance Agreement. The terms of that certain Operations and Maintenance Agreement, dated December 18, 2009, between the Port of Seattle and ECRR as successor in interest to GNP RLY, Inc. (“O&M Agreement”) is hereby incorporated herein by reference. Ballard agrees to be bound by and comply with ECRR’s

obligations under the terms of the O&M Agreement. In the event of a conflict between the terms of the O&M Agreement and the terms of this Agreement, the terms of the O&M Agreement shall govern.

3. Services. On and subject to the terms of this Agreement and in partial consideration for ECRR's lease of the Line to Ballard, Ballard agrees that during the Term it will provide at its sole expense:

(A) Train Services to all current or future shippers on the Line and all common carrier responsibilities on the Line; and

(B) All necessary equipment and manpower to provide two-day per week service (at least one switch per day) to all shippers/receivers on the Line. No passenger operations will be permitted on the Line without the mutual consent of both parties; and

(C) All clerical and administrative functions associated with Services on the Line, including, but not limited to, publication of Ballard rules and tariffs (Ballard shall set freight rates for its operations on the Line, billing and accounting services, car hire accounting, AAR and FRA reporting, waybill issuance, dispatching, and all other clerical and administrative functions normally associated with rail operations); and

(D) All equipment repair services normally associated with Handling Line responsibility; and

(E) All car supply, as may be necessary, as a supplement to those cars supplied by BNSF and the shippers/receivers; and

(F) Maintenance Services for the Line sufficient to maintain the track at FRA Excepted Class conditions at all times and notice to the FRA regarding said Maintenance Service responsibilities. All materials, improvements, and labor expended by Ballard in the performance of the Maintenance Services shall become a part of the Line. In the event that ECRR proposes to improve the condition of some or all of the line above FRA Excepted Class standards, then from and after the date of completing such improvements the Maintenance Services required of Line shall be sufficient to maintain such improved track at the improved level of condition. Ballard shall assume and be responsible for the inspection and maintenance of the tracks, track structure and roadbed of the Line, including rails, ballast, subgrade, ties, road crossings and crossing signals, bridges, culverts, overhead structures and retaining walls, under the following guidelines:

- (i) Ballard shall provide all necessary Routine Maintenance which shall be performed in a manner sufficient to maintain the Line to FRA Excepted Class track conditions. Routine Maintenance shall include those items identified in Schedule A. All materials and labor expended by Ballard in the performance of Routine Maintenance shall become a part of the Line. Should the Line be upgraded above FRA Excepted Class track standards, then Ballard shall perform Routine Maintenance to the upgraded standards. All

materials and labor expended by Ballard in the performance of Routine Maintenance to the upgraded standards shall become a part of the Line; and

- (ii) Ballard shall provide all necessary Heavy Maintenance (defined as maintenance in excess of the Routine Maintenance identified in Schedule A) and Capital Improvements necessary to maintain the line at FRA Excepted Class standards. Certain of the Heavy Maintenance and Capital Improvements will include non-removable items including, but not limited to, ties, ballast, switches, rail, bridge timber, power poles, signals, utility services or other items removal of which would impact the safety or continued operation of the Line. All materials and labor expended by Ballard in the performance of Heavy Maintenance and Capital Improvements, including, but not limited to, the non-removable items, shall become a part of the Line.
- (iii) Ballard shall be responsible for the cost and expense of clearing wrecks or otherwise clearing disabled equipment and rerailling equipment and the associated cost of repair and/or renewal of damaged trackage or adjacent properties resulting in connection with derailments on the Line.
- (iv) Ballard shall contract for and obtain any and all utility services required for operations on the Line, and shall be responsible for the continued maintenance and operation of those utility services.

4. Lease Compensation.

(A) Ballard will collect the entire interline (Handling Line) rate factor from BNSF (including, but not limited to, fuel surcharges) or the rate due and owing to Ballard by the shippers/receivers, as applicable; and

(B) Ballard shall pay to ECRR a lease payment of Ten Dollars (\$10.00) per loaded car; and

(C) Ballard shall pay to the Port of Seattle the fees required to be paid by ECRR to the Port of Seattle as set forth in sections 9.4(B), (C) and (D) of the O&M Agreement.

(D) Ballard shall be responsible for all car hire associated with rail movements on the Line and shall be entitled to establish reasonable, non-discriminatory demurrage and storage charges for shippers/receivers on the Line; provided, however, such charges shall be in accordance with Applicable Laws.

(E) Ballard shall not charge ECRR for Routine Maintenance, Heavy Maintenance, Capital Improvements, clerical and administrative services, equipment and derailment repairs, or any of the other Services identified in Section 3. The cost for those Services is deemed to be a part of Ballard's lease payment to ECRR as set forth in Sections 4(A)-(D); and

(F) Ballard shall pay ECRR for the charges set forth in Section 4 on a quarterly basis. Charges shall be due and payable within ninety (90) days of the applicable car movement; and

5. Indemnification. Ballard shall indemnify, protect, defend and save harmless ECRR, and its respective officers, directors, affiliates, agents, and employees (each an "ECRR Indemnitee") free and harmless from and against any and all actions, causes of action, suits, losses, liabilities, damages and expenses, and attorneys' fees (collectively, the "Indemnified Liabilities"), incurred by the ECRR Indemnitees or any of them as a result of, or arising out of, or relating to:

(A) Services set forth in this Agreement, whether provided to ECRR or any shippers/receivers on the Line, by Ballard or any of its officers, directors, affiliates, agents or employees; and

(B) Acts or omissions arising out of and/or related to Ballard's lease of the Line, Ballard's performance of Train Services on the Line, whether negligent or otherwise, by Ballard or any of its officers, directors, affiliates, agents, or employees; and

(C) The use, handling, release, emission, discharge, transportation, storage, treatment or disposal of any Hazardous Materials by Ballard or any of its officers, directors, affiliates, agents or employees; and

(D) Any violation of any Applicable Law by Ballard or any of its officers, directors, affiliates, agents or employees; and

(E) The breach of this Agreement or any failure by Ballard to perform any of its obligations pursuant to this Agreement in accordance with the requirements hereof;

except for any such Indemnified Liabilities arising on account of the applicable ECRR Indemnitee's gross negligence or willful misconduct. If and to the extent that the foregoing undertaking may be unenforceable for any reason, Ballard hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under Applicable Law.

6. Insurance. During the Term, Ballard shall, at its own cost and expense, obtain and maintain in force insurance covering its obligations under this Agreement as follows:

(a) Ballard shall provide all of the insurance coverage in the amounts and with the requirements set forth in Section 6 of the O&M Agreement.

- (b) Other Requirements.
 - (i) All policies (applying to coverage listed above) shall contain no exclusion for punitive damages and certificates of insurance shall reflect that no exclusion exists.
 - (ii) Ballard waives and releases any right of recovery against ECRR for loss or damage to property of Ballard, its employees, licensees and invitees, resulting from any cause which would be coverable by “all risk” property insurance, whether or not such insurance is actually in effect, and whether or not the loss or damage is caused by the negligence of ECRR, its agents, employees or contractors. This waiver shall be binding on all insurers and other parties claiming by, through or under Ballard.
 - (iii) Ballard’s insurance policies through policy endorsement must include wording which states that the policy shall be primary and non-contributing with respect to any insurance carried by ECRR and the Port of Seattle.
 - (iv) All policies required above shall include a severability of interest endorsement and shall name ECRR as an additional insured with respect to work performed under this Agreement and the Port of Seattle.

Ballard shall furnish ECRR with satisfactory evidence of such insurance, and with an endorsement from the issuer of the applicable insurance policies stating that the issuer shall furnish not less than thirty (30) days notice of any lapse or termination of, or material change in coverage under, such insurance. This requirement shall not, however, be deemed to make ECRR liable for payment of premiums or other charges in respect of any insurance which Ballard is obligated to obtain and keep in effect. The complete or partial failure or refusal of an insurance carrier, for any reason whatsoever, to protect and indemnify ECRR, or the inadequacy of the insurance coverage obtained by Ballard, shall not affect the obligation of Ballard to indemnify ECRR as provided in this Agreement.

7. Taxes. ECRR shall be responsible for all property taxes and similar assessments, attributable to the ownership of the Line. Ballard shall be responsible for all property taxes and similar assessments associated with the ownership of equipment used on the Line.

8. Financial Reporting. During the term of this Agreement, if so requested by ECRR, Ballard shall provide ECRR with a confidential copy of the Ballard federal income tax return within thirty (30) days of filing of such return. The purpose of providing such income tax return to ECRR shall be limited to determining that Ballard remains solvent and Ballard may elect to provide additional material in support of such a determination. ECRR agrees to keep such income tax return and any other financial material provided by Ballard, or its parent company, confidential and shall share it only with those professional persons that may have a legitimate need to view it, with the consideration that such professional persons shall also be bound by the same requirement of confidentiality.

9. IRS Tax Credit. ECRR shall be exclusively entitled to all credits available under the Qualified Railroad Track Maintenance Credit (Tax Credit), or successor credit programs, for all Routine Maintenance and Heavy Maintenance performed under this Agreement unless otherwise specified.

10. Term/Termination.

(A) This Agreement shall become effective on April 30, 2013, or one day after the STB has approved this Lease, whichever is later, or such other date as is mutually agreeable to the parties ("Lease Commencement Date") so long as prior thereto the STB has approved this Lease, pursuant to a Notice of Exemption, on terms acceptable to ECRR.

(B) Upon becoming effective under Section 10(A) above, this Agreement shall continue in full force and effect for a period of one (1) year from the Lease Commencement Date, except as otherwise provided in this Section 10. Unless earlier terminated pursuant to Sections 10 or 11, the term hereof shall extend from year to year (each year a "Renewal Term") unless either party has provided a notice of termination at least sixty days (60) prior to the end of the Initial Term or any Renewal Term.

(C) In the event of any substantial failure on the part of either party hereto to perform any of its obligations under this Agreement and its continuance in default for a period of fifteen (15) days after written notice of the default is given to such party by the other party in accordance with the notice provisions of this Agreement, the non-defaulting party shall have the right, at its option, to terminate this Agreement upon notice to the other party. Any such termination shall be without prejudice to the legal and equitable rights of the non-defaulting party in respect of such default by the other party.

(D) If there shall be filed by or against either party, in any court of competent jurisdiction, a petition in appointment of a receiver or trustee of all or a portion of a party's property, or if either party shall make an assignment for the benefit of creditors, and if execution shall be issued against a party, this Agreement, at the option of the other party, may be canceled and terminated without penalty, in which event neither party by virtue of any statute or of any order of any court shall treat this Agreement as an asset of the other party.

11. Right of First Refusal. In the event that Byron Cole ceases to manage Ballard's day-to-day operations, ECRR shall have the right, but not the obligation, to terminate this Agreement on thirty (30) days notice to Ballard. In further consideration of this Lease, in the event that Byron Cole ceases to manage Ballard's day-to-day operations, ECRR shall have the right, but not the obligation, to acquire all of Ballard's operating and ownership rights in the Woodinville-Bellevue Line, and the assets thereon (MP 23.8-MP 12.6); ECRR shall reimburse Ballard for the monetary amounts which Ballard paid for such rights and assets. Ballard shall cooperate in the filing of all documents necessary with the STB to terminate this Agreement or to establish with the STB ECRR's rights to lease and operate the other Ballard and Meeker Southern Rail Lines, as applicable.

12. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon parties hereto and their respective successors and assigns; provided that Ballard shall not transfer or assign this Agreement or any of its rights, interests or obligations hereunder (or delegate any of its duties hereunder), to any Person without obtaining the prior written consent of ECRR. Ballard agrees, however, that ECRR may assign its rights, interests and obligations hereunder to any purchaser of the Line.

13. Force Majeure. If either party hereto shall be prevented or delayed from punctually performing any obligations or satisfying any condition under this Agreement by any strike, lockout, labor dispute, unavailability of labor or materials, act of God, unusually inclement weather, unusual governmental restriction, regulation or control, enemy or hostile governmental action, civil commotion, insurrection, sabotage, fire or other casualty, or any condition caused by the other party, and which the affected party, by exercise of reasonable diligence, shall be unable to overcome, then the time to perform such obligation to satisfy such condition shall be extended on a day-for-day basis for the period of the delay caused by such event; provided, however, that the party claiming the benefit of this Section 13 shall, as a condition thereto, give notice to the other party in writing within five (5) days of the incident specifying with particularity the nature thereof, the reason therefore (if known), the date and time such incident occurred and an estimate of the period that such incident will delay the fulfillment of obligations of the affected party. Failure to give such notice within the specified time shall render; such delay invalid in extending the time for performing the obligations hereunder. This Section 13 shall not apply to the inability to pay any sum of money due hereunder or the failure to perform any other obligation due to the lack of money or inability to raise capital or borrow for any purpose.

14. Waiver: Amendments. No delay on the part of either party hereto in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any of them of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed and delivered by ECRR and Ballard, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

15. Notices. Any notice required, given or made by any one party hereto to any other party hereto shall be in writing and shall be sent by facsimile transmission, overnight commercial carrier or hand delivery to the following addresses:

If to Ballard: Attn: General Manager
Ballard Terminal Railroad Company
4507 S.W. Oregon St.
Seattle, WA 98116
Phone (206) 782-1447
Email: ByronCole@comcast.net

If to ECRR: Attn: General Manager
Eastside Community Rail, LLC
1340 Lombard Street, #606
San Francisco, CA 94109
Phone (425) 891-4223
Email: DEngle76@comcast.net

16. No Third Party Beneficiaries. This Agreement and each and every provision hereof is for the exclusive benefit of the parties to this Agreement and not for the benefit of any third Person. Nothing herein contained shall be taken as creating or increasing any right of any third party to recover by way of damages or otherwise against either party to this Agreement.

17. Compliance with Applicable Laws. Ballard shall operate and maintain the Line in compliance with, and shall cause its operators and crews to be qualified in accordance with, all Applicable Laws relating to the operation and maintenance of the Line and operation of trains over the Line, including but not limited to the track safety standards set forth at 49 C.F.R. Par. 213, as amended from time to time, and all Applicable Laws respecting the operation, condition, inspection and safety of its trains, locomotives, cars and equipment while any such trains, locomotives, cars and equipment are being operated over or on the Line (including, but not limited to any width, height, weight or other restrictions or capacities of the Line). Ballard shall promptly remove from the Line and dispose of in a lawful manner any discarded or replaced property that Ballard has removed or replaced which constitutes hazardous materials under Applicable Laws. This does not include any materials or conditions that existed on the Line prior to the execution of this Agreement.

18. Responsibility for Operation. Except as otherwise expressly provided herein, Ballard shall be solely responsible for all costs, expenses, charges, obligations and liabilities of any nature or kind relating to or arising from the operation of its trains and engines over the Line during the Term of this Agreement but Ballard shall not be responsible for costs, expenses, charges, obligations and liabilities of any nature or kind relating to or arising from the ownership of the Line during the Term of this Agreement.

19. Ballard Employees. Ballard shall indemnify ECRR for any claims by Ballard employees.

20. Third-Party Access. Ballard shall not permit any third-party to utilize the Line without the prior written consent of ECRR.

21. Use of the Line. Ballard shall not utilize the Line for any purpose unrelated to Service on the Line without the prior written consent of ECRR.

22. Record Retention/Audit. Ballard shall retain all records associated with operations the Line for a period of three (3) years. ECRR shall have the right to audit such records for the purpose of confirming compliance with the terms of this Agreement, upon

reasonable notice to Ballard. Such audit shall be performed during normal business hours at the location where the applicable records are normally kept.

23. Environmental Liability and Indemnity. Ballard shall not create or permit any condition on the Line or any real property or improvements used in connection with the Line that could present a threat to human health or to the environment. Ballard shall be responsible for and shall indemnify and hold harmless ECRR from any suit, claim or Losses growing out of any damages alleged to have been caused in whole or in part by an unhealthy, hazardous or dangerous condition caused in whole or in part by, or created during Ballard's presence on and use of the Line or Ballard's violation of any Applicable Laws pertaining to Hazardous Materials, air, water (surface or groundwater), or noise pollution, and the storage, handling, use, transportation or disposal of any such Hazardous Materials. Ballard shall bear the expense of all practices or work, preventive or remedial, which may be required because of the condition or use of the Line during the Term. ECRR shall be responsible for, and shall indemnify and hold harmless Ballard from and against any environmental conditions caused or created by ECRR prior to the Effective Date of this Agreement. Ballard shall be responsible for, and shall indemnify and hold harmless ECRR from and against any environmental conditions caused or created by Ballard prior to the Effective Date of this Agreement. Ballard and ECRR each expressly agree that the indemnification and hold harmless obligations it hereby assumes shall survive the termination or expiration of this Agreement. Ballard and ECRR each agree that statutory limitation periods on actions to enforce these obligations shall not be deemed to commence until the other party discovers, or reasonably should have discovered, any such health or environmental impairment, and Ballard and ECRR each hereby knowingly and voluntarily waive the benefit of any shorter limitation period. Ballard acknowledges that ECRR has provided Ballard with full access to inspect the Line. Ballard further acknowledges that ECRR makes no representations and warranties to Ballard concerning the existence of any Hazardous Materials on or near the Line, or compliance of the Line with any Applicable Laws.

24. Regulatory Approval. The parties acknowledge that the effectiveness of this Agreement is subject to Ballard acquiring approval of the lease of the Line from the STB.

26. Entire Agreement. This Agreement contains the entire understanding of the parties hereto as to the subject matter hereof and supersedes any and all oral and prior written understandings between the parties with respect to the subject matter of this Agreement.

27. Construction. All words, terms and phrases used in this Agreement which are not otherwise expressly defined herein shall be construed in accordance with the generally applicable definition or meaning of such words, terms and phrases in the United States railroad industry. This Agreement is the result of mutual negotiations of the parties hereto, neither of which shall be considered the drafter for purposes of contract construction.

28. Governing Law Severability. This Agreement shall be a contract made under and governed by the internal laws of the State of Washington applicable to contracts made and to be performed entirely within such State. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such

provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

29. Headings. All article and section headings are inserted herein for the convenience of the parties only and are not part of the substance of this Agreement and shall not affect any construction or interpretation of this Agreement.

30. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their fully authorized representatives as of the day and year first above written.

<< The Balance of This Page is Intentionally Left Blank >>

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their fully authorized representatives as of the day and year first above written.

BALLARD TERMINAL RAILROAD
COMPANY, LLC

By: Brynn D Cole
Title: GENERAL MANAGER
Date: APRIL 26, 2013

EASTSIDE COMMUNITY RAIL, LLC

By: [Signature]
Title: MANAGING DIRECTOR, ECRRL
Date: 26 April 2013

SCHEDULE A
ROUTINE MAINTENANCE

1. Vegetation Control, spraying the Line at least annually, clearing of vegetation obstructions at grade crossings, removal of downed trees encroaching on the track, bush-hogging of accessible areas in towns. Not included, debris removal dumped by third parties.
2. Signal Maintenance, electrical power to existing signals, replacing batteries (including proper disposal), replacing light bulbs, lenses, gates, periodic testing, repair of damage caused by third parties, replacement of insulated joints, bond wires and above ground wiring. Replacement of unusable heads, mast, cantileavers, electronic boards, bungalos, cabinets, gate mechanisms, underground wiring, or signal upgrades.
3. Grade Crossings, patching of surface with hot or cold mix, repair of broken rails, repair of crossing timbers, re-driving lags, repair or replacement of cross-bucks.
4. Inspection, all FRA required track and bridge inspections, copies available for ECRR upon request.
5. Switches, inspection, lubrication and adjustment of all switches, replacement of loose or missing bolts and cotter pins, replacement of banners as required, respiking to gage, welding of points and frogs.
6. Derailments, rerailling of all derailed cars and lading, repairs to track to return it to the same FRA class as prior to the derailment, spare material from the Line may be used in the replacement if available, if not available Ballard must purchase material at its expense.
7. Joints and Broken Rails, repair all missing or failed bolts (for existing FRA class), replace broken joint bars, repair broken rails and pull-aparts (Line inventory may be used).
8. Ties and Gage Rods, respoke ties to maintain FRA class, insert gage rods to hold gage.
9. Plates and Anchors, position loose plates and redrive loose anchors.
10. Surface, spot jacking and tamping to meet FRA class track.
11. Interlocking plants, inspection and repair as specified in agreements, including welding and bolts.
12. Bridges, inspection, cleaning of drift, erosion control as practical, repair and replacement of existing walkway boards and handrails, preventing ballast erosion as practical. Replacement of piles, sills, caps, bents, stringers, deck board, sideboards, headwalls or other components.
13. Rehabilitation Program Preparation, preparing and submitting an annual track and bridge rehabilitation program, coordination of program administration including contractor monitoring.

EXHIBIT 9



**Snohomish County
Executive Office**

Aaron Reardon
County Executive

(425) 388-3460
FAX (425) 388-3434
MS #407
3000 Rockefeller Avenue
Everett, WA 98201-4046

March 21, 2013

To Whom It May Concern:

Snohomish County strongly supports multiple purpose use of the Eastside Rail Corridor, including trail, commuter rail, excursion rail, and freight. Snohomish County demonstrated its support for this corridor in 2009, granting GNP Railway the right to operate on the portion of the corridor owned by Snohomish County in the City of Snohomish. Snohomish County hosted a Rail Summit in 2011 that gathered community leaders to discuss the positive use and impact of actively using the rail corridor. Snohomish County is actively engaged in the regional discussion of the corridor, participating in the TRailways coalition and attending the advisory council created by King County.

Snohomish County's Centennial Trail is the crown jewel of the county's trail network, used by many thousands each year. The Centennial Trail starts at the border with Skagit County and currently ends in the City of Snohomish. We, and the City of Snohomish, are excited by the prospect of connecting the Centennial Trail to the Sammamish River and Burke Gilman Trails in King County by acquiring and building a trail adjacent to the track in the Eastside Rail Corridor from Snohomish to Woodinville. Snohomish County is actively negotiating the purchase of a trail easement in the Snohomish County portion of the rail corridor. The Port of Seattle and the County have exchanged letters of intent, and we expect to close the purchase in a few months. The County is moving forward with project financing for both the acquisition and the development of the trail. We look forward to demonstrating that rail and trail can happily co-exist adjacent to each other, as it does in Marin County and Escondido, California. Connecting the Centennial Trail to the Sammamish River and Burke Gilman Trails will be a major benefit to the entire region.

Several hundred jobs in Snohomish County currently depend upon rail access for freight. These jobs are important for our community and we strongly support maintaining the corridor for freight.

Approximately half of the Snohomish County residents who commute to King County reach their jobs in King County by travelling south down 1-405. Using the Eastside Rail Corridor for commuting would reduce vehicular congestion, improve air quality, and reduce the region's carbon footprint. Whether diesel motor units or other types of rail cars are used, the corridor is an exciting opportunity to develop and implement commuter transportation far faster and cheaper than usual in Puget Sound.

Excursion rail service, such as proposed by Eastside Community Rail, is an exciting opportunity for economic development along the corridor. The service would tie the wine district of Woodinville to historic Snohomish, substantially increasing tourism in both King and Snohomish County. Excursion service is important to Snohomish County and we strongly support action to start the service.

Eastside Community Rail advises Snohomish County that it would like to assist development projects in the Bellevue area by providing economical and environmentally friendly freight rail service, specifically to transport construction spoils from large excavation projects. Community Rail could use these spoils to create a maintenance-of-way road alongside the track in Snohomish County, which could then serve as the base for the trail linking Snohomish to the Sammamish River Trail. This synergy saves money and substantial time in creating the trail.

Two significant barriers impede the start of excursion rail service and the fastest, cheapest rail development from Woodinville to Bellevue: the condition of the track and Kirkland's intent to remove the rails in Kirkland. The track is currently classified as "excepted", precluding passenger traffic. Community Rail desires to upgrade the track to class 2, which would allow passenger rail traffic up to thirty miles per hour. Community Rail estimates the cost of upgrading the track from excepted to class 2 status at almost \$6 million.

Although Snohomish County cannot practically or legally fund this work, Snohomish County strongly supports Community Rail's attempts to obtain grants for the track upgrade. The track needs to be improved to achieve the community's vision.

Kirkland has repeatedly and publicly stated its commitment to maintain the corridor for both commuter transportation and a trail. Kirkland is moving forward with its trail and additional planning because the citizens of Kirkland voted to tax themselves to create a trail. Snohomish County acknowledges and respects the decision of Kirkland citizens to develop its portion of the corridor as expeditiously as possible.

Kirkland's removal of the rails would obviously break the line, preventing rail service into and south of Kirkland, whether for excursion, commuter or freight. Although we wish it were otherwise, commuter rail does not appear to be feasible until the project is included in Sound Transit's list of projects approved by the voters. An additional impediment to commuter service from Snohomish County is the fact that Sound Transit's territorial jurisdiction ends at the King

County/Snohomish County border in Woodinville. While it is possible for an entity other than Sound Transit to provide commuter rail service (e.g., Community Rail using diesel motor units), such commuter service could not occur in any event unless and until the tracks are upgraded and unless and until a sufficiently capitalized entity is willing to provide the service. Kirkland will not remove the ballast, but will merely remove the track. Kirkland has publicly assured the corridor community that it supports contemporaneous rail use and will support rail use as soon as a feasible, practical plan is put forward.

Freight use of the corridor for removal of construction excavation spoils from Bellevue would benefit Snohomish County and Snohomish County therefore supports such use. Although freight service from Bellevue north will be problematic if Kirkland picks up the track, the rail line in King County is railbanked. The rail corridor through Kirkland could be reactivated as soon as a practical, feasible, tangible and economically viable plan for freight use of the track is brought forward.

In summary, Snohomish County supports use of the Eastside Rail Corridor for freight, excursion and commuter rail service and for a trail. Snohomish County is moving forward to develop a trail and supports grant requests to upgrade the track. Snohomish County will continue to work with other agencies to develop a transit public asset.



Peter B. Camp
Executive Director

SNOHOMISH COUNTY COUNCIL
SNOHOMISH COUNTY EXECUTIVE
Snohomish County, Washington

JOINT RESOLUTION NO. 09-001

STATING SNOHOMISH COUNTY'S STRONG SUPPORT FOR CONCURRENT
DEVELOPMENT OF FREIGHT, PASSENGER, AND EXCURSION RAIL SERVICE
AND A BICYCLE/PEDESTRIAN TRAIL ON THE EASTSIDE RAIL CORRIDOR

WHEREAS, Burlington Northern Santa Fe Railroad ("BNSF") owns the railroad right of way and track from Coulon Park in Renton to Snohomish and the leg from Woodinville to Redmond, now commonly called the Eastside Rail Corridor; and

WHEREAS, BNSF agreed to sell the Eastside Rail Corridor to the Port of Seattle; and

WHEREAS, the Eastside Rail Corridor is approximately one hundred feet wide; and

WHEREAS, approximately seven businesses in the Maltby area of Snohomish County rely on shipping freight over the Eastside Rail Corridor, including Boise Cascade; and

WHEREAS, improved freight service to the Maltby area will create and maintain jobs; and

WHEREAS, passenger rail service along the Eastside Rail Corridor would minimize traffic congestion, with attendant environmental and economic benefits; and

WHEREAS, excursion rail service to the City of Snohomish would substantially benefit the City of Snohomish and surrounding area; and

WHEREAS, the right of way is sufficiently wide to accommodate a bicycle/pedestrian trail adjacent to the railroad track; and

WHEREAS, a bicycle/pedestrian trail on the Eastside Rail Corridor would provide health benefits and be an important addition to regional quality of life; and

WHEREAS, various studies estimate the costs of rails service and the bicycle/pedestrian trail and ridership; and

WHEREAS, the study mandated by HB 3224 established that freight, passenger, and excursion rail service and a bicycle/pedestrian trail are feasible and could be a meaningful component of the region's transportation system; and

WHEREAS, similar projects elsewhere in the country, such as Escondido, California, and Austin, Texas, have been very successful with substantial ridership and modest costs; and

WHEREAS, even the highest cost estimate to date for passenger rail service is substantially cheaper than light rail and major freeway project costs; and

WHEREAS, other cost estimates of rail corridor redevelopment are substantially lower, and the redevelopment cost may be substantially less than the high end estimate contained in the PSRC/Sound Transit report;

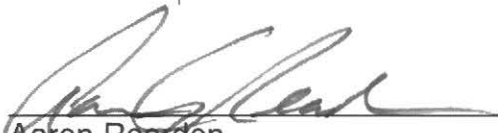
WHEREAS, opportunities exist for participation by private industry;

NOW, THEREFORE, BE IT RESOLVED, that the Snohomish County Executive and Snohomish County Council do jointly:

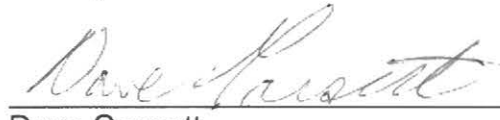
1. Express their appreciation to the Port of Seattle for keeping this important transportation corridor in public ownership;
2. State their strong support for rail service on the Eastside Rail Corridor, including freight, passenger, and excursion service;
3. State their strong support for a bicycle/pedestrian trail on the entire length of the Eastside Rail Corridor;
4. State their strong support for simultaneous implementation of rail service and a bicycle/pedestrian trail because of cost benefits and efficiencies that will be lost if they are not developed together;
5. State their strong support for exploring creative opportunities for financing, development and operation that would reduce the need to use public funds, including the involvement of private industry;
6. Strongly urge the Port of Seattle and the Washington state legislature to take appropriate steps promptly to advance this project in a timely and cost effective manner.

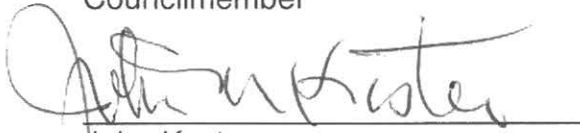
APPROVED THIS 5th DAY OF January, 2009.

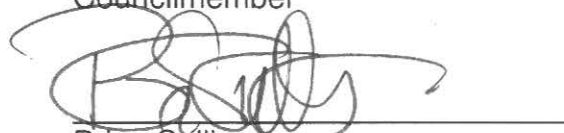

Mike Cooper
Council Chair


Aaron Reardon
County Executive


Dave Somers
Councilmember


Dave Gossett
Councilmember


John Koster
Councilmember


Brian Sullivan
Councilmember

ATTEST:


Kathryn J. Brubaker
Clerk of the Council

State of
Washington
House of
Representatives



April 2, 2013

To Whom It May Concern,

We are writing to you as members of the Washington State Legislature concerned about preservation of Washington's rail infrastructure. While we appreciate the depth and breadth of the community engagement that the City of Kirkland has embarked upon in the last few years, we encourage the joint development of rail freight, commuter, and excursion uses in conjunction with trail uses on the Eastside Rail Corridor.

Our concerns stem from our belief that existing transportation infrastructure must be retained. We share the concerns of the Eastside TRailway Alliance as expressed by co-chairs, Snohomish Mayor Karen Guzak and Woodinville Councilmember Les Rubstello. Specifically, the imminent removal of the 5 mile section of track by Kirkland is counter to facilitating Snohomish-King County discussion on coordinated investments in rails and trails.

We believe that the Eastside Rail Corridor represents an irreplaceable resource and opportunity for the communities along the Corridor and throughout the region. We are also mindful of the efficiencies and carbon offsets inherent in rail transport. Specifically, there are numerous public and private projects in Bellevue that could use this rail corridor to reduce emissions and wear and tear on roadways. Put simply, this unique right-of-way provides opportunities for both economic development and recreation while fostering vibrant communities and serving the region's growing transportation needs.

Community and business interests have pointed out to us that the Eastside Rail Corridor is a community asset of great potential value once existing sections are restored sufficiently. In light of these numerous benefits, we support the effort to improve rail between the cities of Snohomish and Woodinville as a first step in realizing this potential.

As strong supporters of integrating trail and rail links, and all of the opportunities they provide, within and between our communities, we encourage a complete and inclusive dialogue between all stakeholders along the Eastside Rail Corridor.

Sincerely,

State of
Washington
House of
Representatives



Luis Moscoso

Rep. Luis Moscoso

Rosemary McAuliffe

Sen. Rosemary McAuliffe

Gael Tarleton

Rep. Gael Tarleton

Mike Sella

Rep. Mike Sells

John McCoy

Rep. John McCoy



Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024

Re: Finance Docket No. 35731: Ballard Terminal Railroad Company, LLC-Acquisition and
Operation Exemption—Woodinville Subdivision
Docket No. AB-6 (Sub-No. 465C): BNSF Railway Company—Abandonment Exemption—in
King County, Washington

Dear Ms. Brown:

I'm writing you today to express Economic Alliance Snohomish County's strong support for retaining the Eastside Rail Corridor rail and express our significant concerns over the potential loss of Eastside rail infrastructure as planned by the City of Kirkland.

The Eastside Rail Corridor represents an irreplaceable opportunity for the communities along the Corridor and the region. This unique, typically 100-foot wide strip of land can at once:

- Provide opportunities for economic development in existing industrial-zoned lands supporting our County's robust aerospace and advanced manufacturing sectors;
- Increasing opportunities for recreation in east Snohomish and King Counties;
- Serve the region's growing freight and passenger transportation needs; and,
- Foster sustainable, vibrant, and attractive communities.

We support the retention of the Eastside Rail Corridor track and thus support a moratorium on all removal of track in the entire Eastside Rail Corridor, specifically Kirkland's 5.75 mile portion. Kirkland's portion is critical to the long-term goal of providing commuter rail connecting Snohomish County to communities along the eastside of Lake Washington.

We believe the rails and trails concept provides the most public benefit and is consistent with the public's intent when purchasing the line in 2009. King County's existing easement for the rail line articulates the intent "that the property be used for regional recreational trail and other transportation purposes, including...rail." In a 2010 court deposition, then Port of Seattle Commissioner Gael Tarleton stated that "the reason for that paragraph was to make it explicit that the rail had to be preserved; that you couldn't have just a recreational trail."

Our highways and rails are important assets to protect to generate economic development and provide transportation for the public. Maintaining and upgrading publically owned transportation lifelines is always a high priority for the public. The Eastside Rail Corridor is a precious asset that has been owned by the public since 2009 and must be preserved. To this end, we also support the \$6.2 million funding for the first phase of maintaining the Eastside Rail Corridor.

Thank you for your time and consideration of this issue.

Sincerely,

Troy McClelland
President & CEO



POD: 11/18
Seattle, WA 98101-1111
Tel: 206-462-4000
www.portseattle.org

February 24, 2009

Amaoda McKianey
Financial Analyst
Department of Transportation
New Jersey Railroad Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: 11/18/09

Dear Ms. McKianey:

The Port of Seattle has agreed to acquire KNSF Property Co., rights to the rail corridor in King County, WA, known as the Woodinville Corridor. The acquisition is scheduled to close on February 1, 2009. As a result of the acquisition, the Port will be able to operate and maintain the corridor in accordance with the KNSF Co. for the operation, maintenance and excursion service on those portions of the Woodinville Corridor between milepost 3.4 in Woodinville and milepost 3.5 in Snohomish, and a License Agreement for excursion service and hauling (including but not limited to) in Woodinville and milepost 2.5 in Woodinville.

The Port encourages KNSF Co. to pursue its application to the Railroad Rehabilitation & Improvement Financing Program.

Sincerely,



Joe McWilliams
Managing Director
Real Estate Division



CITY OF SNOHOMISH

Founded 1859, Incorporated 1890

116 UNION AVENUE SNOHOMISH, WASHINGTON 98290 TEL (360) 568-3115 FAX (360) 568-1375

February 26, 2013

Sen. Rosemary McAuliffe
403 Legislative Building
PO Box 40401
Olympia, WA 98504-0401

Dear Hon. Sen. McAuliffe:

Thank you for meeting with City Councilmember Dean Randall, City Manager Larry Bauman and me in your Capitol office on February 14. We appreciate your interest in the Eastside Rail Corridor's potential for improvements that will make public passenger services feasible as well as help to preserve the corridor for freight use and trail development.

We want to reiterate and provide additional information that supports our request for \$6.26 million in state capital funding needed to upgrade the Eastside Rail Corridor, which is owned by the Port of Seattle and other local governments in the region. We believe that it is important for state leaders to understand that no private company will invest in publicly owned rail infrastructure because it cannot be used as collateral to secure the investment. However, until such public investment is found to upgrade these tracks, passenger service is not feasible due to deteriorated track conditions that must first be repaired.

The \$6.26 million will be used along nearly 15 miles of track between Woodinville and Snohomish. This is a great short term jobs program and is a financial bargain: to lay more ties for a smoother ride, upgrade 11 bridges, 10 crossings, and do the ditching and brush cutting required to run passenger trains up to 30 miles/hour. That averages about \$400,000 a mile – a fraction of the cost of highway upgrades.

Furthermore, the potential exists for easily achieved multi-modal uses of the corridor. Sufficient rights of way exist in nearly all sections of corridor to provide ample room for rail and trail uses to exist side by side. Connecting this corridor to such trail systems as the Tolt-Pipeline Trail and Centennial Trail offers exciting opportunities to expand one of the fastest growing personal transportation and recreational developments that is transforming our region. Snohomish County is currently exploring funding options to purchase the northern section of this rail corridor for combined rail and trail uses.

Eastside Community Rail, the current operator that is working under agreements with the Port of Seattle to provide freight service and initiate excursion services on the rail corridor, is committed to ongoing track maintenance costs of \$1.1 million annually once these tracks are upgraded to passenger rail status. Our city government sees the Eastside Rail Corridor as a nearly unprecedented opportunity for public use of a rail system that in recent decades has been

underutilized. The ultimate vision and future goal of our local government and many others in the region is to see this corridor developed and extended to provide commuter rail services between Bellevue and Everett. This can be achieved at a fraction of the capital costs of Sound Transit's existing commuter rail services. That is why we need your support and efforts this legislative session.

Improving the tracks now will pave the way for future expansions of passenger services for this rail corridor. The risks of allowing this corridor to deteriorate and be carved up or severed at this time are significant. Your involvement at this time could be the most important action that could be taken to ensure that the broadest public uses of these rails will be possible both near term and in the decades to come.

The recently formed Eastside TRailway Alliance—composed of local governments, business associations, wineries, and various groups committed to both rail and trail development—is devoted to seeing the Eastside Rail Corridor improved and expanded for public benefit. Few public projects in our region have attracted as much public support and interest as has this corridor. Few corridors of this type provide such opportunity for public benefit.

We would appreciate your active support in helping our region maximize the public investments that have already occurred on the Eastside Rail Corridor. Devoting \$6.26 million in state funds at this critical juncture might just be one of the best investments the state could possibly make during this legislative session—or possibly any other session, at least in recent times—for cost-efficient transportation services.

Please let us know if we may be able to provide additional information that would support this request or assist you in your work on behalf of the people of our state.

Best regards,

A handwritten signature in black ink, appearing to read "Karen Guzak" followed by a stylized flourish.

Karen Guzak
Mayor

c: Snohomish City Council
 Woodinville City Council
 Bruce Agnew, Cascadia
 Eastside TRailway Alliance
 Eastside Community Rail



CITY OF SNOHOMISH

Founded 1859, Incorporated 1890

116 UNION AVENUE SNOHOMISH, WASHINGTON 98290 TEL (360) 568-3115 FAX (360) 568-1375

February 17, 2009

Attention: East Link DEIS Comments
Sound Transit, Union Station
401 South Jackson Street
Seattle, WA 98104

Subject: East Link Draft Environmental Impact Statement

Dear Sound Transit:

Thank you for this opportunity to comment on the Draft Environmental Impact Statement (DEIS) for your East Link project which will extend light rail service from Seattle to Redmond.

We strongly support your progress in extending light rail commuter service within the Puget Sound region even though our city is located outside your current service area. Economically, our region is more intertwined every day: for example, we have employees in Snohomish who live in Sound Transit's taxing district yet commute north to work.

There are options in your proposed route that stand to significantly benefit your constituents and Snohomish County residents alike. Several East Link light rail alternatives proposed for Bellevue and Redmond utilize segments of the Eastside Corridor, which is also known as BNSF's Woodinville Subdivision.

On behalf of the Snohomish City Council and our constituents, many of whom work in your service area, I urge you to approve a final alignment which includes the three Link Light Rail stations located directly on the Eastside Corridor right of way: **Hospital (in Bellevue), Redmond Town Center, and SE Redmond (in Redmond)**. Of these, the Redmond Town Center station may be the most critical to the following developments.

The Eastside Corridor is scheduled for acquisition by the Port of Seattle on March 31, 2009. BNSF's successor in interest to the Eastside Corridor, GNP Railway, Inc., plans to move forward with diesel locomotive-powered day-passenger excursion service on the northern 28 miles of the Woodinville Subdivision and Redmond Spur at the earliest possible date. In addition, GNP is considering how to best accommodate an operating commuter rail service on those lines of railway in company with other established operations. The light rail stations shown in your DEIS as located directly on the Eastside Corridor have the potential to increase the range and public benefit for Link Light Rail by as much as 36 miles in the near-term, and potentially up to 42 miles, if the severed six-mile-long line between Bellevue and Renton is restored. Sound Transit

and Puget Sound Regional Council recently completed a study of this corridor which concluded that ridership estimates are high enough to place the Eastside Corridor among the top ten transit routes in the Puget Sound region, in terms of predicted use.

The **C1T and C2T route options** in Bellevue would enable the selection of the Hospital station. All three Redmond route alternatives (**E1, E2, and E4**) include a Redmond Town Center station. E1 and E4 include both the Redmond Town Center and SE Redmond station. The Hospital and Redmond Town Center stations, especially, would make transfer between an Eastside Corridor commuter rail and East Link light rail extremely convenient, possibly in a single platform with crossover access. These are superb locations for stations and we strongly urge Sound Transit to include these two stations in the final design. Kirkland-area issues with rail traffic on that segment of the Eastside Corridor makes the Redmond stations even more critical to select, in order to retain route continuity between East Link and Eastside Corridor rail transit service.

With the Hospital and Redmond Town Center stations in the Sound Transit route and commuter rail developed on the Eastside Corridor, you could take a commuter train from Snohomish, Maltby, or Woodinville to Bellevue or Redmond, and then continue directly on light rail to downtown Seattle, Sea-Tac Airport, and the University of Washington. This would be outstanding.

The City also urges you to consider the proposal made by other parties to implement the Redmond to Bellevue segment of East Link first, before the Lake Washington crossing segment, because of the long time frame required for that segment. Microsoft and other employers in the Overlake and Bellevue areas could greatly and immediately benefit from the additional commuter service provided by a seamless Snohomish-Woodinville-Redmond-Overlake-Bellevue route. Snohomish County's Community Transit is capable of supporting increased bus access at the feeder end to such a rail service.

Maps of the Eastside Corridor and Bellevue and Redmond alternatives are attached for your reference. Please feel free to contact the City of Snohomish at (360) 568-3115, if we can provide any further information. We applaud your growing successes in rail transit in the Puget Sound region, and wish you good speed on the East Link.

Sincerely,

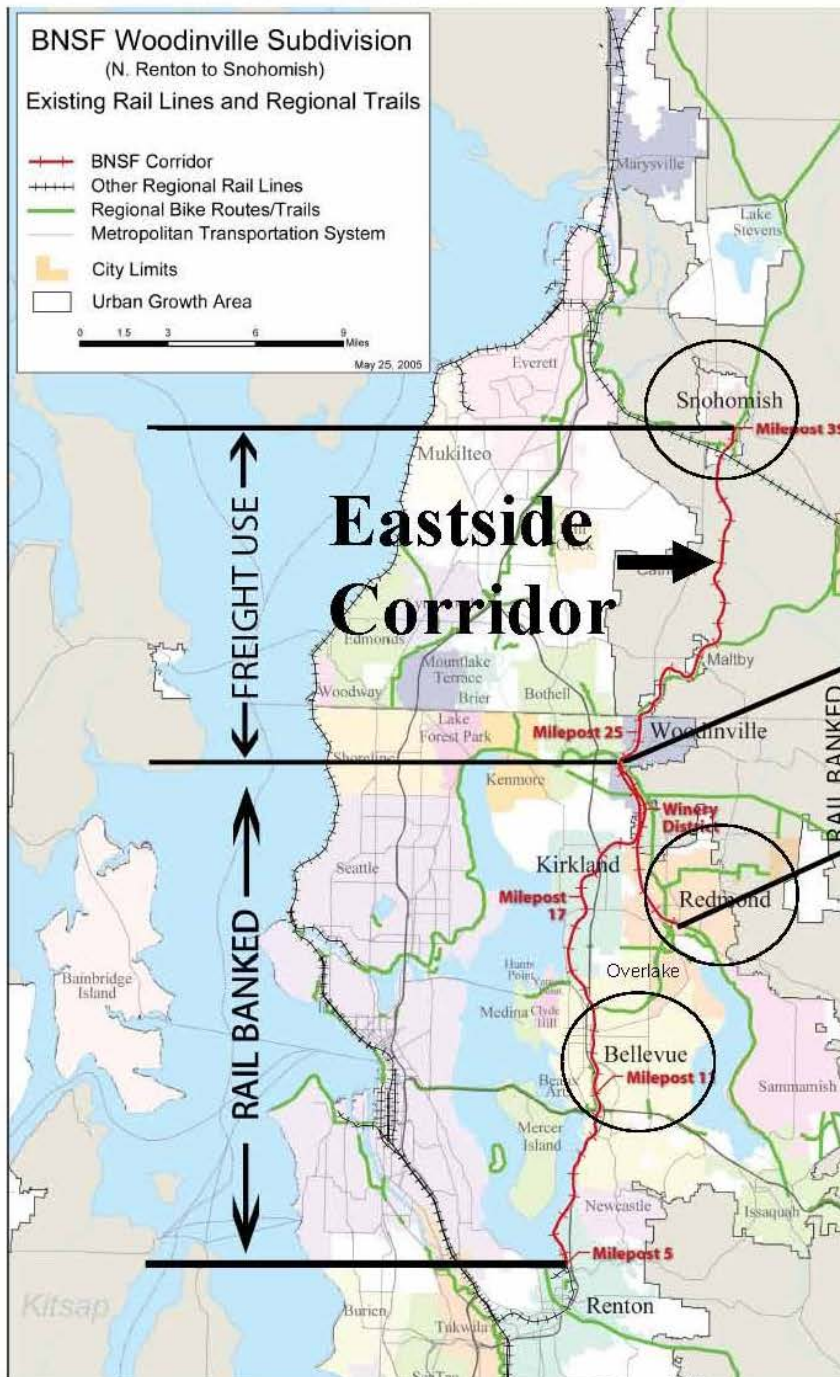
A handwritten signature in black ink, appearing to read 'Randy Hamlin', written over a horizontal line.

Randy Hamlin
Mayor

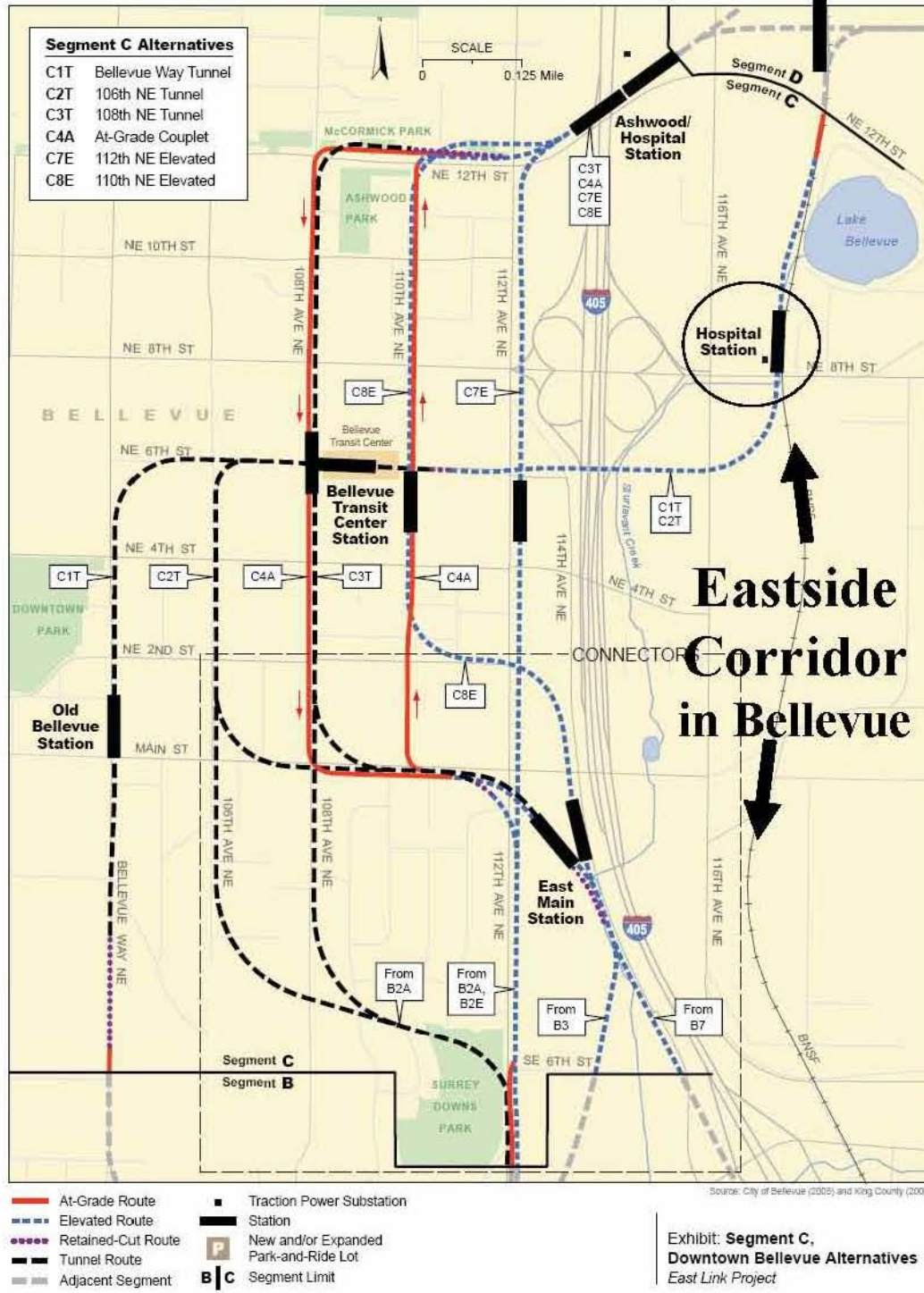
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Eastside Corridor (BNSF Corridor)

Snohomish to Renton

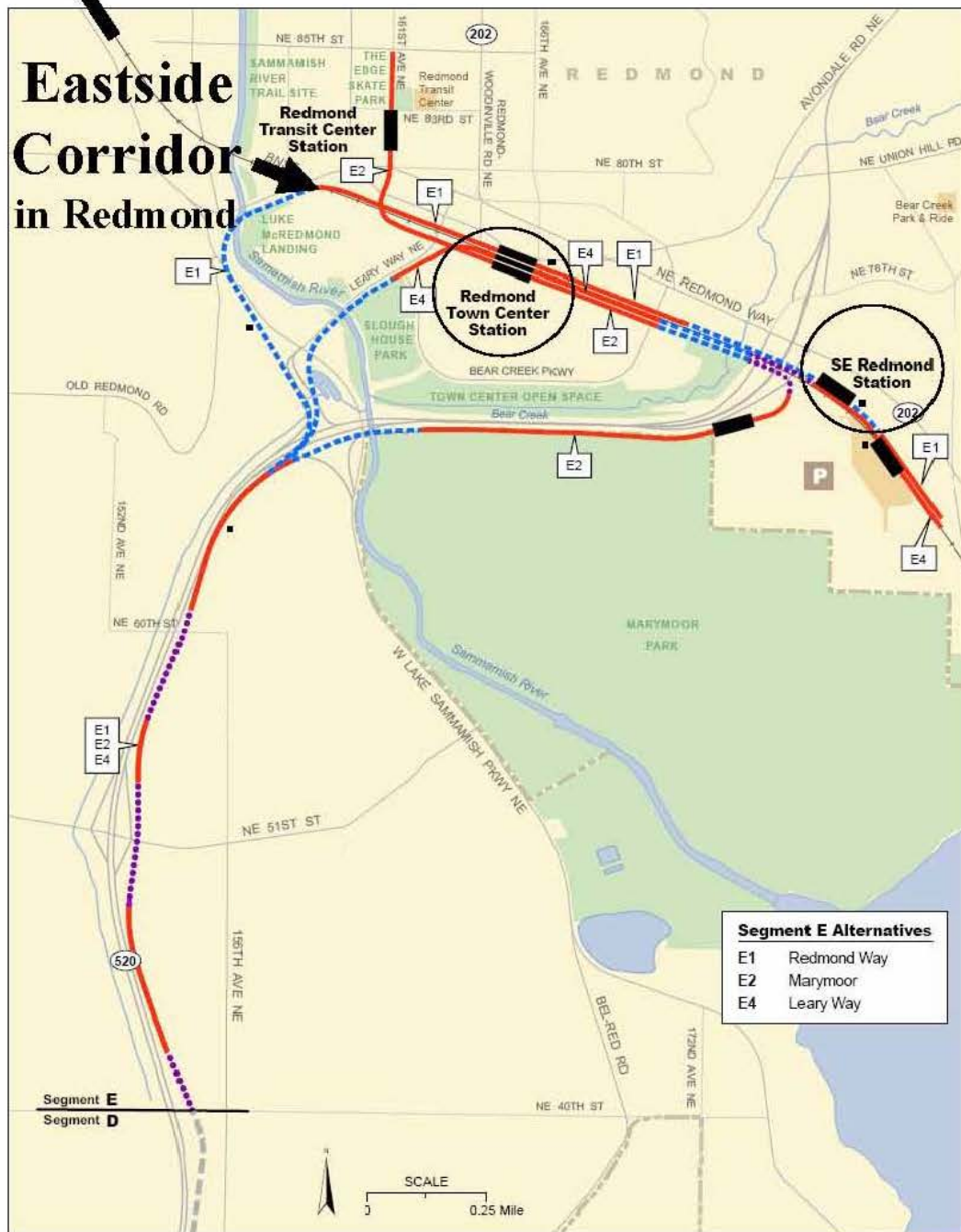


To Snohomish



To Snohomish

Eastside Corridor in Redmond



Segment E Alternatives	
E1	Redmond Way
E2	Marymoor
E4	Leary Way

- At-Grade Route
- Elevated Route
- Retained-Cut Route
- Tunnel Route
- Adjacent Segment
- Traction Power Substation
- New and/or Expanded Park-and-Ride Lot
- Segment Limit

Exhibit: **Segment E, Downtown Redmond Alternatives**
East Link Project



CITY OF SNOHOMISH

Founded 1859, Incorporated 1890

116 UNION AVENUE SNOHOMISH, WASHINGTON 98290 TEL (360) 568-3115 FAX (360) 568-1375

January 8, 2009

Jennifer Ryan, PE, Principal Planner
Puget Sound Regional Council
1011 Western Ave, Suite 500
Seattle, WA 98104-1035

Re: Eastside Corridor Ridership Study

Dear Ms. Ryan:

If you travel to Snohomish during rush hour, you are aware that the need for commuter transit is great. Highway 9 is not enough. Our traffic situation is repeated in many other communities in the area. Repeating history can sometimes be good, such as restoring the 1886 Seattle, Lakeshore and Eastern Railway corridor as Eastside Commuter Rail. One could refer to such an assist to our region's circulation as "Commuter Passenger Rail," or CPR for short.

Everett is a logical future extension of this line; its natural link to the existing main north-south passenger rail corridor in Puget Sound has profound implications for an integrated rail and bus system.

Speaking on behalf of the Snohomish City Council, I can state that our Council also endorses Snohomish County Resolution 09-01, which very eloquently describes the many benefits that trail and rail use of this corridor can provide.

A future passenger rail service along this corridor implemented and operated by public and/or private parties, particularly along the portion of the corridor located in Snohomish County outside the Sound Transit District, would be of great value to the City of Snohomish and the region. Sound Transit's proposed investment of \$50 million dollars in this project is applauded.

We are encouraged that the Sound Transit/PSRC feasibility study has concluded that passenger rail on the Eastside BNSF corridor is feasible and would be a meaningful component of the region's future transportation system. The City of Snohomish strongly supports this public acquisition and implementation of trail with passenger, freight and excursion rail within this corridor.

Sincerely,

Randy Hamlin
Mayor, City of Snohomish

December 6, 2007

The Honorable Ron Sims
King County Executive
701 Fifth Avenue, Ste. 3210
Seattle, WA 98104



*"Citizens, business and local government,
a community commitment to our future."*

Re: BNSF Railway Corridor - Renton to Snohomish

Dear Executive Sims:

The Woodinville City Council strongly encourages you to reconsider your position to remove the current train rails between Renton and Woodinville as a condition to proceed with the construction of a recreational trail in this corridor.

We believe there is sufficient room and need for both recreational trails and passenger rails in this eastside corridor. However, removing the rails now would cause irreparable harm to getting passenger rail established in this corridor.

All of the cities we have spoken with along the eastside corridor from Snohomish to Renton, have expressed support to retain the rails along the entire 42-mile corridor and side spurs that make their way to communities like Bothell and Redmond.

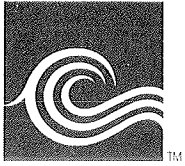
Respectfully,

CITY OF WOODINVILLE

Cathy VonWald
Mayor

cc: Woodinville City Council
King County Council
Port of Seattle Commission
Sound Transit Board
City of Bellevue
City of Bothell
City of Kirkland
City of Redmond
City of Renton
City of Snohomish
Woodinville Chamber of Commerce
BNSF Railway
Cascadia Center

EXHIBIT 10



November 21, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

REF: STB FINANCE DOCKET NO. 35731
BALLARD TERMINAL RAILROAD COMPANY, LLC
ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION

Dear Ms. Brown:

Coastal Community Bank is a preferred lender for the Small Business Administration. The bank has been in discussions with Eastside Community Rail, LLC working with Ballard Terminal Railroad Company since January this year, to provide capital loans for equipment and other works on the Eastside Rail Corridor. The railroad has broad community support as described in the many letters previously submitted to the Surface Transportation Board, which we have reviewed.

Our bank has \$370 million in assets and has been steadily growing for the past 3 years. We are fully capable of participating in a multi-million dollar financing package for the reactivation of the Eastside Rail Corridor. However, until the Board makes a reactivation decision, it is nearly impossible to know what that financing package and entity structure should actually be as there are many options to consider.

Given the line currently starts in Snohomish, a Woodinville terminus versus Bellevue is very significant. This also impacts the three rail use alternatives of freight, excursion and commuter. Understanding the freight customer mix and land requirements for aggregates, spoils removal and concrete production add further complexity. Additionally, transit oriented development has material financial impacts. The Board's action to preserve rail service on this line must be in place before Coastal Community Bank can make any definitive commitments.

Once we have sufficient information, a large part of which will be heavily impacted by the Board's decision on this matter, we are ready, willing and able to determine specifically what assistance we can offer to help make the Eastside line to Bellevue a success with these railroad companies.

Thank you for your understanding.

Sincerely,

Greg Starup
Vice President,
Manager of SBA Lending
425-258-5299

EB5 Capital Partners.us, LLC

3145 Cherry Lane • Northbrook, IL 60062 • Tel: 847-951-7245 • dtb@eb5capitalpartners.us • 224-422-0772 dco@eb5capitalpartners.us

August 21, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

REF: STB FINANCE DOCKET NO. 35731

BALLARD TERMINAL RAILROAD COMPANY, LLC.

ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION

Dear Ms. Brown,

In connection with evaluating the investment opportunity of the Eastside Rail Corridor, I discovered that there is substantial potential for a viable transload business, construction materials and spoils hauling, as well as incubating additional carload freight traffic, as a result of emerging demand in the area.

Assets, in the form of a three track yard, located behind Lowe's and the International Paper facilities exist to support substantial transload operations in Bellevue, augmented by the ease of the adding an access and maintenance of way road along most of this rail corridor, further facilitating existing and new rail traffic.

This area has substantial in-place rail infrastructure, in the form of switches and rail sidings into buildings, offering the option of rail to shippers that would no longer exist, if the line were severed.

In addition, due to the demographic and market attributes of the area, the line offers substantial opportunity to re-establish a previously proven and commercially successful excursion train, further increasing the line's economic viability and value to both its existing and future rail shippers.

EB5 Capital Partners.us, LLC

3145 Cherry Lane • Northbrook, IL 60062 • Tel: 847-951-7245 • dtb@eb5capitalpartners.us • 224-422-0772 dco@eb5capitalpartners.us

I would like to impress upon the Board the importance of restoring rail service between Woodinville and Bellevue, Washington, which is currently “rail-banked”. After conducting two onsite inspections of the line and learning of the existing and emerging rail traffic opportunities, EB5 Capital Partners.us is prepared to become engaged by the principals, in a business advisory capacity, to advise them on securing finance to help make the Ballard Terminal Railroad Company line to Bellevue a success. As part of the business case, we would work with the principals on determining their capital needs to acquire Kirkland’s 5.75-mile portion of the corridor, should that option be necessary. Ensuring that this portion of the line is preserved and operable is crucial to and further enhances the business case for an economically viable and important rail asset to the area.

Very truly yours,



Daniel T. Behr
Principal – EB5 Capital Partners.us, LLC.

Legislative Representatives:
Local # 117 – Jourdan Marshall
Local # 161 – Brian Donald
Local # 324 – Paul McGill
Local # 426 – Darren Volland
Local # 556 – Kirk Sides
Local # 845 – Ryan Highsmith
Local # 855 – Steve Mazulo



Legislative Representatives:
Local # 977 – Gary Howell
Local # 1238 – Shane Sadler
Local # 1348 – Herb Krohn
Local # 1505 – Scott Larsen
Local # 1637 – Clyde Rosa
Local # 1713 – Dwayne Hawkins
Local # 1977 – Travis Anderson

united transportation union

SMART TRANSPORTATION DIVISION

International Association of Sheet Metal, Air, Rail and Transportation Workers

Washington State Legislative Board

Representing Railroad Train & Bus Service Employees of Washington State

11225 Roosevelt Way N.E., Seattle, WA. 98125

Washington State Legislative Board Executive Committee:

Herb Krohn – Wash. State Legislative Director – 206-713-5442 – email: hskrohn55@hotmail.com

Steve Mazulo – Assistant Legislative Director

Gary Howell – Board Chair and Alternate Legislative Director

Jourdan Marshall – Secretary-Treasurer; Clyde Rosa – Vice Chairman

December 2, 2013

Ms. Cynthia T. Brown,
Chief, Section of Administration,
Office of Proceedings,
Surface Transportation Board,
395 E Street S.W., Room # 1034
Washington, DC. 20423-0001

REF: STB FINANCE DOCKET NO. 35731 - ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION

Dear Ms. Brown:

The reactivation of this segment of the Eastside Rail Corridor has significant long-term benefits to our Union membership. We represent approximately 2,000 members in Washington State.

We understand that many short line railroads such as Ballard Terminal Railroad Company may not provide the benefits of union membership. However, we firmly believe that there will be rail service on this line in the foreseeable future, and maintaining rail traffic will make growth easier and more acceptable to the public.

There are environmental benefits in using rail for freight service over trucks. Reestablishing the excursion train improves the quality of life in our region and facilitates greater tourism. Importantly, over 100 living wage jobs will be created with many more construction workers participating. This organization opposed closure, and fully supports local efforts and state action towards completely reopening this rail line.

Further, given the arduous traffic in the Puget Sound region, Boeing may benefit from direct transportation between their Renton 737 plant and their Everett facility. The state is keenly interested in maintaining Boeing jobs and growing them in this specific region. In 2008, the last Boeing 737 fuselage was delivered down this line. If the Board allows reactivation of this segment, there is just a single bridge, which must be replaced over I-405 to enable such service again.

We would like to impress upon the Board the importance of restoring rail service between Woodinville and Bellevue, Washington. The northern portion of the Eastside Rail Corridor can be a vital transportation link in the Puget Sound region as witness by the broad public support and freight demand, primarily in Bellevue.

Thank you very much for your consideration.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Herb Krohn', with a stylized, cursive script.

Herb Krohn

UTU/SMART Transportation Division
Washington State Legislative Director



September 17, 2010

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington DC 20423-001

ENTERED
Office of Proceedings

OCT 21 2010

Part of
Public Record

Re: Issaquah Subdivision (Redmond Spur) reactivation - Docket # FD 35407

Dear Ms. Brown;

We are the Master Builders Association of King and Snohomish Counties (MBA). The Association was founded in 1909 by a group of Seattle builders who saw a need to unite to address the many concerns and issues affecting the housing industry. They shared technology and jointly solved construction problems, and they actively worked with government to develop laws that protected the environment while still providing attractive, affordable communities and homes for the families of the Puget Sound region.

With more than 3,500 member companies, representing all facets of housing construction, the MBA has grown to become the largest local home builders association in the United States. The Association provides services, programs, legislative representation and membership opportunities unparalleled by any other trade association.

We are writing in support the petition of GNP Railway to restore the rail line between Woodinville and Redmond, WA to active operation. It is our understanding that GNP has been authorized by the federal Surface Transportation Board to operate a rail line between Snohomish and Woodinville that was formerly owned and operated by BNSF

MBA of King and Snohomish Counties
335 116th Avenue SE
Bellevue, Washington 98004
- 425.451 7920 - 425 646 5985
www.masterbuildersinfo.com

Railway Company. I also understand that GNP desires to reactivate the branch off the Snohomish-Woodinville line that extends over to Redmond that would serve many lumber, drywall, building supply and other vital building interests in the Willows Rd./ Redmond corridor. Anything that can assist in the re-invigoration of the construction industry would be vital to our national economic recovery. This branch has been in the process of being converted to recreational use as a rail trail, but we have indications that many building industry suppliers in and around the line desire the reinstitution of freight rail service.

In conclusion, we urge the Board to grant GNP's petition to reactivate this rail line.

Sincerely,



Don Davis, Government Affairs Director

Master Builders Association of King and Snohomish Counties

cc.

John Heffner, 1750 K Street,
N.W., Suite 200, Washington, DC 20006;

Charles A. Spitulnik, Kaplan Kirsch &
Rockwell LLP, 1001 Connecticut Avenue, N.W., Suite 800, Washington, DC 20036;

Craig Watson, Port of Seattle, Pier 69, P.O. Box 1209, Seattle, WA 98111; and

Kristy Clark, BNSF Railway Company, 2500 Lou Menk Drive, AOB-3, Fort Worth, TX 76131.



Olympia Office

620 Boundary Street Southeast
Olympia Washington 98501-1636
Phone: 360.943.8333 ▪ Email: washarp@q.com

May 21, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW, Room 1034
Washington, DC 20024-3298

Re: **Finance Docket No. 35730**
Ballard Terminal Railroad Company, L.L.C.

Dear Ms. Brown,

This is in support of preserving railroad infrastructure in place on that five-plus mile section of the Woodinville Subdivision, ex-BNSF Railway, which passes north-south through the City of Kirkland, Washington.

All Aboard Washington, an independent 501(c)(3) tax-exempt, nonprofit association, strongly agrees with the State of Washington's position that existing rail infrastructure is an irreplaceable resource and must be preserved. When removed for "interim trail use," the return to rail use virtually never occurs, as outlined below.

The claims made by current proponents of removal of the rails and conversion to a trail-only that at some future the Woodinville Subdivision right-of way could be rerailed, is, we believe cynically done. Through 2009, 301 rail corridors were railbanked, totaling 5,079 miles of right-of way. Of this total, 120 corridors were converted into trails, totaling 2,754 miles (54%). Of that total, only nine corridors were returned to rail use — just three percent of the total number. But in only one documented case — an eight-mile commuter line feeding into the Dallas DART system, with a paved trail along side — was a corridor returned to passenger rail use. In other cases where ample justification for rerailing exists, opposition from adjacent landowners and trail advocates have stymied replacing the tracks, even when rail would be an appropriate transportation choice for a broad region AND the right of way could accommodate both rail and trail, as is the case with nearly all the Woodinville Subdivision.

In addition to the April 2 letter from five Washington State legislators urging preservation of the Woodinville Subdivision rail infrastructure for joint development of rail and recreational use, most members of the Washington State legislature's House

and Senate Transportation committees were approached and all who were seen individually, which included both Republicans and Democrats, including those from varied parts of the state, favored retaining the infrastructure in place. None expressed support for a “trail only” option.

To the argument, “If it was valuable rail, why did BNSF Railway sell it?” the seven remaining North American Class Ones have determined that short-haul “retail railroading” is not economically productive for them. But short lines, such as Ballard and many others, have found these transportation niches where they can survive, even prosper.

The Woodinville Subdivision has the potential of moving people and goods in environmental, economic, and socially sound manner. To destroy that existing rail infrastructure does violence to sound allocation and use of an irreplaceable resource.

Sincerely,

Lloyd H Flem
Executive Director

EXHIBIT 11

September 27, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington DC 20423-001

Docket #35731

Dear Ms. Brown,

Another use of the Eastside Rail Corridor is passenger service. Passenger service can provide additional revenue and job opportunities for the community and increase the usability of the line.

As the conductor of research of hundreds of community organizations and businesses affected by the Eastside Rail corridor, we felt it was valuable for the board to understand on how the community supports increased Eastside rail service. The general conclusion was "overwhelming support".

This area is rich in agricultural and business opportunities. More than 130 wineries, breweries, and distilleries are within a mile of the Eastside rail line.

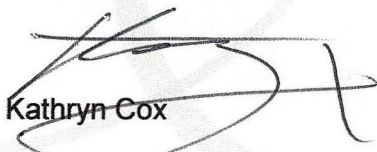
Based surveys (see Exhibit A) and marketing analysis, we developed a concept for an excursion train to be the "Bounty of Washington: Tasting Train". This excursion train service is a celebration of agriculture and viticulture of Washington the local food and wine. The "Tasting Train" can become a valuable way to enjoy the beauty of the region, the pleasure of train travel and our outstanding local foods and wines. This excursion service is an enhanced version of the Spirit of Washington Dinner Train that successfully served more than 1.4 million passengers in 14 years on one to two trains daily.

This year, we sent surveys out to 700 wineries in Washington State and with 11% response rate an almost unanimous amount (92%) would participate in the Bounty of Washington: Tasting Train. See Exhibit B for more statistics from that survey.

At this year's Taste Washington wine festival, 74 wine related professionals signed a support statement including the CEO of the largest winery in Washington, Ste. Michelle Wine Estates, the CEO of Visit Seattle, and a national award winning chef, Tom Douglas.

The Bounty of Washington: Tasting Train can provide another way to utilize this important corridor with broad community benefits.

Best regards,



Kathryn Cox

direct: 425.822.3925

www.marketingphilharmonic.com

composing strategy
orchestrating results

March 24, 2013

To Whom It May Concern:

Those wineries signed below would like to voice support Eastside Community Rail's (ECR) plan to run an excursion train down the Eastside rail corridor from Woodinville to Snohomish. We support the \$6.2 million of public funding to maintain and improve the publicly owned Woodinville to Snohomish portion of the Eastside Rail corridor.

The value increases with the addition of easier access to Seattle by adding platforms in South Kirkland/North Bellevue. Keeping the track intact can bring short and long term economic and public benefits. We are asking for Kirkland and King County to retain the track.

We anticipate that the "Bounty of Washington: Tasting Train" will become a valuable way to enjoy the beauty of the region, combining the pleasure of train travel with outstanding local foods and wines. This special experience will be embraced by residents of the Puget Sound region and visitors from around the world.

We are excited about the prospect of our wines possibly being showcased and poured on the "Tasting Train".

This is a unique partnership opportunity to create value for the region and our industry.

Winery Name and Sign:	<u>Reiniger - [Signature]</u>
Winery Name and Sign:	<u>Solvang Bros J. Doll</u>
Winery Name and Sign:	<u>Robert Ramsay Cellars [Signature]</u>
Winery Name and Sign:	<u>Ortelisco Wines [Signature]</u>
Winery Name and Sign:	<u>ANDREW LIND CHER DE CUISINE SPACENEEDE</u>
Winery Name and Sign:	<u>JOSE Cam pos lead SPACENEEDE</u>
Winery Name and Sign:	<u>Rene Bulbucos pos SPACENEEDE</u>
Winery Name and Sign:	<u>OKANOGAN EST. [Signature] Schmitt</u>
Winery Name and Sign:	<u>SILVER LAKE [Signature]</u>
Winery Name and Sign:	<u>Purple Star Wines [Signature] Johnson</u>
Winery Name and Sign:	<u>Washington Tasting Room [Signature] Shelly Tach</u>
Winery Name and Sign:	<u>Rainier Wine [Signature] [Signature]</u>
Winery Name and Sign:	<u>RAMSEYER VINEYARDS - [Signature] John Ramsey</u>
Winery Name and Sign:	<u>Palouse Winery - [Signature] Linda [Signature]</u>
Winery Name and Sign:	<u>Pepper Bridge Winery [Signature]</u>
Winery Name and Sign:	<u>RYAN PATRICK VINEYARDS [Signature]</u>
Winery Name and Sign:	<u>Lat. Laurel Wines [Signature] [Signature]</u>
Winery Name and Sign:	<u>Portia [Signature]</u>
Winery Name and Sign:	<u>Revelry Vineyards [Signature]</u>
Winery Name and Sign:	<u>VISIT SPATTLE [Signature]</u>
Winery Name and Sign:	<u>Windy Is Winery [Signature] [Signature]</u>

Winery Name and Sign:	Upland Gold Rush
Winery Name and Sign:	Two Mountain
Winery Name and Sign:	Barkery Frog
Winery Name and Sign:	Horan Estates
Winery Name and Sign:	THREE RIVERS
Winery Name and Sign:	Trust Cellars
Winery Name and Sign:	TREVERI CELLARS
Winery Name and Sign:	Palatkat Ward
Winery Name and Sign:	Stonehenge
Winery Name and Sign:	Pomum Idilio
Winery Name and Sign:	Piccola Cellars
Winery Name and Sign:	GRECA Lill
Winery Name and Sign:	Tom Dambus
Winery Name and Sign:	Joyful Pith
Winery Name and Sign:	Barry's Journey
Winery Name and Sign:	Adelphi's Cellars
Winery Name and Sign:	Sorely M'Gachlan
Winery Name and Sign:	Lullaby Winery
Winery Name and Sign:	Lodmell Cellars
Winery Name and Sign:	Glencove Winery
Winery Name and Sign:	Maxon of Crown
Winery Name and Sign:	Ginkgo Forest Winery
Winery Name and Sign:	JOE FRANCE / Road Warriors
Winery Name and Sign:	FOR A SONG
Winery Name and Sign:	Estrin Estate
Winery Name and Sign:	Madeline Pennington / Charles Smith Wines
Winery Name and Sign:	Richard Gargano / Ch. Rollot
Winery Name and Sign:	Chatter Creek
Winery Name and Sign:	Chinook Wines
Winery Name and Sign:	Canoe Ridge Vineyard
Winery Name and Sign:	Barrister Winery
Winery Name and Sign:	Barrel Springs
Winery Name and Sign:	Arctic Club Hotel
Winery Name and Sign:	Barrel Springs
Winery Name and Sign:	Close Lift
Winery Name and Sign:	Charr Cellars
Winery Name and Sign:	St. Michel
Winery Name and Sign:	Upchurch Vineyard
Winery Name and Sign:	Jason Schlegel
Winery Name and Sign:	JEREMY SANTO

COR Cellars - WZL

Locati Cellars *Mylo*

Cox Cyn. Summ

CORVUS CENARS

SCARBOROUGH Wines

Southard Winery ~~Wine~~ Southard
Northwest 1331

Matthews Blake

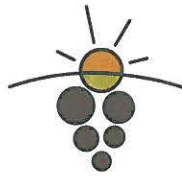
THOMPSON, LLC

542464

WAKI) JOHN SON W NERY SAY PLAND L

Fidelitas Brenda de la Cruz

BARBARA KETHLY Barbara Kethly



WASHINGTON STATE
THE PERFECT CLIMATE FOR WINE™

September 29, 2010

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington DC 20423-001

Re: Issaquah Subdivision (Redmond Spur) reactivation – letter of support
Docket # FD 35407
Dear Ms. Brown,

The Washington State Wine Commission would like to offer our support to the GNP Railway's request to reactivate the former BN Corridor from Woodinville to Redmond Washington. As the corridor proceeds south to Redmond it touches the properties of three wineries and actually has an old spur into Chateau Ste. Michelle, one of the state's largest wineries. Several dozen wineries are within a quarter mile of the track as it goes through our state's "wine district". We anticipate that this can become a significant freight corridor for the region and the wine industry.

Additionally, the GNP has proposed a future excursion service on the line. The "Bounty of Washington: Tasting Train" can become a valuable way to enjoy the beauty of the region, the pleasure of train travel and our outstanding local foods and wines – a perfect blend.

We are committed to communicating this wonderful opportunity to the more than 680 wineries in the State of Washington. We believe a great number of them will be excited about the prospect of showcasing and pouring their wines on the "Tasting Train".

We strongly support GNP Railway's action to re-activate the corridor.

Sincerely,

Robin Pollard
Executive Director



December 10, 2012

Kirkland City Council

King County

Re: S. Bellevue to Woodinville corridor – letter of support

Dear Kirkland and King County council members;

The Columbia Winery would like to offer our support to the Eastside Community Rail's (ECR) planned to run down the Eastside rail corridor. The value increases with the addition of easier access to Seattle by adding platforms in North Bellevue and potentially Totem Lake.

We anticipate that the "Bounty of Washington: Tasting Train" will become a valuable way to enjoy the beauty of the region, the pleasure of train travel and our outstanding local foods and wines – a perfect blend! This special experience will be embraced by both the residents of the Puget Sound region and visitors from around the world.

We are interested about the prospect of showcasing and pouring our wines on the "Tasting Train".

This is a unique partnership opportunity to create value for the region and our industry and we are pleased to support its success.

Sincerely,

John Sportelli

Senior Manager

Columbia Winery

EXHIBIT 12

October 19, 2015

Port of Seattle
Ted J. Fick
Chief Executive Officer
2711 Alaskan Way
Seattle, WA 98121

Re: Eastside Rail Corridor in Snohomish County

Dear Mr. Fick,

We are the shippers, customers and businesses along the active freight railway from Woodinville to Snohomish. It is our understanding that Eastside Community Rail (ECYR) has proposed to acquire the remaining, Port-owned 12-mile portion in Snohomish County. We, the undersigned, support the sale of the former BNSF right-of-way to ECYR, which already owns the Permanent Freight Easement over that corridor. Collectively, we employ nearly 1,000 people, pay substantial taxes for infrastructure and employee benefits, and annually help keep over 1,000 trucks off the roads. Many of us have invested in the railroad to keep it operating until ECYR can get the necessary financing to grow the line.

The Port's stated Mission is: "The Port of Seattle is a public agency that creates jobs by advancing trade and commerce, promoting industrial growth, and stimulating economic development." Please note: there is nothing in the Port's mission, vision, etc. that concerns a trail. Yet, the Port has provided no meaningful public benefit or support to us shippers in its ownership of this rail line, which is outside its home King County. Further, Snohomish County has provided no plan nor achieved any results to support this publicly owned railroad, while such railways in Eastern Washington received \$31 million in state funding this past legislative session. It is time to let ECYR assume full ownership and grow the line's business.

Over the past three years, Snohomish County has made several attempts to acquire this segment of the corridor for a "trail" and has not been able to complete a commitment to the Port. SnoCo staff has even considered ways to pursue shutting down the railroad to "rail bank" it for their trail, which would be seriously detrimental to rail corridor businesses. A trail is an amenity, not the primary public benefit of an active railroad. In sworn testimony, the former head of the Port Commission stated that the corridor was purchased for "freight" – not a trail.

We urge the Port to expedite the execution of a Purchase & Sale Agreement with ECYR, enabling them to pursue significant, long-term financing. Once their purchase of the right-of-way has been completed, the railroad can work with SnoCo to create a trail that is beneficial to all affected parties.

Thank you for your consideration of our position in this matter.
Sincerely,

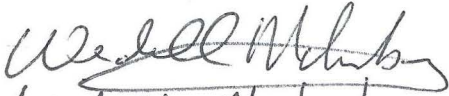
Eastside Rail Corridor Business Community

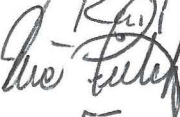
See Page Two for Signatories

Signature 
Name GARY POWELL
Title/Company CEO - MATHEWS LUMBER

Signature 
Name Kyle Barlow
Title/Company Spectrum Glass Co.

Signature 
Name SCOTT REIDER
Title/Company OPERATIONS MGR /
BOISE CASCADE COMPANY

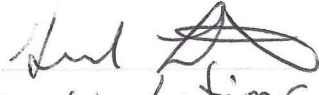
Signature 
Name Wendell Matmborg
Title/Company President Advanced
Rail Concepts

Signature 
Name ERIC FRITCH
Title/Company PRES FRITCH FOREST PRODUCTS INC
PRES, CHINOOK LUMBER, INC.

Signature 
Name Robert E. Day
Title/Company Dayville Hay & Grain
Inc

Signature 
Name JEFF MCMAHON
Title/Company WM DM.

Signature 
Name Andrew Hoskin
Title/Company SCARLE CORP.

Signature 
Name Gerald Latimer
Title/Company Achilles USA Inc.
Purchasing

Signature 
Name CRAIG BRAUN
Title/Company PLANT MGR - PSM LLC

Signature 
Name GREG ERWIN
Title/Company VP
KENT Gypsum Supply, Inc

Signature 
Name BOBBY WOLFORD TRUCKING
Title/Company OWNER

MATHEUS LUMBER COMPANY, INC.

Gary Powell
CEO

Wholesale Forest Products
Mobile Phone: (425) 785-3411 • email: gary@matheuslumber.com

15800 Woodinville-Redmond Road NE • P.O. Box 2260
Woodinville, Washington 98072-2260
(425) 489-3000 • (800) 284-7501 • Fax (800) 966-3121

5-2015



Spectrum Glass Co.

Manufacturers of Specialty Sheet Glass

P.O. Box 646
24105 Sno-Woodinville Rd.
Woodinville, WA 98072
(425) 483-6699 (800) 426-3120
Fax (425) 483-9007
www.spectrumglass.com

GREG ERWIN
Vice President

10720 26th Ave South
Lakewood, WA 98499
(253) 722-1234
(425) 471-1340 cell
(253) 722-0304 fax
grege@kentgypsum.com
www.kentgypsum.com

9-2015 @ Matty

HPF MANUFACTURING INC.

METAL FABRICATION AND DESIGN

Wendell A. Malmberg
President

20105 Broadway Ave SE
Snohomish, WA 98296-5149

office: 425-486-8031
fax: 360-668-4833
cell: 206-510-0361
email: walmberg@hpf.com

www.hpf.com

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www.achillesusa.com

Aaron Hoskin
District Operations Manager



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Fax: (425) 488-7955

AaronHoskin@SCAFCO.com
www.SCAFCO.com

12815 NE 178th St
Woodinville, WA 98072

Scott Reider
Operations Manager



Boise Cascade

Building Materials Distribution

8720 216th Street SE PO Box 168 Woodinville WA 98072-0168
T 425-486-7477 F 425-402-1291 C 206-391-8923 800-342-2299
ScottReider@BoiseBuilding.com www.BC.com/bmd

bc.com



21307 87th Ave. SE
Woodinville, WA 98072
Tel: 425 486-1232
Toll Free: 800 373-3514
Fax: 425 486-0803
www.psmcorp.com

Craig Braun
Bob Allen
Plant Manager

Direct: 360 282-4991
Cell: 503 333-2011
bob.allen@cascorp.com

LEADER IN QUALITY ATTACHMENTS



Fritch Forest Products, Inc. D.B.A.
FRITCH MILL

18507 Waverly Drive, S.E.
Snohomish, WA 98296

Eric Fritch
President
eric@fritchmill.com

P: (360) 668-5838
C: (425) 508-6341
F: (360) 668-9734



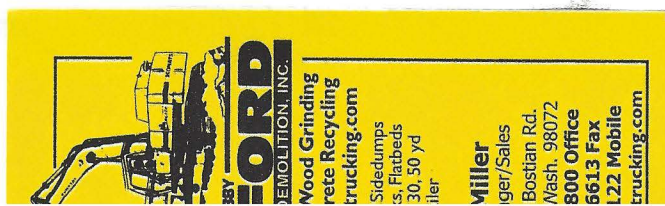
Jeff McMahon
District Manager

WASTE MANAGEMENT NORTH SOUND DISTRICT

6211 234th Street SE Woodinville, WA 98072
(425) 420-1710 (425) 420-1728 Fax
(425) 471-5046 Mobile jmcmaho@wm.com

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September 30, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW, Room 1034
Washington, DC 20423-0001

RE: STB Finance Docket No. 35731
Ballard Terminal Railroad Company, L.L.C.
Acquisition and Exemption, Woodinville Subdivision

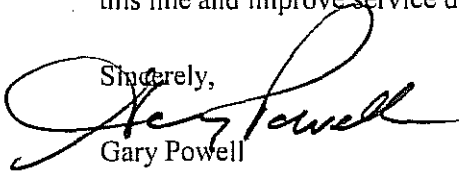
Dear Ms. Brown,

Our company, Matheus Lumber Company, Inc, is in favor of the continuation and enhancement of freight rail service in the so called "Eastside Rail Corridor" currently served by Ballard Terminal Railroad (BTR). We urge the board to preserve freight rail service along this line by granting BTR's petition to re-activate freight service between Woodinville and Bellevue.

Matheus was established in 1932 and we continue as a wholesaler of lumber and plywood products to commercial builders throughout the U.S. We predominately sell to the multi family and infrastructure markets. Our sales this year will be over two hundred million dollars and we have six offices in four states with over eighty employees. Our headquarters and main inventory yard is located just south of Woodinville on the rail line that is known as the BNSF Issaquah spur. We are interested in reactivating this line in order that we could use rail service to receive railcar loads of lumber and plywood directly to our yard. We would need a new industrial spur at our location for us to directly receive freight service. Currently we receive three to four rail cars per month at the Scafco Corporation rail spur in Woodinville from large mills throughout the Northwest. We also use rail service to receive materials at reloads near projects we are supplying throughout the U.S. Each rail car replaces three truck shipments and represents a saving of around \$1,000 in freight costs not to mention it keeps three trucks off the highways. There is also savings in buying in railcar quantities.

A few years back when the rail line adjacent to our location was used for rail freight and the Spirit of Washington dinner train it seemed to me that it could have also been used as a shared line for trolley and a trail for general use. I personally went on the former Spirit of Washington dinner train and have fond memories of that service. We support the reactivation of the rail line between Bellevue and Woodinville as this would allow the BTR to increase their revenue and use this to continue to support customers along this line and improve service delivery. Please grant BTR's petition for reactivation of this line.

Sincerely,



Gary Powell
President

P.O. Box 2260 • 15800 Woodinville-Redmond Road NE • Woodinville, WA 98072-2260
425-489-3000 • 1-800-284-7501 • Fax: 425-822-4028 • www.matheuslumber.com

C Sales Inc

7227 W BOSTIAN RD



WOODINVILLE WA 98072-6008

Ph (425) 483-0101 Fx (425) 485-9131

October 1, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW, Room 1034
Washington, DC 20423-0001

REF: STB FINANCE DOCKET NO. 35731
BALLARD TERMINAL RAILROAD COMPANY, LLC
ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION

Dear Ms. Brown,

Our company, CT Sales, Inc. has offices and a fab shop located alongside the tracks of the former BNSF Woodinville Subdivision, currently served by Ballard Terminal Railroad (BTR). We are writing to urge the Board to preserve and enhance the freight rail service along this line by granting BTR's pending petition to extend their operations south of Woodinville by reactivating that rail-banked line to Bellevue.

CT Sales has existed in its present form since 1981. We fabricate steel reinforcing bars (rebar) from straight mill stock, cutting and bending the bar to meet the specifications of various concrete construction projects in the region. Last year we processed and shipped about 8,300 tons of finished re-bar, but this is still down from our high of about 14,000 tons in 2007. This year we will do about \$10M in business. We employ roughly 20 people in family-wage jobs.

Much of our bar stock is purchased directly from Cascade Steel Rolling Mills in McMinnville, Oregon. That mill is served by the Union Pacific Railroad. It is our understanding that they could ship product to us directly by rail via UP, BNSF & BTR, with a savings in freight charges as compared with trucking. We estimate that each rail car of re-bar would replace about 2.5 truckloads. Receiving rebar via rail will allow us to more easily handle longer lengths for construction projects. It is conceivable that we could also ship finished fabrications out to Bellevue and more distant customers by rail, although more research is needed. In any event, we are actively pursuing receiving rebar by rail, which would help us bolster the revenue picture for BTR, while lowering our cost of goods sold. The fact that we would also be helping to reduce air pollution and truck congestion on I- 5 between Oregon and Washington is a plus.

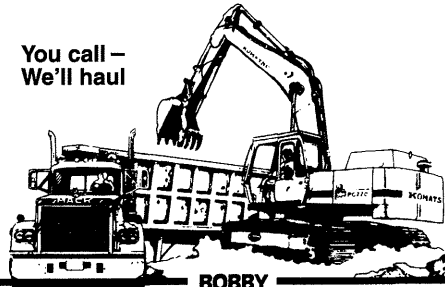
We hope that the STB will see fit to grant Ballard's petition to reactivate freight rail service into Bellevue. Meantime, please contact me with any question you may have about our operations, or about how we believe our business economics would be improved by adding the ability to receive raw materials and ship product by rail.

Sincerely,

C.T. Sales, Inc.
James A House
President

22014 West Bostian Rd.
Woodinville, WA 98072
(425) 827-7530/481-1800
FAX # (425) 486-6613

You call –
We'll haul



- 40 / 50 yard Debris Trailers
- Lowboys
- Belly Dumps
- Track Hoes, Loaders & Dozers

BOBBY
WOLFORD
TRUCKING AND DEMOLITION, INC.

March 27, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

Dear Ms. Brown:

Bobby Wolford Trucking (BWT) was founded in 1972 to provide general demolition and trucking services, primarily to the real estate development industry. Since then we have added full recycling service for construction debris (such as concrete), land clearing debris, and the like. We are a Snohomish County certified "Intermediate Solid Waste Handling Facility" and processor of these materials. Our processing yard is located in Maltby (Snohomish County), alongside the BNSF railroad's former Woodinville line, now known locally as the Eastside Rail Corridor (ERC).

I am writing to stress the importance of restoring rail service to the next segment of the ERC, between Woodinville and Bellevue, Washington, a rail line that is currently inactive and rail-banked. We very much support continued freight use and enhancement of the entire ERC. In fact, we have started planning with the current railroad operator, Ballard Terminal Railroad (BTR), to construct a spur track from the main rail line directly into our recycling yard. This would allow us to both receive material to be recycled from up and down the corridor, as well as to economically ship out sorted and processed materials by rail to their final disposal point, e.g., land fills in southern Washington.

There are several major highway and secondary roadway projects scheduled in the area of Bellevue, Washington over the course of the next several years. These projects, plus multiple new high-rise buildings, will necessitate the export of hundreds of thousands of cubic yards of excavated materials, building demolition waste, and roadway grading spoils. We are currently targeting projects on I-405 and SR520 for the 2013 and 2014 construction seasons. A future light rail system with a tunnel and “cuts” are within one mile of the railroad, and will also require substantial movement of spoils and raw materials. Additionally, we anticipate ongoing construction projects in the future, on a regular basis. We estimate the volume of these projects at over three million cubic yards of construction spoils over the next several years.

We need to have the rail line intact to provide this service and to be able to bid on these important projects. We have already estimated that our bid would be at least 15% less expensive to our clients than the trucking option. For us to provide competitive and viable bids, we need the rail intact and active.

We have consulted with Eastside Community Rail (ECRR), the owner of the rail freight easement in the corridor, about the logistics of moving large quantities of excavated material from construction projects in King County by rail for direct placement as road or trail base alongside their existing railroad embankment, mainly in Snohomish County. BWT has extensive experience hauling for excavation contractors. We agree with ECRR that using rail to replace thousands of long truck hauls to dump sites would greatly reduce traffic congestion and wear on the region's highways, and would obviously reduce air pollution from diesel exhaust, too. Since the ERC runs right through areas of King County where there will be many large construction projects, it makes sense to use rail cars to move excavated material out of and some bulk construction materials in to those project areas. In view of the proximity of these various projects to Bellevue, Washington, restoration of rail service from Woodinville to Bellevue is critical to the efficient transportation of construction materials. Sole use of an already overburdened highway system, which is one of the worst in the country, via truck transportation is neither efficient, cost-effective nor particularly safe.

Ms. Cynthia T. Brown
March 26, 2013
Page 3

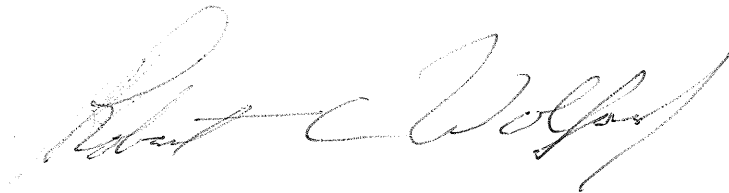
In conclusion, even though we are a trucking company, we see the benefit to all of us of maintaining a functioning, thriving railroad through the east side of both King and Snohomish Counties, and keeping our communities connected by rail to the rest of the country. We also support the multiple uses of this public corridor, like trails, or some form of passenger rail services, that so many other agencies are planning. The opportunity to utilize the Eastside Rail Corridor as a viable option for the movement of construction materials is very advantageous for this region of the Puget Sound. We look forward to a strong future for economic growth in the Bellevue, Kirkland, Redmond and Snohomish County areas. The ability to help lower traffic congestion while still servicing the market with the necessary construction material needs by allowing rail to be utilized will help CalPortland, Ballard Terminal Railroad, Eastside Community Rail and others provide service to the community in the most efficient manner possible. The resumption of rail service to Bellevue would also promote the responsible reduction of truck exhaust emissions and wear to the region's roads.

Thank you for considering our position to reactivate the rail corridor for our business and for the community.

Very truly yours,

Bobby Wolford

Owner
Wolford Trucking and Demolition

A handwritten signature in black ink, appearing to read "Bobby Wolford", is written over a light gray, faint signature line.



WASTE MANAGEMENT

13225 N.E. 126th Place
Kirkland, WA 98034
(425) 823-6164
(425) 814-7866 Fax

October 29, 2010

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington DC 20423-001

Re: Issaquah Subdivision (Redmond Spur) reactivation – letter of support

Docket # FD 35407

Dear Ms. Brown,

Waste Management, Inc. would like to offer our support to the GNP Railway's request to reactivate the former BN Corridor from Woodinville to Redmond Washington. As the corridor proceeds south from the City of Snohomish to Redmond it runs along the eastern property line and serves our Regional facility at Maltby, Washington. Our specific disclosures in this letter will address the long-term viability of GNP to serve this corridor and all of its shippers along it.

Waste Management, Inc. is North America's leading provider of integrated environmental solutions. We partner with our customers and communities to manage and reduce waste from collection to disposal while recovering valuable resources and creating clean, renewable energy. Serving over 20 million residential, industrial, municipal and commercial customers, Waste Management posted \$11.79 billion of revenues in 2009.

I am Waste Management's Project Manager for the new undertaking at the Maltby facility, the "Calvert Ecopark Project". Waste Management has recently submitted to Snohomish County a conditional use permit application to re-construct our 18+ acre site in Maltby creating this commercial and demolition material recovery facility. (MRF) That proposal includes the construction of an intermodal container transfer facility and anticipates the removal of materials and possibly municipal solid waste from the site by rail. To start, we are planning for two, thirty-five trains per week. (3,640 cars per annum). It is our understanding that GNP has been authorized by the federal Surface

From everyday collection to environmental protection, Think Green.® Think Waste Management.



Transportation Board to operate this rail line between Snohomish and Woodinville that was formerly owned and operated by BNSF Railway Company, and as such would be the common carrier serving our need. We also understand that GNP desires to reactivate the branch off the Snohomish-Woodinville line that extends south to Redmond.

We strongly support GNP Railway's action to re-activate that part of the corridor and believe that our shipping activity would further solidify the railroad's long-term economic viability.

Sincerely,



Mr. Dean Kattler
Area Vice President
Waste Management of Washington Inc

Pursuant to 28 U.S.C. 1746, I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on: October 29, 2010


Dean Kattler

STATE OF Washington, COUNTY OF King:

On this day, personally appeared before me

Dean Kattler, to me known to be the person described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his voluntary act and deed, for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed

this 29th day of October, 2010.



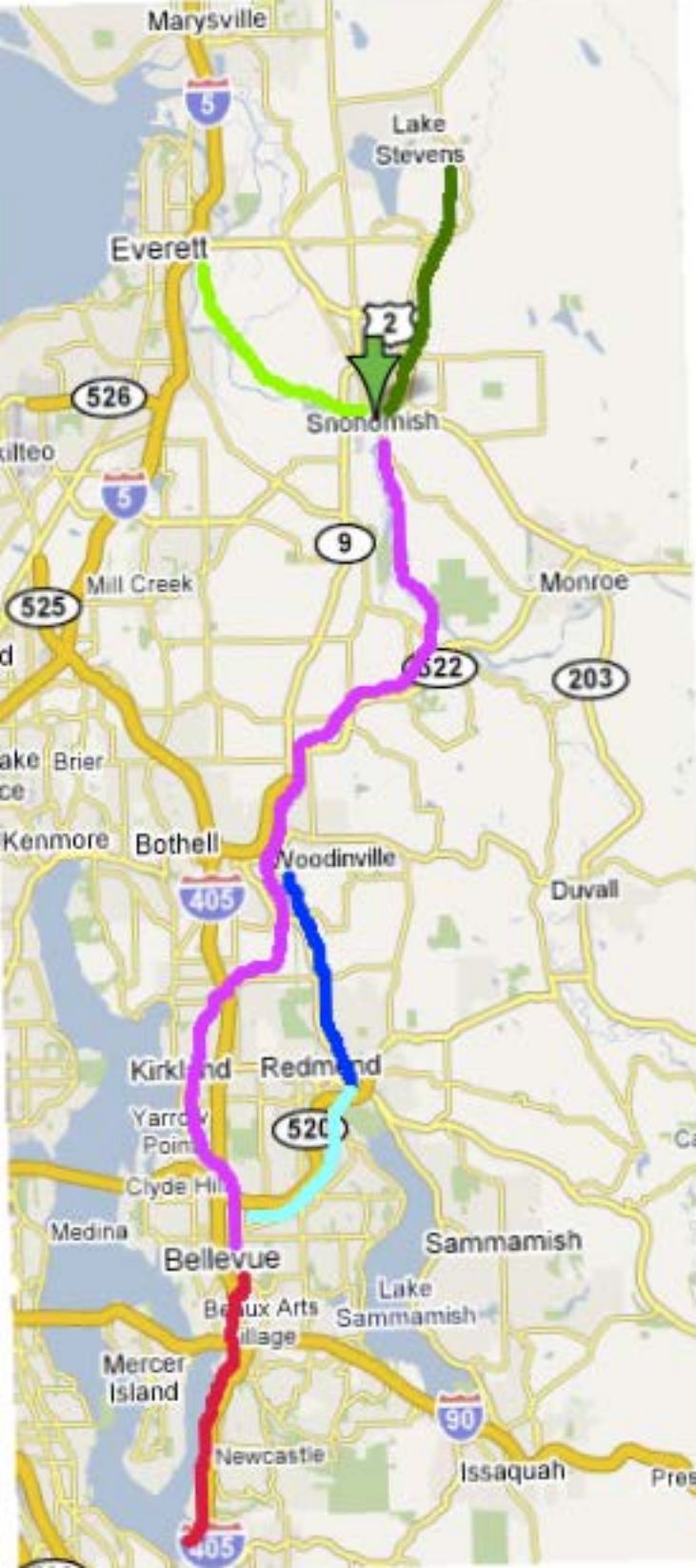
Michael A. Weinstein

Notary Public in and for the State of Washington.

My commission expires June 15, 2013.



EXHIBIT 13

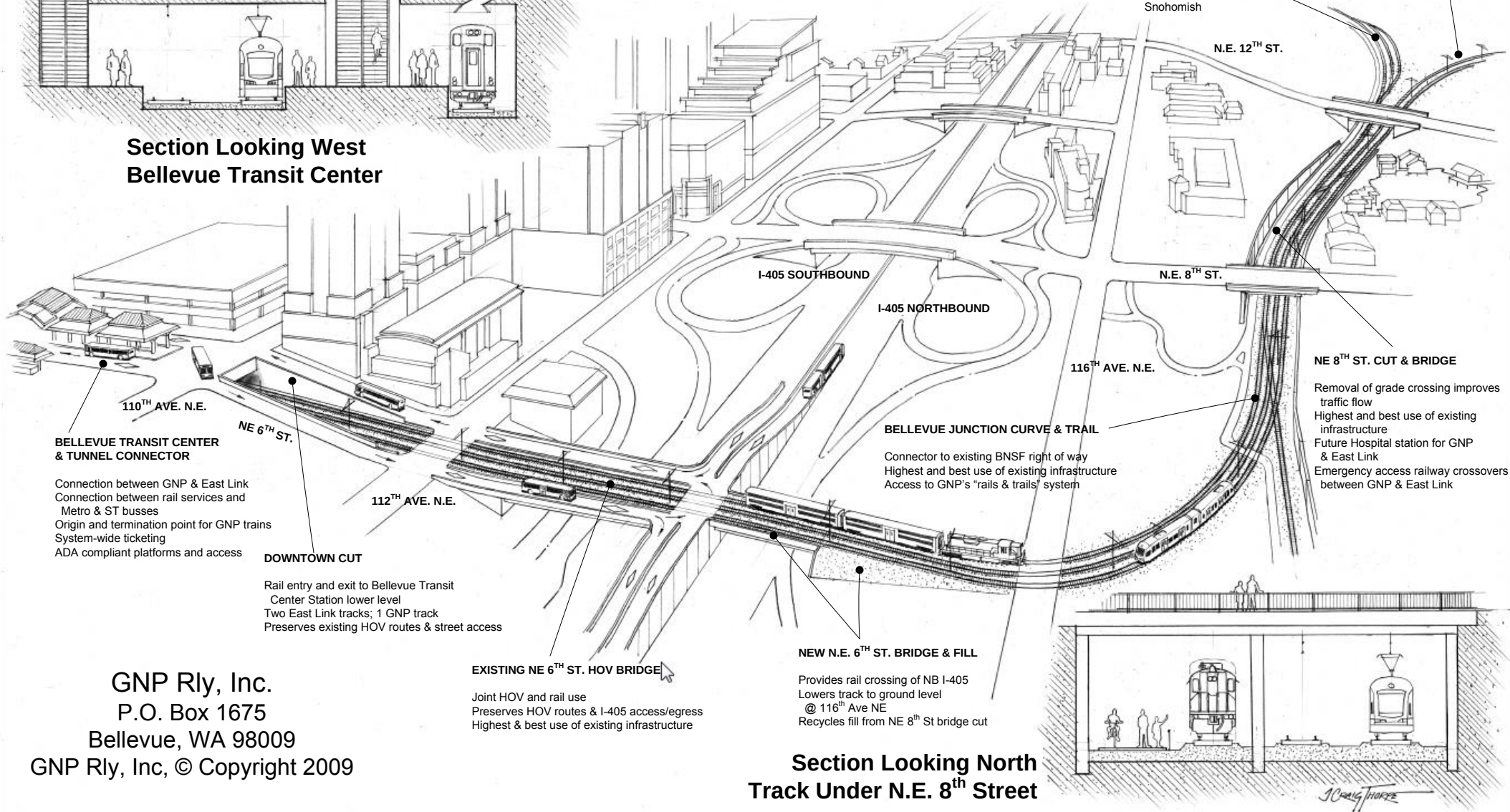


GNP BELLEVUE JUNCTION

Schematic Perspective (NTS)



**Section Looking West
Bellevue Transit Center**



**BELLEVUE TRANSIT CENTER
& TUNNEL CONNECTOR**

Connection between GNP & East Link
Connection between rail services and
Metro & ST busses
Origin and termination point for GNP trains
System-wide ticketing
ADA compliant platforms and access

DOWNTOWN CUT

Rail entry and exit to Bellevue Transit
Center Station lower level
Two East Link tracks; 1 GNP track
Preserves existing HOV routes & street access

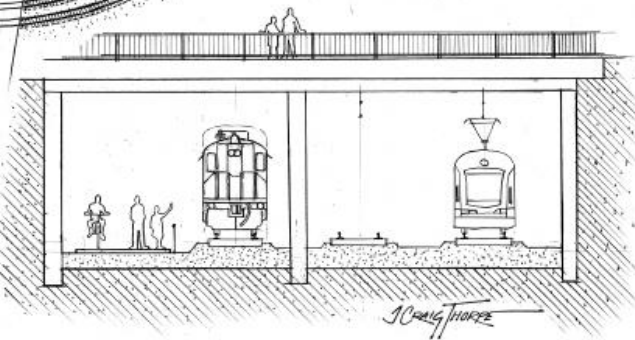
EXISTING NE 6TH ST. HOV BRIDGE

Joint HOV and rail use
Preserves HOV routes & I-405 access/egress
Highest & best use of existing infrastructure

NEW N.E. 6TH ST. BRIDGE & FILL

Provides rail crossing of NB I-405
Lowers track to ground level
@ 116th Ave NE
Recycles fill from NE 8th St bridge cut

**Section Looking North
Track Under N.E. 8th Street**



EAST LINK ROUTE

To Overlake Transit Center,
Microsoft Campus & Redmond

GNP ROUTE

Kirkland, Woodinville &
Snohomish

N.E. 12TH ST.

N.E. 8TH ST.

116TH AVE. N.E.

NE 8TH ST. CUT & BRIDGE

Removal of grade crossing improves
traffic flow
Highest and best use of existing
infrastructure
Future Hospital station for GNP
& East Link
Emergency access railway crossovers
between GNP & East Link

GNP Rly, Inc.

P.O. Box 1675

Bellevue, WA 98009

GNP Rly, Inc, © Copyright 2009





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LOCATION MAP



CONCEPTUAL VIEW

SOUTH KIRKLAND STATION

PUGET SOUND REGIONAL RAIL

LOOKING NORTH AT THE
SOUTH KIRKLAND-PARK & RIDE LOT

Showing - Typical 2-car Diesel Multiple Unit (DMU) train
- Trail for hiking and walking
- Stair and Elevator tower to parking lot and bus
connection

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CONCEPTUAL VIEW

TOTEM LAKE STATION

PUGET SOUND REGIONAL RAIL

(LOOKING SOUTH AT NE 14TH STREET)

- Showing - Typical 2-car Diesel Multiple Unit (DMU) train
 - Connecting shuttle bus services
 - Trail for biking and walking





CONCEPTUAL VIEW

WOODINVILLE STATION

PUGET SOUND REGIONAL RAIL

STORMING EAST ALONG THE
WICKSVILLE-CHICKADEE ROAD

- Connecting bus service
- Trail for hiking and walking
- Local freight train on the passing track

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CONCEPTUAL VIEW

SNOHOMISH STATION PUGET SOUND REGIONAL RAIL

(LOOKING EAST AT HARVEY AIRFIELD)

- Showing - Northern terminus of Eastside Rail Corridor
 - Typical 2-car Diesel Multiple Unit (DMU) train
 - Connecting bus service
 - BNSF Railway main line to Spokane and Chicago

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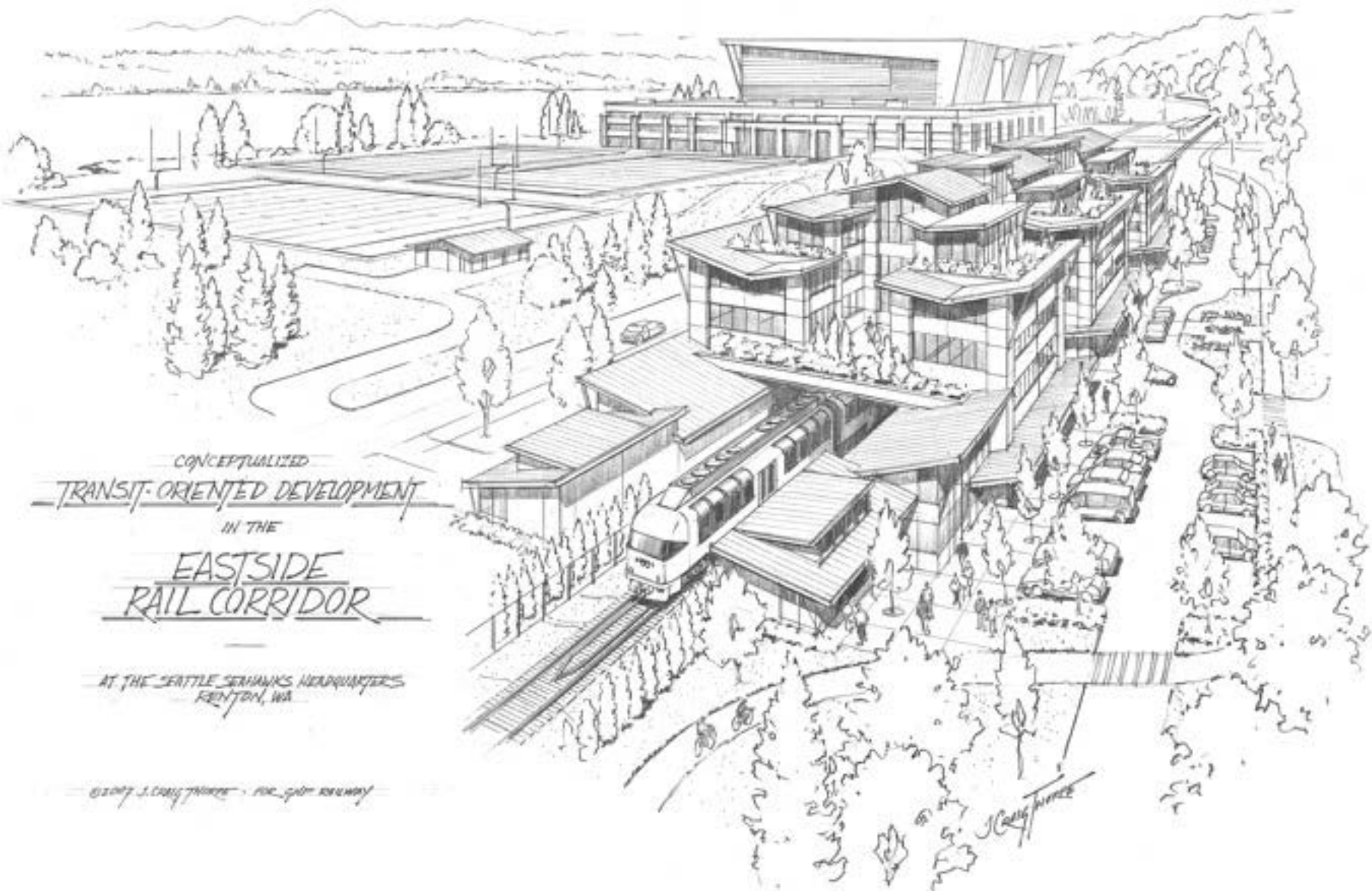


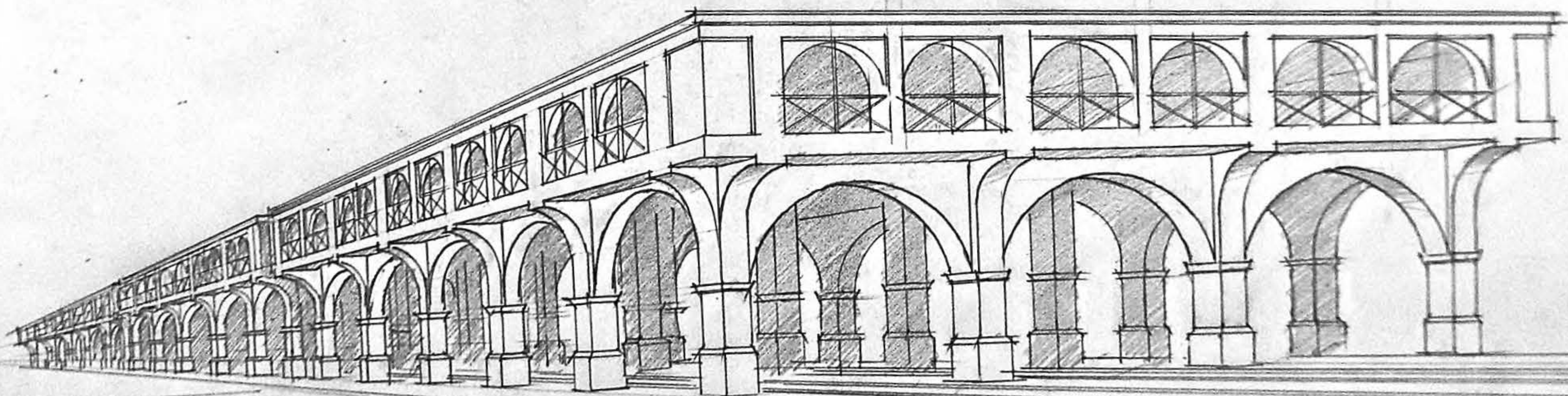
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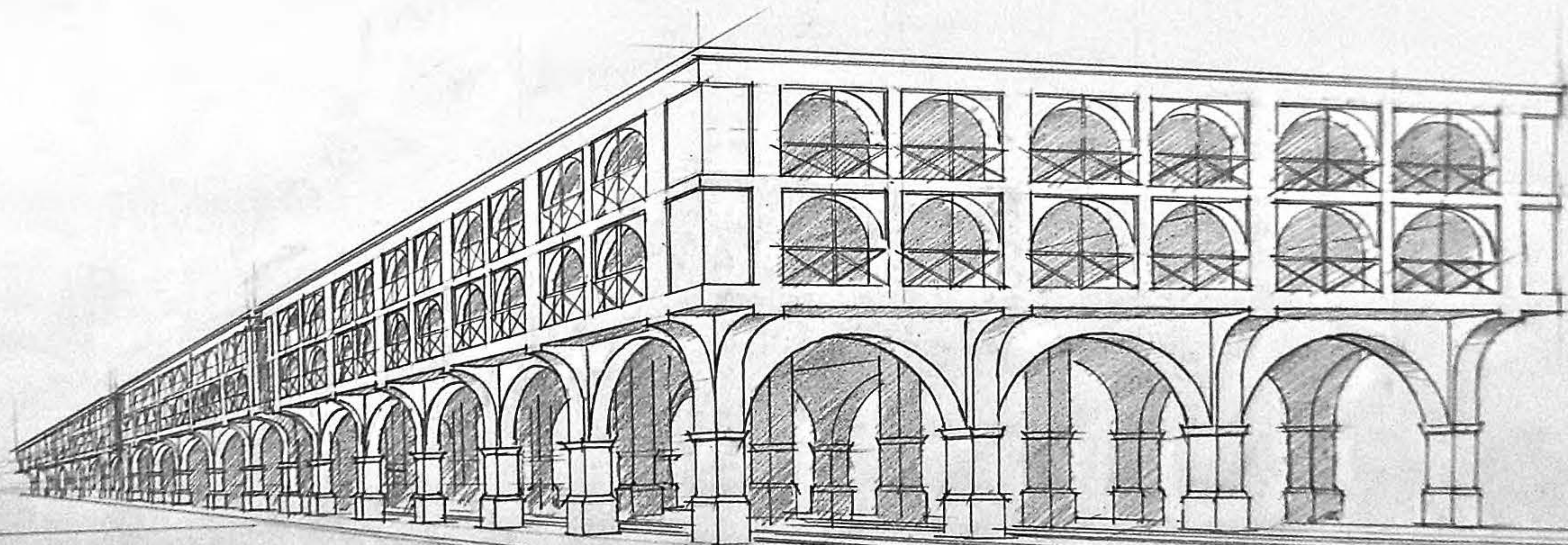
CONCEPTUALIZED
TRANSIT-ORIENTED DEVELOPMENT
IN THE
EASTSIDE
RAIL CORRIDOR

AT THE SEATTLE SEAHAWKS HEADQUARTERS
RENTON, WA

©2007 J. CRAIG THORPE FOR SHoP SKETCHES







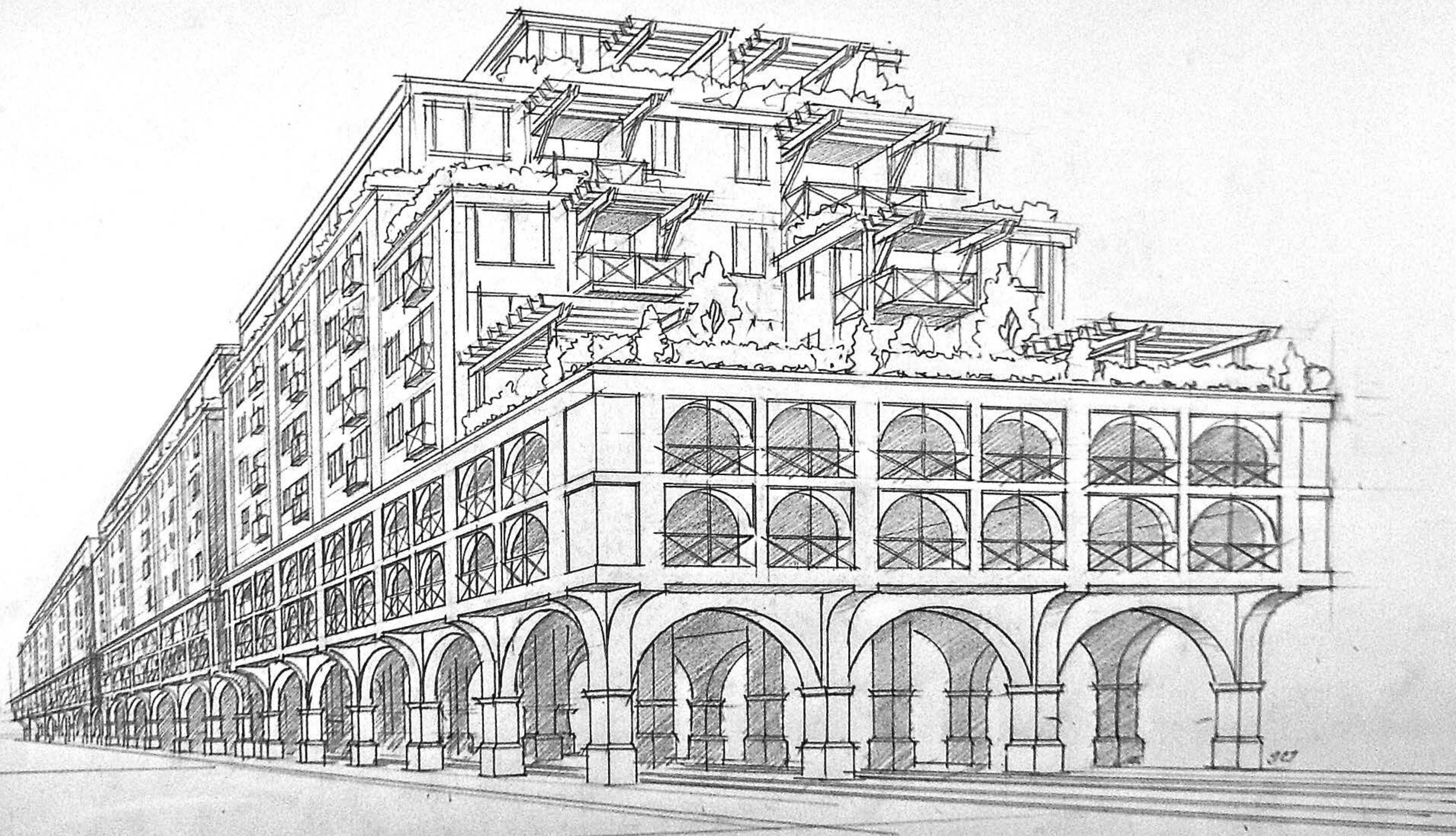


EXHIBIT 14

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35407

GNP RLY INC.
Acquisition and Operation Exemption
Redmond Spur and Woodinville Subdivision

VERIFIED STATEMENT OF ROBERT C. FINLEY

My name is Robert C. Finley, and my business address is 2 Olde Barn Way, Acton, MA 01720. I have been retained by GNP Rly. Inc. ("GNP") to review the financial forecast used by the railroad for future operations. The question posed to me was how viable is the GNP and are future results reasonable. I conclude that GNP will become viable on a system-wide basis after an initial start up period of 3 years and its system-wide cash flow should be sufficient to offset losses on the lines at issue here until they become profitable in their own right after 7 years.

I have approximately 35 years experience in the railroad industry, primarily in the area of finance. My railroad career began in 1974 with the Southern Railway System, where I was a management trainee and assistant economist. I took a position with the United States Railway Association, where my duties included management of a portion of the litigation regarding the value of the Penn Central assets and oversight of the marketing and sales activities of Conrail. In 1982, I joined the Southern Pacific Transportation Co. At Southern Pacific, my duties included line sales and abandonments, including the filing of applications and submission of verified statements to the Interstate Commerce Commission, tariff route restructuring and merger related traffic analyses.

Following my tenure at Southern Pacific, I worked for the Chicago West Pullman Transportation Co., a short line holding company, where my duties included line acquisitions and sales efforts and where I undertook a number of analyses of the cost of operations of rail lines. In 1998, I became Chief Financial Officer at the Iowa Interstate Railroad. My responsibilities there included all of administrative aspects of the railroad's operations, in addition to financial and budgeting oversight. At Iowa Interstate, I focused carefully on operating costs and developed models for specific carload costing that were used by the marketing department in order to set prices. The budgeting process at Iowa Interstate placed considerable emphasis on the cost of each segment of rail operations.

Following my employment at Iowa Interstate, I worked as a transportation consultant at PHB Hagler Bailly, an international economic and management consulting firm. My assignments there included assistance to Wheeling & Lake Erie Railway concerning the impact of the breakup of Conrail and advice to the State of Victoria, Australia, concerning the value of the state owned railroad in a privatized market.

Currently, I am the Vice President of Finance for Housatonic Railroad, a short line operating in Connecticut and Massachusetts. In addition, since January 1, 2000, I have been providing outside consulting services to the short line freight and passenger rail industries under the business name Harford & Associates. In this capacity, I was retained by Camas Prairie RailNet, Inc., in 2000 to do the avoidable loss and related economic analyses for their abandonment application (AB-564) and also by San Pedro Rail Operating Company in 2005 in connection with the abandonment of their line known as the Douglas Branch in a proceeding before the Board (AB-1081X). A copy of my curriculum vitae is attached.

GNP presented me with their latest financial forecast model that includes income statements for both their freight operations and planned excursion operations. Also included in the model are a balance sheet, a cash flow statement, a source and use of funds statement and a variety of spreadsheets documenting assumptions, expenses and revenue. Projections are for a ten year period from 2011 to 2020.

I began my assignment of determining GNP's viability by breaking GNP's operations into two components: 1) GNP's operations overall including the existing Freight Easement between MP 38.25 at Snohomish and MP 23.8 at Woodinville and 2) the southern-most 9.1 miles of railroad at issue here which we will call "the Lines." For my analysis, I focused on the freight projections. First I looked at the expected sources for freight revenue. [REDACTED]

[REDACTED] I questioned Douglas Engle, GNP's chief financial officer, about their customer base and how carload projections were estimated. Mr. Engle discussed the letters of intent GNP has or will receive from various shippers and what those letters meant in carload volume. The types of shippers and commodities he described are consistent with the typical shortline railroad. The large carload volume projection for certain customers makes sense based on contracts now in place or expected in the near future. Also built into the carload forecast are three construction projects that will move volumes over limited periods. Two projects last three years; one is for six years. [REDACTED]

[REDACTED]

Projections of carload growth by customer are based on shipper estimates. I believe the carload projections are reasonable. Although there is steep growth it does not occur until the third year. That performance would be consistent with the time it typically takes a start up shortline to build its business. Also included in the GNP carload estimates is switching activity for cars moved on a customers' siding in three locations in 2012 and 2013, then two locations for the balance of the ten year forecast.

One of the areas that can financially challenge a new railroad is the estimate of revenue per car including annual rate increases. There is a tendency to overestimate how much a shortline will receive per car when in many cases the interchanging Class I carrier will dictate the shortline's share of revenue. I reviewed the estimated revenue per car. Average revenue per car [REDACTED]. This rate is somewhat lower than the typical shortline, and is inflated by about 2% per year. Realistically, revenue per car does not increase by the same percentage each year, but over time a 2% average increase is probably low. Beginning in 2012 GNP forecasts some project specific traffic that has considerably higher revenue per car. The project work is already under contract thus the higher carload revenue is justified.

Overall I found the revenue estimates cautious but reasonable. The fact that most of the revenue is based on potential GNP customers who have offered letters of intent reinforces my conclusion.

I reviewed the cost estimates of the GNP forecast model. There are numerous detailed calculations of cost by the various operating areas. Operating cost assumptions are in line with my experiences in the shortline industry. Particularly noteworthy is the addition of contingency

expense recognizing that nothing works as well as planned. Costs are broken down by direct operating costs including people, Port of Seattle fees, and train operations.¹

The GNP model also classifies some of the operating costs as allocated. This group includes rail administration, maintenance of way and maintenance of equipment. The model allocates costs between the freight operation and planned excursion operations by the car mile.

GNP's model indicates losses in the first three years, then a steady growth in net income. The losses of the first three years are essentially recouped by the end of the ten year forecast.

My assignment was to review the financial viability of the freight railroad. To that extent I took the GNP freight income statement for the first five years and eliminated the allocation of some costs to excursions. The GNP model assumes that track will maintained at a FRA Class II standard because of planned excursion trains. I replaced GNP's track maintenance estimates with the generally accepted \$6,000 per mile per year cost for FRA Class I trackage. I inflated the track maintenance cost by two per cent per year. I then added the interest expense, depreciation and other expenses listed in the GNP model. Some of the interest, depreciation and other expenses are associated with the excursions but I elected not to back them out. (To some extent this decision is not fair to GNP as much of their debt is for upgrading track to passenger rather than freight standards.) My findings are shown in Exhibit 1. Like the GNP model there are losses in the first three years. But my total losses were lower than GNP's. For the two years of profit, my version is better than the GNP model.

Finally I wanted to gauge the impact of the Lines to the overall GNP operation. GNP's traffic data is broken down by location. I identified revenue for the two stations on the line - Redmond and Hollywood. The GNP model has a wealth of statistical information for allocations, but the integration of excursion costs made a detailed allocation to the Lines

¹ The GNP model does include increased Port of Seattle fees for the operation over the Lines.

difficult. I resorted to allocating system expenses based on the Lines as a percentage of the system. I did not allocate interest, depreciation or other expenses. The results are in Exhibit 2. The Lines show positive margin by the third year.

My conclusion is like most start up shortline railroads there are losses at the beginning for GNP. But once GNP's shippers have their operations at planned capacity the entity is financially viable. However, I also conclude that the cash flow that GNP generates from revenues overall are sufficient to cover losses incurred on the Lines until they become profitable in their own right.

I have also been asked to respond to an assertion by GNP's opponents regarding traffic solicitation. These parties would denigrate GNP's traffic and revenue projections because it was GNP that solicited some of these customers, rather than the other way around. Based upon my years of experience in the short line industry, it is common practice for short lines to solicit traffic from customers that have never used rail before or have not used rail in recent years ("dormant customers"). Many of these customers never approach a railroad about moving their freight by rail because of adverse experiences in the past. Accordingly, it is standard practice for a short line to approach a potential customer with a service package that addresses rates, service, car supply, and other matters without first waiting for the customer to contact the railroad.

VERIFICATION

Pursuant to 28 U.S.C. 1746, I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing statements made by me are true and correct.

Executed on: December 13, 2010


Robert C. Finley

CERTIFICATE OF SERVICE

I certify that on August 13 and 14, 2018 I served an e-filed copy of the foregoing document upon all parties of record in the proceeding, as listed below per the STB service list via FedEx. Please note that Fletcher & Sippel are not party to this matter.

Joshua Brower
506 2nd Ave.
Suite 1400
Seattle, WA 98104

Attorney for Ballard Terminal Railroad

Allison Fultz
Kaplan Kirsch Rockwell
1001 Connecticut Ave, NW
Suite 800
Washington, D.C. 20036

Attorney for King County, WA

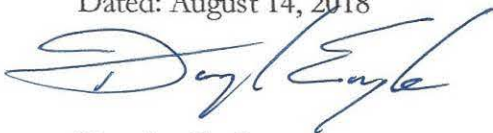
Charles Montange
426 NW 162nd Street
Seattle, WA 98177

Attorney for Snohomish County, WA

Matthew Cohen
Stoel Rives
600 University Street, Suite 3600
Seattle, WA 98101

Attorney for City of Woodinville, WA

Dated: August 14, 2018

A handwritten signature in blue ink, appearing to read "D. Engle", is written over the printed name "Douglas Engle".

Douglas Engle
On behalf of
Eastside Community Rail