

ORIGINAL

LICENSE TO USE CITY RIGHT-OF-WAY

The CITY OF BELLINGHAM, a municipal corporation, 210 Lottie Street, Bellingham, Washington, 98225, ("CITY") for and in consideration of compliance with the conditions set forth herein grants to WHATCOM TRANSPORTATION AUTHORITY, a municipal corporation, 2200 Nevada Street, Bellingham, Washington, 98226, ("WTA"), a revocable license to use CITY right-of-way for street parking purposes described as follows:

That certain real property located at the southeast corner of the intersection of Magnolia Street and Railroad Avenue in the City of Bellingham (the "Property") indicated on the drawing and more completely described in Exhibit A attached hereto and incorporated herein by this reference.

This license is granted subject to the following conditions:

1. Purpose.

WTA owns and maintains a bus terminal facility located on the southeasterly side of Railroad Avenue between Magnolia Street and Champion Street in the City of Bellingham. It proposes to expand transit services it provides, including transfer of persons from paratransit vehicles to fixed-route coaches and other public transportations services; and, further, it wishes to make the transit terminal area safer and more pleasant for transit patrons.

The CITY owns the Property described above which is adjacent to WTA's transit terminal and which WTA will use for the above purposes by construction of certain improvements on the site. It is in the best interest of the CITY to assist WTA in these efforts, and adequate consideration exists for the mutual promises contained herein.

2. Duties of WTA.

A. Prior to any physical alteration of the Property, including any alteration in the landscape or prior to the construction of any permanent structures on the Property, WTA shall obtain all necessary permits from the City of Bellingham, and all plans for alteration or construction shall be submitted to the City for its approval prior to the commencement of any work.

B. If the Property is or becomes included in CITY downtown plans or programs, WTA agrees to cooperate and work with the CITY to insure that such plans or programs meet the needs of the CITY, WTA, and the broader downtown area.

C. WTA will have exclusive right of use and control of the Property and will keep it in a good and safe condition. The parties agree that the Property shall be deemed part of WTA's "municipal transit station" for purposes of RCW 9.91.025, as amended by House Bill No. 2516, effective June 11, 1992.

D. WTA shall defend, hold harmless, and indemnify the CITY for all claims or liability (including reasonable attorney fees and costs) arising out of WTA's use of the Property, other than as to claims or liability arising out of the CITY's negligence.

3. Term.

A. This license shall expire on the sooner of

(1) December 31, 2003;

(2) WTA's abandonment of the Property described herein or the adjacent premises it owns;

(3) WTA's ceasing to provide public transportation services or ceasing to serve as a public transportation benefit area; or,

(4) the assignment (by operation of law or otherwise) or attempted assignment of WTA's interest in the adjacent property it owns, or any substantial part thereof, without the prior written approval of the CITY which approval shall not be unreasonably withheld.

B. Beginning on January 1, 2004, and on January 1st of each following year, this license shall be automatically extended for successive one-year terms, provided that one party has not given the other written notice to terminate. Such notice of intent shall be given prior to October 1st of the then-current year. Further, each party declares its intent to reasonably continue this license so long as the other wishes to make use of the property as described herein.


EXECUTED, this 22ND day of MARCH, 1993, for the WHATCOM
TRANSPORTATION AUTHORITY.


Martin Minkoff, General Manager

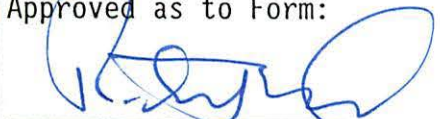
EXECUTED, this 26th day of April, 1993, for the CITY OF
BELLINGHAM:


Tim Douglas, Mayor

Attest:


Lynn Carpenter, Finance Director

Approved as to Form:


Office of the City Attorney

Department Approval:


Director, Planning Department

Departmental Approval:


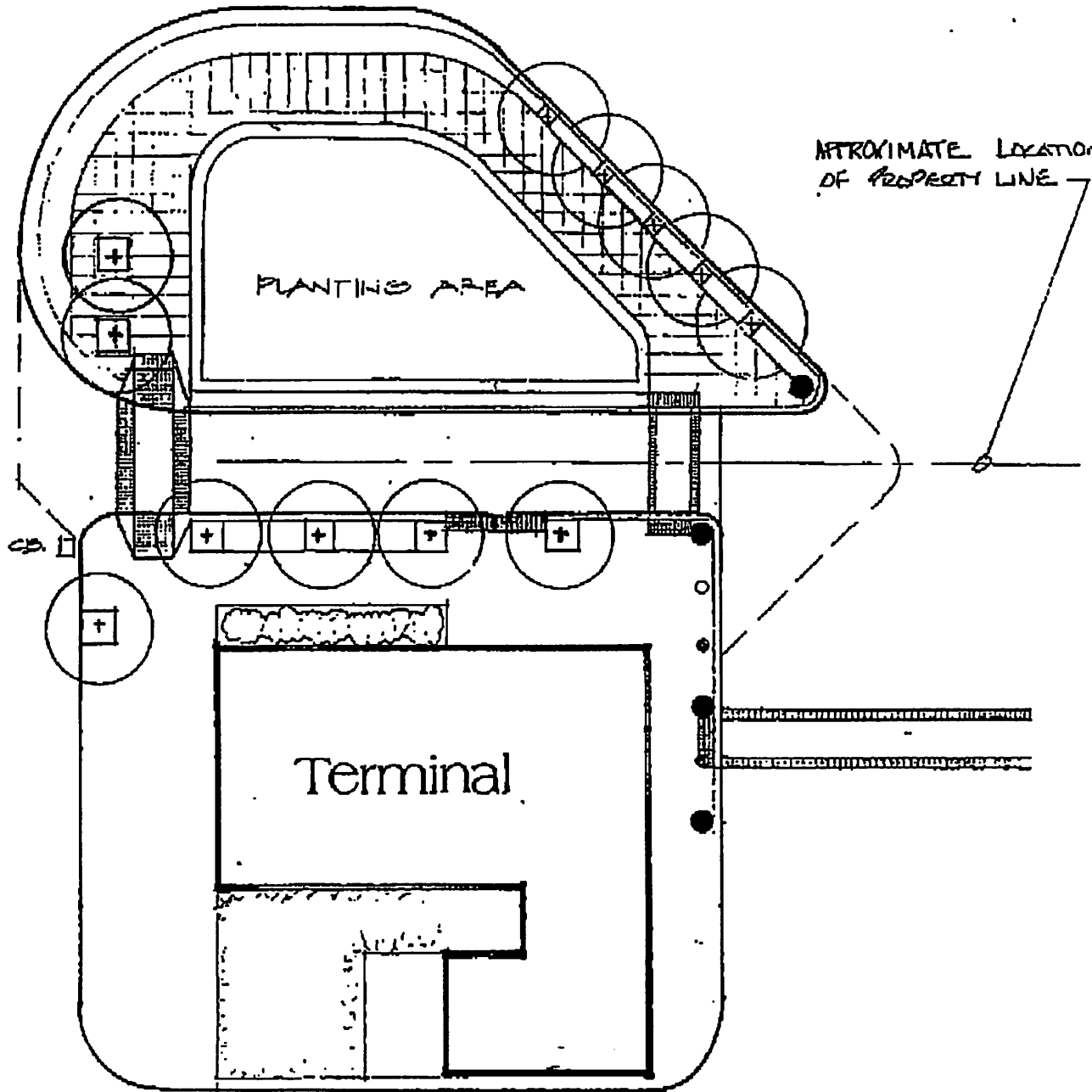

Director, Public Works Department

EXHIBIT A

RAILROAD AVE.

APPROXIMATE LOCATION OF PROPERTY LINE



MAGNOLIA