**Application for Use of State-owned Aquatic Lands**

<table>
<thead>
<tr>
<th>Applicant Name:</th>
<th>Peninsula Light Company</th>
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<tbody>
<tr>
<td>County:</td>
<td>Pierce</td>
</tr>
<tr>
<td>Water Body:</td>
<td>Hale Passage</td>
</tr>
<tr>
<td>Type of Authorization - Use:</td>
<td>Easement</td>
</tr>
<tr>
<td>Authorization Number:</td>
<td>51-086660</td>
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<tr>
<td>Term:</td>
<td>30 years</td>
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**Description:** This agreement will allow the use of State-owned aquatic lands for the sole purpose of placing and maintaining a submarine cable for electric power distribution. It is located in Hale Passage between Gig Harbor and Fox Island in Pierce County, Washington.
51-086660 Peninsula Light Hale Passage Submarine Fiber Optic Cable Installation

Proposed Cable Placement
APPLICATION FOR AUTHORIZATION
TO USE STATE-OWNED AQUATIC LANDS

No work can be started on the project area until a use authorization has been granted by the state Department of Natural Resources.

I. SUBMISSION OF APPLICATION

This application form will be reviewed by the state Department of Natural Resources upon receipt at the address given below, and also posted on the DNR website as public information. Applicants will be notified in writing if the application will be accepted for further review. However, this application may be rejected at any time before signed execution of a use authorization.

APPLICATION MUST BE FILLED OUT IN BLUE OR BLACK PEN

Please send the completed application form to your region land manager at:
Washington State Department of Natural Resources
South Puget Sound Region
950 Farman Avenue N
Enumclaw, WA
98022-9282

Enclose a $25.00 non-refundable application processing fee with the application. (This fee is not required for local, state, and other government agencies).

II. APPLICANT INFORMATION

Date of Application: October 15, 2010

Authorization to be Issued To (how name is to appear in the lease document): Peninsula Light Company

Applicant's Representative: Dennis Walden

Relationship to Applicant: Contract Manager

<table>
<thead>
<tr>
<th>Address: PO Box 78</th>
<th>City: Gig Harbor</th>
<th>State: Washington</th>
<th>Zip Code: 98335</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone: (253) 857-5950</td>
<td>Fax: 253-857-1558</td>
<td>E-Mail: <a href="mailto:Dennisw@penlight.org">Dennisw@penlight.org</a></td>
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FOR OFFICIAL USE ONLY

Support staff: Application Fee Received ☐ JARPA Received ☐ Date:_______

Land Manager: ☐ New Application; ☐ Renewal Application

Land Manager: Type: (20, 21, 22, 23, 31, 51)

II. APPLICANT INFORMATION cont'

Department of Revenue Tax *Registration Number (Unified Business Identifier) is Required: 273000038

Which of the following applies to Applicant (Check One and Attach written authority to sign - bylaws, power of attorney, etc):

<table>
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<tr>
<th>Corporation</th>
<th>Limited Partnership</th>
<th>General Partnership</th>
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<tr>
<td>☒ WA</td>
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<tr>
<td>State of Registration</td>
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Sole Proprietorship ☐ Marital Community Spouse: ☐ Government Agency ☐

Other ☒ (Please Explain:) Mutually Owned Corporation

Has the site use been authorized before or is it currently under lease? Yes ☒ Lease Number: 69 328

No ☐ Don’t Know ☐

III. LOCATION

The Body of Water on which the state property is located:
Hale Passage

County in which the state property is located:
Pierce

Government Lot:

Section: 25 and 36

Township: 21 North

Range: 1

E ☒ or W ☐

Note: A legal property survey including the legal description and other information about the property is required to obtain a use authorization. WA DNR survey requirements are attached to this form. The survey plat will be attached to the lease/easement as Exhibit A. DO NOT HAVE THIS SURVEY CONDUCTED UNTIL YOU HAVE BEEN NOTIFIED IN WRITING THAT THE APPLICATION HAS BEEN ACCEPTED FOR PROCESSING.

Physical description of Project Area (For example, Marsh, Tideflat adjacent to the Chehalis River, etc.):
Adjacent to and under Hale Passage within Puget Sound.

Name of Owner(s) of Uplands, Shorelands, and/or Tidelands shoreward and adjacent to the Property:
See Attachment 1

Address: City: State: Zip Code:

Phone Number: Fax Number E-mail:

Note: Except for property located within established Harbor Areas, proof of ownership, or authorization to use the adjacent tideland, shoreland, or upland property may be required. If the applicant is the owner of the adjacent land, attach a copy of the deed.

County Parcel No(s). for adjacent properties, upland, and/or adjacent tideland properties: See Attachment 1
### IV. USE OF PROPERTY

Describe, in detail, the proposed use of the Property:

The proposed use of the property will be a utility corridor for a new electric power distribution cable extending approximately 3,500 feet under Hale Passage from Gig Harbor to Fox Island (Figures 1 and 2). The cable will be installed using an 16-inch-diameter directional bore varying from a depth of 30 to 80 feet below the seabed. A 12-inch steel sleeve will be inserted in the bore. Six HDPE conduits will be installed within the casing which will then convey three 15-kilovolt (kV) cables and one 600-V cable, one cable per conduit.

Is or will the Property be subleased to another party? **Yes □ No ☒**
If yes, submit a copy of the sublease agreement.

What are the current and past uses of the site?

In 1969, a 3-phase sub-marine cable (now defunct) was installed to provide electric power between Gig Harbor and Fox Island and fixed to the seabed floor in generally the same alignment as the proposed cable installation. No additional past use of the site is known.

Do you have any knowledge of contamination of the site by toxic or hazardous substances, or of past uses or practices that might have lead to contamination by such substances? **Yes □ No ☒**
If so, please explain:

Do you know if any fill material has been placed on the property in question? **Yes □ No ☒**
If yes, please explain:

Note: Under DNR lease agreement 69 328, a utility line extended from Fox Island to Gig Harbor positioned on the seafloor within Hale Passage.

### V. IMPROVEMENTS

Physical improvements are structures placed on the land that cannot be removed without damage to the land. Examples of such structures include: pilings, dolphins, piers, wharves, piling-supported buildings, structures built on fill or concrete foundations, buried pipelines and cables, and support structures for bridges.

What physical improvements currently exist on the site? (Photos may be required.)

The sub-marine cable line installed in 1969 is still in place on the seabed. No other physical improvements are on the site.

If there are physical improvements currently on the site, who owns them?

Peninsula Light Company

If there are physical improvements currently on the site, describe their condition:

The existing cable line has been submerged underwater for more than 40 years. The cable is a 4-conductor 500MCM with insulated shield, #4 BWG galvanized steel armoring, and measures approximately 5 inches in diameter. The cable was inspected immediately after installation in 1970; there are no records of any subsequent inspections.
Which, if any, of the existing physical improvements will be removed, remodeled, or reconstructed?
The existing submarine cable line would be abandoned in place.

Describe any physical improvements that the applicant is proposing to construct on the site:
The existing (approximately 3,500-foot-long) cable will be abandoned and the new 15-kV circuit will be placed on relatively the same alignment from the Gig Harbor Peninsula to Fox Island (see Figure 3). Directional bore technology will be used to create a 12-inch diameter hole that will contain a steel sleeve and conduits under the seabed across Hale Passage. The conduits will hold three 15-kV cables and one 600-V cable.

Has any fill material been placed on the site? Yes ☐ No ☒ Note: Other than the existing utility line
If Yes, please describe:

VI. LOCAL, STATE, AND FEDERAL REGULATORY PERMITS
Copies of all Government Regulatory Permits, or Permit Waivers Are Required Before Issuance of a DNR Use Authorization. Your project may require all or some of the following.

Please include the following permit applications, permits, or waivers with the application:
Note: Pre-application meetings are underway with regulatory agencies at this time; copies of all permit applications and resulting permits/permit conditions will be provided to DNR as they are developed and issued.

JARPA (Joint Aquatic Resource Permit Application) - This one form is used to apply for all of the following individual permits:

1. Section 10 Permit (Required by the US Army Corps of Engineers for any work in or affecting navigable waters, e.g., floats, docks, piers, dredging, pilings, bridges, overhead power lines.)
2. Shoreline Substantial Development, Conditional Use, Variance Permit or Exemption (Issued by Local Government, and is required for work or activity in the 100 year flood plain, or within 200 feet of the Ordinary High Water mark of certain waters; and which included any one of the following: dumping, drilling, dredging, filling, placement or alteration of structures or any activity which substantially interferes with normal public use of the waters.)
3. Hydraulic Project Approval (Required by the Department of Fish and Wildlife if the project includes work that will use, divert, obstruct, or change the natural flow or bed of any fresh or salt water of the state.)
4. Section 404 Permit (Required by the US Army Corps of Engineers if your project will discharge or excavate any dredged or fill material waterward of the Ordinary High Water mark or the Mean Higher High Tide Line in tidal areas.)
5. Section 401 Water Quality Certification (Required by the Department of Ecology if a Section 404 permit is required.)

NPDES (National Pollutant Discharge Elimination System Permit) - Required by the Department of Ecology under delegated authority from the Federal Environmental Protection Agency for projects that include the discharge of fluid on or into surface water.

SEPA (State Environmental Policy Act) Checklist and Environmental Assessments - When you submit a permit application to any agency, if the project is not exempt, the lead agency will ask you to fill out an environmental checklist. Based on checklist answers and the reviewers knowledge of the project site, agency personnel will determine the types of impacts the project may have on the environment. The agency assessments may be the following forms: Determination of Non-significance, Determination of Significance, scoping documents, draft or final Environmental Impact Statements (EIS) or others prepared for the purpose of compliance.

Describe any habitat mitigation required by any of the permitting agencies identified above and identify where such mitigation is proposed to occur.
All answers and statements are true and correct to the best of my knowledge.

<table>
<thead>
<tr>
<th>Applicant Name (please print):</th>
<th>Title:</th>
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<tbody>
<tr>
<td>Jafar Taghavi</td>
<td>Chief Executive Officer</td>
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<tr>
<th>Applicant or Authorized Signature:</th>
<th>Date:</th>
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<td></td>
<td>10/15/2010</td>
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WASHINGTON STATE DEPARTMENT OF NATURAL RESOURCES
REQUIREMENTS FOR RECORDS OF SURVEY FOR LEASES AND EASEMENTS

Records of Survey are required for easements and leases granted by the department for:

- County roads
- Highways
- Easements across high value lands
- Easements across transition lands
- Utilities
- Upland leases
- Communication sites
- Drainage or irrigation easements
- Railroads
- Aquatic land uses: exemptions are provided for recreational docks and mooring buoys per RCW 79.105.430 and for those permits issued as a Right of Entry
- Other grants as determined by the department based upon site specific considerations

The applicant is responsible for:

- All costs and work associated with creating, submitting, revising and recording the Record of Survey
- Submitting a preliminary Record of Survey for review and approval by the department prior to approval of the agreement.
- Recording the final Record of Survey with the county auditor’s office.
- Submitting a digital copy in AutoCAD.DWG or DXF (drawing exchange format) of the final survey.
- Submitting two full size copies and one 8 ½ X 11” copy and of the recorded survey including the auditor’s recording information to the department.

A Record of Survey must:

1. Be produced by a licensed surveyor.
2. Meet the requirements of Title 58 RCW and Chapter 332-130 WAC.
3. Include the name of the applicant, the purpose of the easement or lease and the DNR easement or lease number.
4. Clearly show easement or lease boundaries with distances and directions of all boundary lines.
5. Show the easement or lease area to an accuracy of (±) 0.5% of the total area or (±) 10 square feet, whichever is greater.
6. (Not required for aquatic lands lease across the bed of Puget Sound or the Pacific Ocean) Indicate the acreage encompassed by the lease or easement within each quarter-quarter section or government lot.
7. Show distances and directions from two or more controlling corners of a recorded subdivision, recorded survey or government survey (GLO) corners.
8. Be related by meridian and coordinate to the Washington Coordinate System NAD’83(1991) by closed ties to NGS Control monuments, or the extension thereof. The designation of the control stations used shall appear on the plat.
9. Include a narrative legal description describing the servient estate (grantor’s parcel) on the Record of Survey.
10. Show a detailed plan of improvements to be constructed or already existing on the easement or lease area. All improvements must be shown in sufficient detail to determine what they are used for and to ensure they are entirely within the easement area.
11. Show the location of any proposed utility.
12. (linear lease or easement) Show the lineal footage along the centerline.
13. (linear lease or easement) Show the complete alignment information and width including any necessary curve data.