Application for Use of State-owned Aquatic Lands

Applicant Name: Pope Resources and Olympic Properties Group
County: Kitsap County
Water Body: Port Gamble Bay
Type of Authorization - Use: Lease – Private Community Dock
Authorization Number: 20-085840
Term: 12 years

Description: This agreement will allow the use of State-owned aquatic lands for the sole purpose of Private Community Dock. It is located in/on Puget Sound, Port Gamble Bay, in Kitsap County, Washington.

This application is being placed on hold until the remedial action for cleanup is determined.
MapQuest Maps - Driving Directions - Map

Map of Port Gamble, WA

Cloudy, 51° F

http://www.mapquest.com/

5/10/2010
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 Farnam 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: February 26, 2010

Authorization to be Issued To (how name is to appear in the lease document): Pope Resources and Olympic Property Group

Applicant’s Representative: Derek Koellmann, Anchor QEA, LLC

Relationship to Applicant: Consultant

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<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
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<tbody>
<tr>
<td>P.O. Box 85</td>
<td>Port Gamble</td>
<td>Washington</td>
<td>98364</td>
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<thead>
<tr>
<th>Telephone</th>
<th>Fax</th>
<th>E-Mail</th>
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<tr>
<td>(360) 394-0560</td>
<td>(360) 697-1156</td>
<td><a href="mailto:Suess@orminc.com">Suess@orminc.com</a> and <a href="mailto:ssmith@orminc.com">ssmith@orminc.com</a></td>
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II. APPLICANT INFORMATION cont'

Department of Revenue Tax *Registration Number (Unified Business Identifier) is Required: 600607954

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

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<tr>
<th>Corporation</th>
<th>Limited Partnership</th>
<th>General Partnership</th>
<th>Government Agency</th>
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<td>State of Registration:</td>
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Has the site use been authorized before or is it currently under lease?  
Yes ☐ Lease Number:  
No ☐ Don't Know ☒

III. LOCATION

The Body of Water on which the state property is located:  
PORT Gamble Bay, Puget Sound  
County in which the state property is located: Unincorporated Kitsap Co.  
Government Lot: n/a  
Section: 5  
Township: 27N  
Range: 2E  
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.):

Industrial shoreline environment adjacent to the northern embayment of Gamble Bay and associated tidelands

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

Pope Resources

Address: 19245 10th Avenue NE  
City: Poulsbo  
State: Washington  
Zip Code: 98370  
Phone Number: (360) 394-0560  
Fax Number (360) 697-1156  
E-mail: sues@orminc.com

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:

05270230012001 and 06270240042005
IV. USE OF PROPERTY

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

The Olympic Property Group (OPG) proposes to build a dock that will serve as both a community dock and marine terminal at the former Pope and Talbot mill site in Port Gamble, Washington (JARPA Sheet 1). Construction of the dock involves refurbishing or reconstructing an existing pier and steel truss, constructing a new gangway, and installing a new concrete float (JARPA Sheet 2). The dock will serve as a recreational community dock and will also be used for loading and unloading of such vessels as fishing boats, tour boats, emergency fire/sheriff vessels, water taxi, charter boats, and float planes that are visiting Port Gamble. No permanent staff will be assigned to the dock.

Mitigation for the proposed project includes providing light transmission through the existing and new dock components and removing four existing creosote pile bents, totaling 16 piles, located underneath the existing pier and four existing creosote piling dolphins totaling approximately 70 piles, located immediately to the north of the existing pier and steel truss. Through implementing the light transmission through the new and existing dock components, coupled with the removal of 86 piles, the project will result in a net reduction of overwater cover within the embayment over present conditions.

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? The project is located in the rural historic town of Port Gamble.

Mill operations were active beginning in 1853 and operated as an active sawmill until 1995. The current use of the property is a working industrial yard including both upland and in-water industrial activities.

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:

Due to historic industrial activities on the property, there is known contamination located in the project vicinity. Unrelated to the Port Gamble Dock Project, a Model Toxics Control Act (MTCA) Remedial Investigation/Feasibility Study (RI/FS) led by the Washington State Department of Ecology is ongoing in the project vicinity. The results of the RI/FS will be used to determine if additional cleanup, beyond interim excavation/dredging and off-site disposal actions completed to date, is necessary to address residual groundwater and sediment wood waste remaining at the Sawmill site. The scope of future cleanup actions is currently uncertain, but could potentially include dredging/open-water disposal, capping, and/or monitored natural recovery elements. Upland cleanup actions in the vicinity of the dock have already been completed and in-water cleanup actions in the north embayment related to this RI/FS will be completed prior to construction of the Port Gamble Dock Project.

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

During the 142 years (1853 to 1995) that the Port Gamble sawmill facility was in operation, the upland area went through a variety of changes, including expansion of the area by filling. Fill material is located in the upland of the project area and adjacent upland areas to depths varying between 2 and 12 feet below ground surface. The fill material generally consists of well-graded to poorly-graded sand and gravel with limited areas of debris, such as brick, wood chips, and concrete.
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.)

An existing pier, steel truss, headframe, and creosote piling dolphins are located on the property.

Photo 1. View of dock facing northeast

Photo 2. View of the existing dock and creosote piling dolphins facing southwest
If there are physical improvements currently on the site, who owns them? Olympic Property Group

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

The existing pier and steel truss and four creosote piling dolphins that exist on the site remain overall in poor condition and are not suitable for use. Pier decking exhibits extensive failure and missing wood and rail sections. The truss's steel members exhibit general paint failure and along the lower members in direct contact with the salt water, and extensive corrosion. The railing along both the pier and truss is missing. The headframe exhibits added and failed bracing. Wood members just above grade exhibit extensive deterioration and missing sections. Remnant electrical wiring remains attached to the header. The piling dolphins exhibit deterioration of the piles at and below the waterline.

Which, if any, of the existing physical improvements will be removed, remodeled, or reconstructed?

Construction of the dock involves refurbishing or reconstructing the existing pier and steel truss and removing four existing creosote pile bents, totaling 16 piles, located underneath the existing pier. Additionally, four existing creosote piling dolphins totaling approximately 70 piles and located immediately to the north of the existing pier and steel truss will be removed for mitigation.

Describe any physical improvements that the applicant is proposing to construct on the site:

Construction of the dock involves refurbishing or reconstructing a 48-foot-long by 16.5-foot-wide existing pier and 87-foot-long by 16.5-foot-wide existing steel truss, constructing a new 8-foot by 85-foot aluminum gangway, and installing a new 150-foot-long by 12-foot-wide concrete float.

Has any fill material been placed on the site? Yes ❌ No ☑

If Yes, please describe:

During the 142 years (1853 to 1995) that the Port Gamble sawmill facility was in operation, the upland area went through a variety of changes, including expansion of the area by filling. Fill material is located in the upland of the project area and adjacent upland areas to depths varying between 2 and 12 feet below ground surface. The fill material generally consists of well-graded to poorly-graded sand and gravel with limited areas of debris, such as brick, wood chips, and concrete.

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:

A permit package consisting of the following permits and approvals (JARPA, NPDES, and SEPA) was submitted to Kitsap County in December 2009.

**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, piling, 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:

Mitigation for the proposed project includes providing light transmission through the existing and new dock components and removing four existing creosote pile bents, totaling 16 piles, located underneath the existing pier and four existing creosote piling dolphins totaling approximately 70 piles, located immediately to the north of the existing pier and steel truss. Through implementing the light transmission through the new and existing dock components, coupled with the removal of 86 piles, the project will result in a net reduction of overwater cover within the embayment over present conditions.

All answers and statements are true and correct to the best of my knowledge.

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<th>Applicant Name (please print):</th>
<th>Title: <strong>Olympic Property Group</strong> Vice-President</th>
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<tr>
<td>Elizabeth Wilson</td>
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<td>Elizabeth Wilson</td>
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