WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

RECORD SEARCH- Update
#02-097673
Picnic Pines Auction

Description

Section 16 **Township** 24 N **Range** 41 E **W.M.**

County: Spokane **GIS Parcel Number:** 120275

Portions of:	**Surface Trust**	**Mineral Trust**	**Timber Trust**
W½E½SW¼	43	03	43

Acquired by:	**Number:**	**From:**	**Date:**
US Patent	46-71-0012	US Bureau of Land Management	2/22/1889

Encumbrances

Class	**Number**	**Event**	**Expire Dt**	**Grantee**	**Date Gtd**
ESE	50-029192	OVPOWER	Indef.	The Washington Water Power Company	8/1/1964
ESE	50-054952	PIPELINE	1/8/2028	Strathview Water District No. 16	11/16/2005
ESE	50-CR1061	CROAD	Indef.	Spokane County	12/31/1924
W/R	78-000548	WELL	Indef.	DNR	5/6/1974
W/R	78-004989	LAKE	Indef.	DNR	6/18/1974
W/R	78-004990	LAKE	Indef.	DNR	6/18/1974

No Region Encumbrances of Record

No Pending Applications

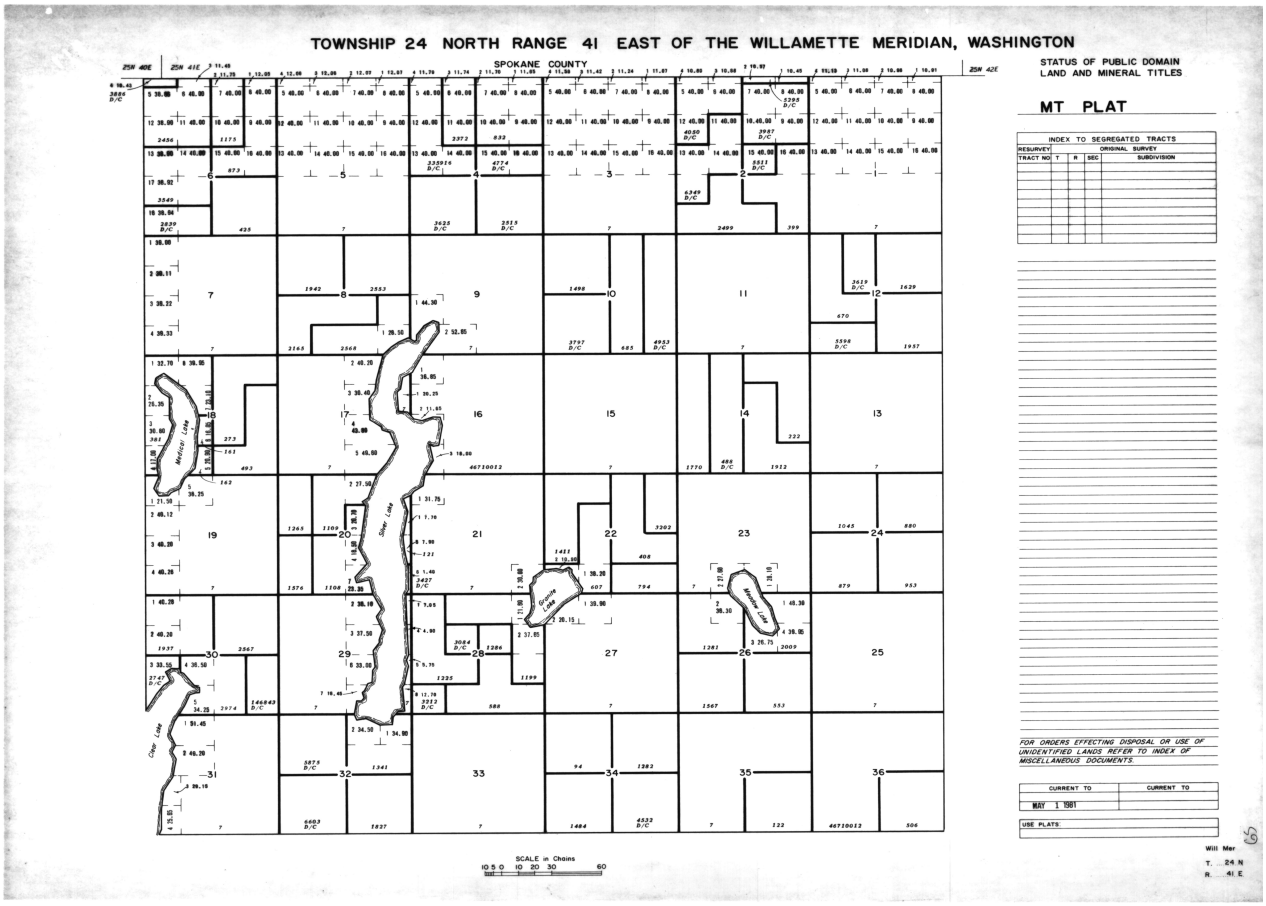
Access

Access by county road.

Special Notations

- The well is not located on the subject parcel. Water rights may have been relinquished due to non-use.

USDI-BLM-OREGON File: wa/240n410em01.jpg Printed: 9/19/2019 14:43



Form 1860-9
(March 1965)
(formerly 4-1043)

Washington 05334

Indexed
Recorded
Compared
Paged

USA
State

The United States of America

To all to whom these presents shall come, Greeting:

503553C

WHEREAS, There are now deposited in the Bureau of Land Management of the United States an application by the State of Washington and a decision of the Land Office at Portland, Oregon, directing that a patent issue to the State of Washington under the provisions of the Act of Congress approved June 21, 1934 (48 Stat. 1185), entitled "An Act Authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the Act approved February 22, 1889, by the Act approved January 25, 1927 (44 Stat. 1026), and by any other Act of Congress," for the following numbered school section lands in place, granted for the support of common schools and the title to which vested in the State of Washington under the Act of February 22, 1889 (25 Stat. 676) upon its admission into the Union on November 11, 1889 (26 Stat. 1552):

Willamette Meridian, Washington.

T. 21 N., R. 40 E.,
Sec. 16, All;
Sec. 36, All.

T. 22 N., R. 40 E.,
Sec. 16, All;
Sec. 36, All.

T. 23 N., R. 40 E.,
Sec. 16, All;
Sec. 36, All.

T. 24 N., R. 40 E.,
Sec. 16, All;
Sec. 36, All.

T. 25 N., R. 40 E.,
Sec. 16, All;
Sec. 36, All.

T. 26 N., R. 40 E.,
Sec. 16, Lot 1, SE¼NE¼, W½NW¼, and SE¼;
Sec. 36, All.

T. 27 N., R. 40 E.,
Sec. 36, All.

T. 21 N., R. 41 E.,
Sec. 16, All;
Sec. 36, All.

T. 22 N., R. 41 E.,
Sec. 16, All;
Sec. 36, Lots 1, 2, 3, and 4, W½, and SE¼.

T. 23 N., R. 41 E.,
Sec. 16, All;
Sec. 36, All.

T. 24 N., R. 41 E.,
Sec. 16, All;
Sec. 36, N½ and SW¼.

Vol. 68, Pgs. 1221-1224.
FILED OR RECORDED
Dept. of
Natural Resources
AUG 11 9 48 AM 1970
SECRETARY OF STATE
STATE OF WASH.
DEPUTY L. Gearing
xxx
Req Box 168 Olympia, Wa
98501

Patent Number 46-71-0012

Washington 05334

T. 25 N., R. 41 E.,
Sec. 16, All;
Sec. 36, All.

T. 26 N., R. 41 E.,
Sec. 16, All;
Sec. 36, N½N½, SE¼NE¼, SW¼NW¼, and S½SW¼.

T. 27 N., R. 41 E.,
Sec. 16, Lots 5, 6, 7, and 8;
Sec. 36, Lots 7 and 8, S½S½, and NE¼SE¼.

T. 21 N., R. 42 E.,
Sec. 16, NE¼, N½NW¼, SW¼NW¼, NW¼SW¼, and S½S½;
Sec. 36, All.

T. 22 N., R. 42 E.,
Sec. 16, All;
Sec. 36, All.

T. 23 N., R. 42 E.,
Sec. 16, All;
Sec. 36, All.

T. 24 N., R. 42 E.,
Sec. 16, All;
Sec. 36, All.

T. 25 N., R. 42 E.,
Sec. 16, All;
Sec. 36, All.

T. 26 N., R. 42 E.,
Sec. 16, All;
Sec. 36, All.

T. 27 N., R. 42 E.,
Sec. 16, All;
Sec. 36, All.

T. 29 N., R. 42 E.,
Sec. 16, All;
Sec. 36, All.

T. 21 N., R. 43 E.,
Sec. 16, All;
Sec. 36, All.

T. 22 N., R. 43 E.,
Sec. 16, All;
Sec. 36, All.

T. 23 N., R. 43 E.,
Sec. 16, All;
Sec. 36, All.

T. 24 N., R. 43 E.,
Sec. 16, All;
Sec. 36, N½ and SE¼.

T. 25 N., R. 43 E.,
Sec. 16, All;
Sec. 36, All.

T. 26 N., R. 43 E.,
Sec. 16, All;
Sec. 36, All.

Patent Number 46-71-0012

T. 27 N., R. 43 E.,
Sec. 16, All;
Sec. 36, W½NW¼ and S½SE¼.

T. 28 N., R. 43 E.,
Sec. 16, All;
Sec. 36, All.

T. 29 N., R. 43 E.,
Sec. 16, All;
Sec. 36, All.

T. 21 N., R. 44 E.,
Sec. 16, All;
Sec. 36, All.

T. 22 N., R. 44 E.,
Sec. 16, All;
Sec. 36, All.

T. 23 N., R. 44 E.,
Sec. 16, All;
Sec. 36, All.

T. 24 N., R. 44 E.,
Sec. 16, All;
Sec. 36, All.

T. 25 N., R. 44 E.,
Sec. 16, All;
Sec. 36, All.

T. 26 N., R. 44 E.,
Sec. 16, All;
Sec. 36, N½ and SW¼.

T. 21 N., R. 45 E.,
Sec. 16, All;
Sec. 36, All.

T. 22 N., R. 45 E.,
Sec. 16, All;
Sec. 36, All.

T. 23 N., R. 45 E.,
Sec. 16, All;
Sec. 36, All.

T. 24 N., R. 45 E.,
Sec. 16, All;
Sec. 36, All.

T. 25 N., R. 45 E.,
Sec. 16, All;
Sec. 36, All.

T. 26 N., R. 45 E.,
Sec. 16, All;
Sec. 36, All.

Aggregating 51,384.35 acres;

Patent Number 46-71-0012

Form 1860-10
(March 1965)
(formerly 4-1044)

OFF. VOL. 68 PAGE 1224

Washington 05334

NOW, THEREFORE, KNOW YE, That the UNITED STATES OF AMERICA, in consideration of the premises, and in conformity with the said Act of Congress of June 21, 1934, and as evidence of the title which was granted to and vested in the State of Washington to the above-described lands on November 11, 1889, for the support of common schools, as aforesaid, and in confirmation of such title for such purpose, HAS GIVEN AND GRANTED, and by these presents DOES GIVE AND GRANT, unto the said State of Washington, and to its assigns, the lands above described; TO HAVE AND TO HOLD the same, together with all the rights, privileges, immunities, and appurtenances, of whatsoever nature, thereunto belonging, unto the said State of Washington, and to its assigns, forever.

IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 Stat. 476), has, in the name of the United States, caused these letters to be made Patent, and the Seal of the Bureau to be hereunto affixed.

[SEAL]

GIVEN under my hand, in Portland, Oregon the SIXTEENTH day of JULY in the year of our Lord one thousand nine hundred and SEVENTY and of the Independence of the United States the one hundred and NINETY-FIFTH.

By _____
Manager, Oregon Land Office

Patent Number 46-71-0012

GPO 847-947

ATB Indexing Form

Note: Please leave fields blank if not applicable

PAS Initials:	CG

Prefix	50
Agreement Number	029192
Document Type	60 CONTRACT
Agreement Name	
Transaction Type (Aqua.)	
Document Date	8/1/1964
Expiration Date	Indefinite? ☑
Grantee/Lessee/Buyer	The Washington Water Power Company
Grantor/Lessor/Seller	Department of Natural Resources
Water Body (Aqua.)	
Notes (Deed file # or Aquatic Plate Ref.)	
Additional Parcel Information or special indexing instructions	

GIS Parcel ID Entries		County		*Enter County, Region, Section/Township/Range/Direction if no parcel ID number available.*				
		Region		Section	Township	Range	Range Dir. E/W	Gov. Lot (Aqua.)
Parcel ID 1	2612	Parcel ID 16						
Parcel ID 2		Parcel ID 17						
Parcel ID 3		Parcel ID 18						
Parcel ID 4		Parcel ID 19						
Parcel ID 5		Parcel ID 20						
Parcel ID 6		Parcel ID 21						
Parcel ID 7		Parcel ID 22						
Parcel ID 8		Parcel ID 23						
Parcel ID 9		Parcel ID 24						
Parcel ID 10		Parcel ID 25						
Parcel ID 11		Parcel ID 26						
Parcel ID 12		Parcel ID 27						
Parcel ID 13		Parcel ID 28						
Parcel ID 14		Parcel ID 29						
Parcel ID 15		Parcel ID 30						

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT L. COLE, Commissioner of Public Lands

In re: Application No. 29192 by

The Washington Water Power Company
for Right of Way for Transmission Line

AGREEMENT NO. 29192

over certain State Lands in Spokane County.

THIS AGREEMENT, Made and entered into this 1st day of August, 19 64, by and between the STATE OF WASHINGTON, DEPARTMENT OF NATURAL RESOURCES, hereinafter called the "State" and THE WASHINGTON WATER POWER COMPANY, P. O. Drawer 1445, Spokane, Washington - 99210, hereinafter called the "Grantee".

WITNESSETH, The parties hereto, each in consideration of the agreements and the performance thereof on the part of the other, do agree:

1-0 Subject to the terms and conditions hereof, the State hereby grants to the Grantee:

1-1 An easement, in accordance with the authority set forth in Chapter 73, Session Laws of 1961, consisting of a right of way for power line construction, operation and maintenance purposes over and across the location described in Schedule 1 attached hereto and by this reference made a part hereof, together with the present and future right to clear said right of way and keep the same clear of brush, timber, structures and fire hazards, provided that fire hazards shall not be interpreted to include any growing crops other than trees.

2-0 This Agreement is subject to:

2-1 Those requirements listed in Schedule 2 attached hereto and by this reference made a part hereof.

3-0 The term of this Agreement shall be for the period of use. Should the Grantee, its successors or assigns ever abandon the rights herein conveyed for the purpose for which granted, said rights shall revert to the State of Washington, its successors or assigns.

4-0 The consideration paid by the Grantee to the State shall be as follows:

4-1 Damages $50.00
Statutory Fee 5.00
Total $55.00

0-74
8/1/63
Right of Way
App. No. 29192

5-0 To the extent that it can legally do so, Grantee agrees to comply with all State, County and Municipal laws, ordinances or regulations which are applicable to the area of operations covered by this Agreement.

6-0 It is agreed that the State reserves the right to make reasonable rules and regulations, in addition to any specified in Schedule 2, concerning priority of use, and use and maintenance of roads located within the limits of Schedule 1.

Provided: Nothing contained in this Agreement shall preclude or interfere with the action of the Grantee in the event of an emergency.

6-1 Road Maintenance. Any damage to said roads, bridges, culverts, cattleguards, fences or gates, etc., resulting from Grantee's use shall be immediately repaired by Grantee. During periods of actual use by Grantee, the roads shall be kept in original condition or better by Grantee.

6-2 Joint Maintenance. Road use is contingent upon the Grantee entering into a written, state approved, road maintenance agreement with others using the road or any portion thereof. Said agreement shall provide for maintenance, based on a proportional share of use.

However, the State reserves the right to maintain or to appoint a maintainer who will be responsible for all maintenance. In this event, all users will be required to pay to the State or its designated maintainer their proportional share of the cost of maintenance.

7-0 The State, its successors, assigns, and grantees, shall have the right to cross and recross the right of way herein granted without charge for any and all purposes deemed necessary or desirable in connection with the control, management, harvest and administration of state-owned lands or the resources thereof.

8-0 The State shall have the right to use, without charge, all existing roads located on State lands within the limits of this Agreement and those constructed and/or reconstructed by the Grantee under this Agreement for any and all purposes deemed necessary or desirable in connection with the control, management, harvest and administration of state-owned lands or the resources thereof and the State may extend such right and privileges to others. This use shall be contingent upon performance by the State's contractors and others of maintenance based on a fair share of their use, or payment to the Grantee of a fair share of the cost of maintenance to be agreed upon by the parties concerned.

9-0 Grantee (or the Grantee's contractors when the rights granted herein are assigned to such contractor) shall do everything reasonably within his power and shall require his employees to do everything reasonably within their power, both independently and upon the request of the Department of Natural Resources, to prevent and suppress fires caused by operations of the Grantee on or near any lands to be occupied under this Agreement, and shall pay the State of Washington, or other duly authorized protective agency, the suppression costs and damages incurred by the State of Washington or other protective agencies resulting from any fires caused by his operations.

Further, the Grantee (or the Grantee's contractors) shall comply with the Department of Natural Resources' extra requirements pertaining to burning procedure, blasting, watchman, extra patrol, pumpers, tankers, fire hose, fire tools, etc., deemed necessary for prevention and suppression of fire resulting from the construction operations. Such requirements will be included in the invitations to bid and will be made part of the contract with the successful bidder.

The Grantee in consideration of this conveyance agrees to fall snags, if any, 15 feet in height and over, located on a strip of land 75 feet in width on each side of the limits of any transmission line right of way that may be described herein.

10-0 The State shall notify the Grantee by United States mail, addressed to the address shown on the application on file at the Department of Natural Resources, Olympia, Washington, of any instance of noncompliance by the Grantee, its agents, employees, contractors or their employees, with any of the requirements of this Agreement; said notice to set forth the specific nature of the noncompliance. If, within 15 days after receipt of said notice, Grantee fails to undertake the necessary action to comply, the District Administrator may suspend operations until such time as this action is undertaken.

11-0 This Agreement shall not be assigned, leased or subleased, nor shall any interest of the Grantee herein or hereunder be transferred or assigned without prior written notice to the State, except that said rights conveyed may be used by any employees, contractors or representatives of the Grantee who may be engaged in the Grantee's operations.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as below subscribed.

Dated this _____ day of SEP 18 1964, 19____.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By Bert L. Cole
BERT L. COLE
Commissioner of Public Lands

THE WASHINGTON WATER POWER COMPANY

By W. L. Knaebsice
Vice President Title

P. O. Drawer [illegible] Secretary
Spokane, Washington 99210
Address

App. No. 29192
fs

PROOF READ By [illegible]
[illegible] 8/25/64

RIGHTS OF WAY
ATTORNEYS
CONST. DEPT.
ENG. DEPT

SCHEDULE 1

Those portions of the E½SW¼, Section 16, Township 24 North, Range 41 East, W.M., included within the limits of a strip of land 30 feet in width having 15 feet of such width on each side of the following described centerline:

Beginning at a point on the north line of the NE¼SW¼, said Section 16, which is East 115.1 feet from the northwest corner of said NE¼SW¼, and running thence S 30° 53' W 24.6 feet, thence S 15° 44' E 375.0 feet, thence S 10° 04' E 382.2 feet and thence S 26° 09' W 580 feet, more or less, to a point on the west line of the SE¼SW¼, said Section 16, having an area of 0.94 acre as shown on the plat thereof on file in the office of the Commissioner of Public Lands at Olympia, Washington.

Subject, however, to an easement for right of way for County Road granted to Spokane County, December 31, 1924, under Application No. 1061.

App. No. 29192

SCHEDULE 2

1. SOIL EROSION

1-1 Grantee shall refrain from operation of equipment when ground condition is such that excessive damage will result to adjacent lands.

1-2 Grantee further agrees that temporary roads and trails, not required after construction and/or reconstruction of facilities, will be left in such condition as to eliminate excessive damage through soil erosion. Provided, further, that soil excavated from tower footings and all soil otherwise disturbed is to be leveled and left in such condition as to eliminate excessive damage through soil erosion.

2. DAMAGE

2-1 Grantee shall require, as a condition of each agreement with any of its contractors involved in clearing of said right of way or the use of said road, that said contractors take all reasonable precautions to protect adjacent state timber and reproduction. Damage to trees and/or reproduction, not included in the original grant, shall be appraised by the State. Said contractor or contractors shall be billed for these damages at the appraised rate, except triple damages may be charged, under RCW 79.01.756, in the event timber or other articles are cut or removed without prior authorization issued in writing by the State.

3. PRESERVATION OF SURVEYS

3-1 Any legal subdivision survey corners and witness objects are to be preserved. If such are destroyed or disturbed, the Grantee shall re-establish same in accordance with U. S. General Land Office standards at his own expense. Those corners that must be necessarily disturbed or destroyed in process of construction must be adequately referenced prior to removal of the corner and/or witness object.

4. DANGER TREES

4-1 Trees that become dangerous to the operation and maintenance of the transmission line subsequent to the construction thereof, and located outside of the limits of said right of way may be removed upon obtaining the written consent of the State, and payment of the appraised value thereof.

App. No. 29192

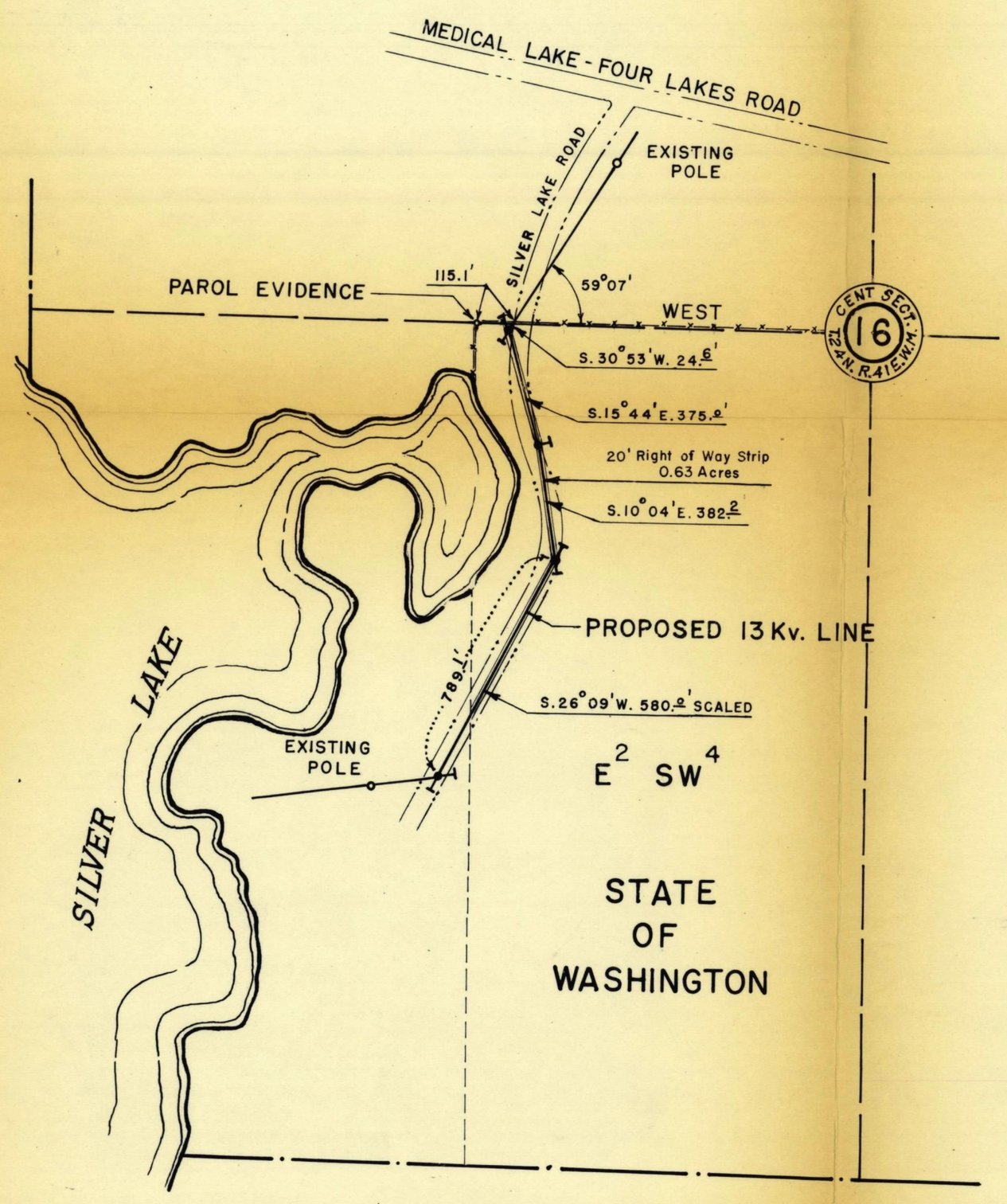
RIGHT OF WAY PLAT

THE WASHINGTON WATER POWER COMPANY

SEC. 16 T. 24 N. R. 41 E. W.M.

SPOKANE COUNTY, WASH.

SCALE: 1 IN. = 400 FT.



CERTIFICATE

I, Clarence E. Cannon, Vice President and Chief Engineer of the Washington Water Power Company, do hereby certify that this map accuratety represents the location of said company's Proposed Distribution line over state land in Section 16 T. 24 N. R. 41 E. W.M.

Clarence E. Cannon

Vice President and Chief Engineer

CLARENCE E. CANNON STATE OF WASHINGTON REGISTERED PROFESSIONAL ENGINEER

ATB Indexing Form

Note: Please leave fields blank if not applicable

PAS Initials:	CG

Prefix	50
Agreement Number	054952
Document Type	60 CONTRACT
Agreement Name	
Transaction Type (Aqua.)	
Document Date	11/16/2005
Expiration Date	Indefinite? ☑
Grantee/Lessee/Buyer	Strathview Water District No. 16
Grantor/Lessor/Seller	Department of Natural Resources
Water Body (Aqua.)	
Notes (Deed file # or Aquatic Plate Ref.)	
Additional Parcel Information or special indexing instructions	

GIS Parcel ID Entries		County		*Enter County, Region, Section/Township/Range/Direction if no parcel ID number available.*				
		Region		Section	Township	Range	Range Dir. E/W	Gov. Lot (Aqua.)
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Parcel ID 13		Parcel ID 28						
Parcel ID 14		Parcel ID 29						
Parcel ID 15		Parcel ID 30						

NONFEDERAL UTILITY EASEMENT

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
DOUG SUTHERLAND, Commissioner of Public Lands
Olympia, Washington 98504

Application No. 50-54952

This easement is made this 16 day of November, 2005, between the State of Washington, acting through the Department of Natural Resources, as grantor (hereafter State) and STRATHVIEW WATER DISTRICT NO. 16 (hereafter Grantee).

Conveyance. State, for consideration of four thousand, nine hundred fifty and no/100 Dollars ($4,950.00), hereby grants and conveys to Grantee a non-exclusive easement over parcel*(s)* of land in Spokane County legally described as parts of Section 16, Township 24 North, Range 41 East, W.M., set forth in Exhibit "A" (hereafter burden parcel), located approximately as shown on Exhibit "B" (hereafter Easement Area).

Construction and Access. State grants to Grantee a nonexclusive easement, for construction purposes only, over the property described in Exhibit A, which includes the Easement Area and such additional property as is reasonably necessary for construction on the Easement Area. This construction easement shall terminate upon completion of construction by Grantee.

Term. The easement shall expire on January 8, 2028 unless terminated sooner as set forth hereafter.

1-26-98

Purpose. This Easement is granted for the purpose of and is limited to constructing, installing, operating, maintaining, repairing, replacing, and using one buried water line only. Authorized use shall include the right to travel, maintain, repair, construct or reconstruct the Easement Area subject to the restrictions set forth hereafter. The purpose of this easement shall not be changed or modified without the consent of the State which shall be at its sole discretion. Any unauthorized use of this Easement Area shall be considered a material breach of this Easement.

Assignment. This Agreement, or any of the rights granted herein, shall not be assigned without prior written consent of the State, except that said rights granted herein may be used by any employee, contractor, or representative of the Grantee, hereinafter collectively referred to as "Permittee," while engaged in the Grantee's operations.

Forfeiture. In the event that those portions of the Easement Area as shown on attached Exhibit A are not used by the Grantee, or its assigns, for the purpose for which it was granted, within a period of five (5) years from the day and year first above written, the rights of the Grantee within said portion(s) of the Easement Area shall revert to the State, its successors or assigns; and said portion(s) of the Easement Area shall be freed from the easement as fully and completely as if this Agreement had not been entered into; provided, however, an extension of time may be granted upon written request prior to the expiration date of said 5-year period and upon the terms and conditions as specified by the State; such terms and conditions shall be limited to the State's right to extend said period and modify the considerations due the State which shall include, but not be limited to, additional charges for administrative costs and appreciation of land and valuable material.

Should the Grantee, or its assigns, cease to use this easement for the purposes specified herein for a period of two (2) years, it shall notify the State of such nonuse; and the rights granted herein shall revert to the State, its successors or assigns.

Removal of Improvements and Equipment. All improvements, buildings, fixtures and other property erected or permanently affixed upon State lands by the Grantee during the term of said easement, which remain upon said land sixty (60) days from the termination or abandonment of said easement, shall become the property of the State and be considered a part of the land upon which they are located; provided, however, that any time within sixty (60) days after the termination or abandonment of said easement, the Grantee shall be entitled to remove such of said improvements as can be removed without damage to said lands; or, the State may require the Grantee to remove all improvements, buildings, fixtures and other property fixed upon State lands by the Grantee, at the Grantee's cost. All tools, equipment and other property not permanently affixed upon the land by the Grantee during the term of said easement shall remain the property of the Grantee but shall be removed within sixty (60) days after the expiration of this easement.

Reservations to State. State reserves all ownership of the Easement Area and profits thereon (including timber unless conveyed under this easement) and the right of use for any purpose including but not limited to the right to remove profits within the Easement Area reserved by State; the right at all times to cross and recross the Easement Area at any place on grade or otherwise; and the right to use, maintain, patrol, reconstruct or repair the Easement Area so long as it does not unreasonably interfere with the rights granted herein. State may grant to third parties any and all rights reserved. Once Grantee clears timber conveyed under this easement, if any, timber subsequently grown in such cleared areas shall belong to the State.

In the event the State, its successors or assigns, elects to act within the reservation, it shall give written notice to the Grantee of such election and will then assume responsibility for allowing no growth or obstruction on the Easement Area that will be incompatible or interfere with the Grantee's use thereof.

When so notified, Grantee will not eradicate by broadcast brush spraying, or other methods of removal, any growth on the portion of the Easement Area being so used by the State. In the event the Grantee injures or damages growth while responding to an emergency such as, but not limited to, a fire, flood, or facility failure, or necessary repair to such facility, the State shall have no recourse or cause of action against the Grantee for or on account of such injury.

Furthermore, the State shall notify the Grantee in writing of any cessation of any management plan enacted, and such notice will relieve the State of growth and obstruction control; provided, upon such notice of cessation, the State shall remove or cause to be removed, all growth and obstruction on the Easement Area that will interfere with the Grantee's use thereof exceeding ten (10) feet in height.

Compliance with Laws and Regulations. The Grantee shall comply with all applicable laws to the extent that it can legally do so, including all Department of Natural Resources regulations, county and municipal laws, ordinances, or regulations in effect and authorized by law or laws of the State of Washington.

The Grantee shall cause its Permittee to comply with those requirements and conditions set forth hereinafter which are applicable to the Permittee's operation.

In addition to compliance with those laws of the State of Washington pertaining to forest protection, the Grantee shall contact the State's Regional Manager at Colville, Washington, who shall determine any extra requirements pertaining to burning procedure, blasting, watchman, extra patrol, pumpers, tankers, fire hose, fire tools, etc., which are deemed necessary for prevention and suppression of fire resulting from construction operations. Such requirements will be included in the Grantee's invitation to bid and will be made part of the contract with the successful bidder.

Indemnity. Grantee shall indemnify, defend with counsel acceptable to State, and hold harmless State, its employees, officers, and agents from any and all liability, damages, expenses, causes of action, suits, claims, costs, fees (including attorney's fees), penalties, or judgments, of any nature whatsoever, arising out of the use, occupation, or control of the Easement Area by Grantee, its contractors, subcontractors, invitees, agents, employees, licensees, or permittees, including but not limited to the use, storage, generation, processing, transportation, handling, disposal, release, or threatened release of any hazardous substance or materials. To the extent that RCW 4.24.115 applies, Grantee shall not be required to indemnify State from State's sole or concurrent negligence. This indemnification shall survive the expiration or termination of the easement.

Insurance. At its own expense, Grantee shall procure and maintain during the term of this easement and require its contractors, subcontractors, or other permittees to procure and maintain while operating on the Easement Area the insurance described below. All insurance must be purchased on an occurrence basis, and be issued by a carrier admitted by the Insurance Commissioner to do business in the State of Washington. Non-admitted or surplus lines carriers, or admitted carriers with a Best rating of "B" or below must be approved in advance by the Risk Manager for the Department of Natural Resources.

Types of Required Insurance.

Commercial General Liability. Insurance written under Insurance Services Office (ISO) Form CG0001 or its equivalent with minimum limits as set out below covering liability arising from premises, operations, independent contractors, personal injury, products completed and liability assumed under an insured contract. In the event that Grantee is self-insured, a letter shall be sent to State, obligating Grantee's self-insurance fund to the herein stated responsibilities and said letter shall be signed by a person with appropriate authority to obligate Grantee.

Description	
General Aggregate Limit	$2,000,000
Each Occurrence Limit	$1,000,000

Business Auto Policy (BAP). Insurance on an ISO CG0001 form or equivalent providing Bodily Injury and Property Damage Liability coverage for all owned, hired or non-owned vehicles assigned to, or used in, the performance of the contract for a combined single limit of not less than ***$1,000,000*** each occurrence.

Worker's Compensation Insurance. State of Washington Worker's Compensation coverage, as applicable, with respect to any work by Grantee's employees on or about the Easement Area and on any improvements.

Employer's Liability ("Stop Gap") Insurance. Purchaser must purchase and maintain Employer's Liability or "Stop Gap" Insurance to include liability coverage with limits not less than those specified below. Purchaser waives immunity under Title 51 RCW to the extent required by this clause. Insurance must include liability coverage with limits not less than those specified below:

Limit Description	By Accident	Each Employee By Disease	Policy By Disease
Bodily Injury	$1,000,000	$1,000,000	$1,000,000

Terms of Insurance. **The policies required under this section shall name the State of Washington, Department of Natural Resources as an additional insured** (except for State of Washington Worker's Compensation coverage). Grantee shall provide to the State a certificate of insurance and, if requested, copies of policies, from the insurer of said Grantee certifying that coverage in not less than the above named amounts is in force and that, in the event of cancellation or modification of such coverage, the insurer will give the State forty-five (45) days written notice prior to any cancellation or modification. State's receipt of such certificates or policies does not constitute approval by State of the terms of such policies. These notices shall be sent to the Colville office, via certified mail. The ***policies*** must reference the State's easement number.

Further, all insurance policies described in this section shall:

a. be written as primary policies not contributing with and not in excess of coverage that State may carry;

b. contain an express waiver of any right of subrogation by the insurance company against State and State's elected officials, employees, or agents;

c. Expressly provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Grantee which might otherwise result in a forfeiture of said insurance;

d. Expressly provide that State shall not be required to give notice of accidents or claims for which State has no liability for premiums; and

e. In regard to physical property damage and builder's risk coverage, expressly provide that all proceeds shall be paid jointly to State and Grantee.

If Grantee fails to procure and maintain the insurance described above, Grantee shall be in material breach of this easement. In case of breach, State, at its election, shall have the right to terminate the easement or to procure and maintain, at Grantee's expense, substitute insurance with right of offset against any money due Grantee.

Advance By State. If State advances or pays any cost or expense for or on behalf of Grantee, Grantee shall reimburse State the amount paid and shall pay interest on such amount at the rate of one percent (1%) per month until paid.

Waste. Grantee shall not cause or permit any filling activity to occur in or on the Easement Area, except as approved by State. Grantee shall not deposit refuse, garbage, or other waste matter or use, store, generate, process, transport, handle, release, or dispose of any hazardous substance, or other pollutants in or on the Easement Area except in accordance with all applicable laws. The term hazardous substance means any substance or material as those terms are now or are hereafter defined or regulated under any federal, state, or local law including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA 42 USC 9601 *et seq.*), or the Washington Model Toxic Control Act (MTCA RCW 70.105D.010.). Grantee shall immediately notify State if Grantee becomes aware of any release or threatened release of hazardous substance on the Easement Area or adjoining property. If a release of hazardous substance occurs in, on under, or above the Easement Area arising out of any action of Grantee, its contractors, subcontractors, invitees, agents, employees, licensees, or permittees, Grantee shall, at Grantee's sole expense, promptly take all actions necessary or advisable to clean up, contain, and remove the hazardous substance in accordance with applicable laws. Any cleanup shall be performed in a manner approved in advance in writing by State, except in emergency situations Grantee may take reasonable and appropriate actions without advance approval.

Damage and Protection from Damage. Grantee, when using the rights granted herein, shall repair or cause to be repaired, at its sole cost and expense, all damage to improvements on State lands occasioned by it, which is in excess of that which it would cause through normal and prudent use of such rights.

Grantee shall take all reasonable precautions to protect State-owned crops and trees.

Any damage to trees and/or reproduction deemed by the State to be excessive or unnecessary shall be paid for by the Grantee at triple the appraised value as determined by the State. The Grantee may have the right to remove such trees upon payment therefor if such removal is authorized in writing by the State.

All soil surfaces on the right of way, temporary roads and skid trails, which are devoid of natural cover as a result of the operations hereunder, shall be reseeded to a grass mixture recommended by the State's Regional Manager at Colville.

Upon termination of this Agreement, or the cessation of use, whichever is sooner, the Grantee shall construct water bars across such truck roads and/or tractor roads and in such locations on said roads as designated by the State.

Survey Markers. Grantee shall not destroy or disturb any survey markers (including but not limited to corner markers, witness objects, or line markers) without prior approval of State. Markers that must necessarily be disturbed or destroyed during construction must be adequately referenced and replaced in accordance with all applicable laws of the State of Washington in force at the time of construction, including but not limited to chapter 58.24 RCW, and all Department of Natural Resources regulations pertaining to preservation of such markers. Grantee shall re-establish such markers using a licensed land surveyor or public official as prescribed by law according to U.S. General Land Office standards at Grantee's cost.

Weed Control. The Grantee shall control at its own cost, all noxious weeds on any portion of the Easement Area herein granted. Such weed control shall comply with county noxious weed control board rules and regulations established under the Uniform Noxious Weed Control Statute (Chapter 17.10 RCW). The Grantee shall be responsible for, or shall immediately reimburse State any weed control cost incurred as a result of the Grantee's failure to control weeds on the Easement Area.

Plan of Operation.

Pre-construction. Thirty (30) days prior to any construction or reconstruction by Grantee on the Easement Area, Grantee shall submit a written plan of construction to the State's Regional Manager at Colville outlining the construction or activity for State's approval which shall not be unreasonably withheld. In the event of an emergency requiring immediate action to protect person or property, Grantee may take reasonable corrective action without prior notice to State. All construction or reconstruction shall comply with applicable state or local laws. During the course of construction or maintenance, Grantee shall minimize soil erosion and damage to soil. Equipment will not be operated when the ground conditions are such that excessive soil damage will occur. Grantee will not remove any timber from the Easement Area until Grantee has received approval from the State to remove such timber and has made provisions to compensate State for the fair market value of the timber.

Grantee agrees that no construction will commence until all documents have been signed by all parties and that neither construction nor reconstruction will commence until the written Plan of Operation has been approved by the State's Regional Manager at Colville, Washington.

Installation Specifications

The Grantee shall so place, protect, and/or bury said water line as to allow the unobstructed movement of any equipment or materials across the surface of the Easement Area and shall install said water line at such depth as to not interfere with the normal and usual use of the land.

Should Grantee not place, or bury said water line as per the following specifications and as per the approved plat known as Exhibit A attached hereto, Grantee agrees that any and all responsibility shall be borne by the Grantee for damages to said water line. Further, Grantee agrees that it shall indemnify and hold harmless the State against all claims or liabilities resulting directly or indirectly from Grantee's failure to properly place or bury said water line as per the specifications contained in this document.

Provided that the water line shall be buried at a minimum depth of 36 inches below the surface of said Easement Area. For installation within roadway, water line shall be buried at a minimum depth of 36 inches below the road surface or 36 inches below bottom of ditch, whichever applies.

The State reserves the right to inspect the "open trench" during construction to ensure compliance with the installation specifications.

The Grantee shall mark the location of said buried water line with painted metal posts placed approximately 200 feet apart so they are clearly visible. The Grantee shall also install signs at approximately 500 foot intervals; said signs shall identify the installation as a buried water line and shall designate ownership of the installation.

Roads and Road Maintenance

The Grantee shall repair or cause to be repaired at its sole cost and expense that damage to roads used under this Agreement which is in excess of that which it would cause through normal and prudent usage of said road.

If the Grantee fouls the surfacing by dragging earth from sides or other sources across the road and onto the surface portion of the road, the Grantee shall resurface that portion so affected at its sole cost and expense.

Road Restoration. Upon completion of the water line installation the Grantee shall immediately blade and shape the surface and shoulders of all roads disturbed by the installation of said water line to the extent necessary to maintain the original cross section of the road and shoulders and provide a riding surface and shoulders of said road upon which a truck may be safely driven at a speed designated by the State's Regional Manager at Colville, Washington.

Response to an Emergency. Nothing contained herein shall prevent the Grantee from responding to an emergency relating to the facilities on the Easement Area.

Notice of Noncompliance. Grantee is aware that failure to follow installation specifications as per this document shall constitute noncompliance with the terms and conditions of this agreement.

The State shall notify the Grantee by United States mail, addressed to the address shown on the application for this easement on file in the office of the Commissioner of Public Lands in Olympia, Washington, of any instance of noncompliance with any of the terms and conditions hereof including installation specifications. Such notice will specifically identify the manner of noncompliance herewith. Upon receipt of such notice, the Grantee shall immediately take or cause to be taken effective remedial action.

In the event the Grantee does not undertake, or cause to be undertaken, remedial action within fifteen (15) days following receipt of said notice, the State, acting by and through its Regional Manager at Colville, Washington, may suspend the Grantee's operations on State lands until such time as effective remedial action is taken.

IN WITNESS WHEREOF, the parties hereto have executed this instrument, in duplicate, as of the day and year first above written.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

DOUG SUTHERLAND
Commissioner of Public Lands

Affix the Seal of the Commissioner of Public Lands

STRATHVIEW WATER DISTRICT NO. 16

By _____
Title

LANDS31
54952.CON

STATE OF)
)ss
COUNTY OF)

On this 16th day of SEPTEMBER, 19 97, personally appeared before me WILLIAM W. HARGROVE to me known to be the PRESIDENT OF BOARD OF COMMISSIONERS, respectively, of STRATHVIEW WATER DISTRICT NO. 16, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument for said corporation and that the seal affixed is the corporate seal of the said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

OFFICIAL SEAL
THOMAS G. HAGGARTY
NOTARY PUBLIC – STATE OF WASHINGTON
COUNTY OF SPOKANE
My Commission Expires May 20, 2001

Thomas G. Haggarty
Notary Public in and for the State of Washington,
residing at SPOKANE
My appointment expires MAY 20, 2001.

STATE OF WASHINGTON)
) ss
COUNTY OF Thurston)

On this 16 day of November, 19 2005, personally appeared before me DOUG SUTHERLAND, to me known to be the Commissioner of Public Lands, and ex officio administrator of the Department of Natural Resources of the State of Washington, the Department that executed the within and foregoing instrument on behalf of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of the State of Washington for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the State of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

BONITA R. HILL
COMMISSION EXPIRES
NOTARY
PUBLIC
5-19-09
STATE OF WASHINGTON

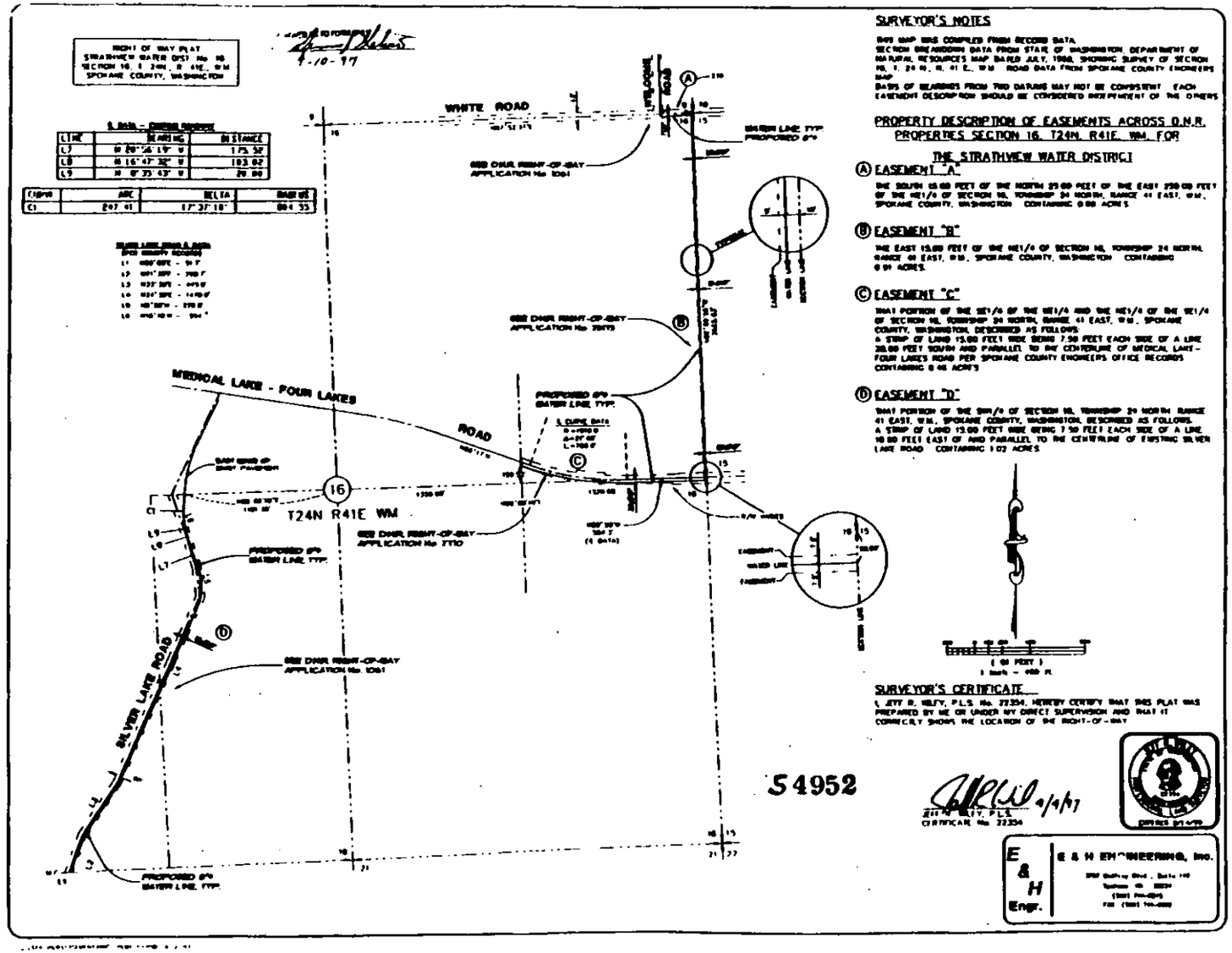
Bonita R. Hill
Notary Public in and for the State of Washington
residing at Olympia
My appointment expires 5-19-09.

EXHIBIT A

Burden Parcels are E1/2NE1/4, NE1/4 SE1/4, E1/2SW1/4, Section 16, Township 24 North, Range 41 East, W.M.

EXHIBIT A

EXHIBIT B


RIGHT OF WAY PLAT
STRATHVIEW WATER DIST No 16
SECTION 16, T 24N, R 41E, WM
SPOKANE COUNTY, WASHINGTON
9-10-97
WHITE ROAD
MEDICAL LAKE - FOUR LAKES ROAD
T24N R41E WM
SILVER LAKE ROAD
PROPOSED 6" WATER LINE, TYP.
SEE DNR RIGHT-OF-WAY APPLICATION No 7710
SEE DNR RIGHT-OF-WAY APPLICATION No 10061
SURVEYOR'S NOTES
PROPERTY DESCRIPTION OF EASEMENTS ACROSS D.N.R. PROPERTIES SECTION 16, T24N, R41E, WM, FOR THE STRATHVIEW WATER DISTRICT
EASEMENT "A"
EASEMENT "B"
EASEMENT "C"
EASEMENT "D"
SURVEYOR'S CERTIFICATE
S4952
E & H Engr.
E & H ENGINEERING, Inc.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT L. COLE, Commissioner of Public Lands

In re: Cancelation of part of an Easement for Right of Way for County Road granted to Spokane County under Application No. 1061	ORDER

It appearing to the Commissioner of Public Lands that under and pursuant to Application No. 1061 and Commissioner's Order of December 31, 1924, an easement for rights of way for county roads over the N½NE¼, NE¼NW¼, E½SW¼, SE¼NE¼ and N½SE¼, Section 16, Township 24 North, Range 41 East, W. M., was granted to Spokane County; and

It further appearing that by resolution adopted April 25, 1928, the Board of Supervisors of Four Lakes Township, Spokane County, Washington, vacated that portion of the county road right of way granted by said Commissioner's Order of December 31, 1924 described as follows:

> All those portions of the SE¼NE¼, N½SE¼ and NE¼SW¼, Section 16, Township 24 North, Range 41 East, W. M., included within the limits of a strip of land 60 feet in width having 30 feet of such width on each side of the following described centerline:
>
> Beginning at the east quarter section corner of said Section 16, and running thence S 88° 32' W along the east and west centerline of said Section 16, 1,725 feet, thence S 65° 16' W 278 feet, thence N 74° 59' W 285 feet, thence S 71° 40' W 1,022 feet and thence N 41° 41' W 426.2 feet to a point on said east and west centerline, thence S 88° 32' W along said centerline 332.4 feet to a point which is N 88° 32' E 151.9 feet from the northwest corner of said NE¼SW¼ and terminal point of this centerline description.

And the Commissioner being fully advised it is therefore

ORDERED and **DETERMINED** that the easement for right of way for the county road granted by Commissioner's Order of December 31, 1924, under Application No. 1061, over the portion of the right of way vacated as herein described be and the same is hereby canceled.

Dated this 27th day of December, A. D., 1966.

Partial Cancellation Parcel 2612

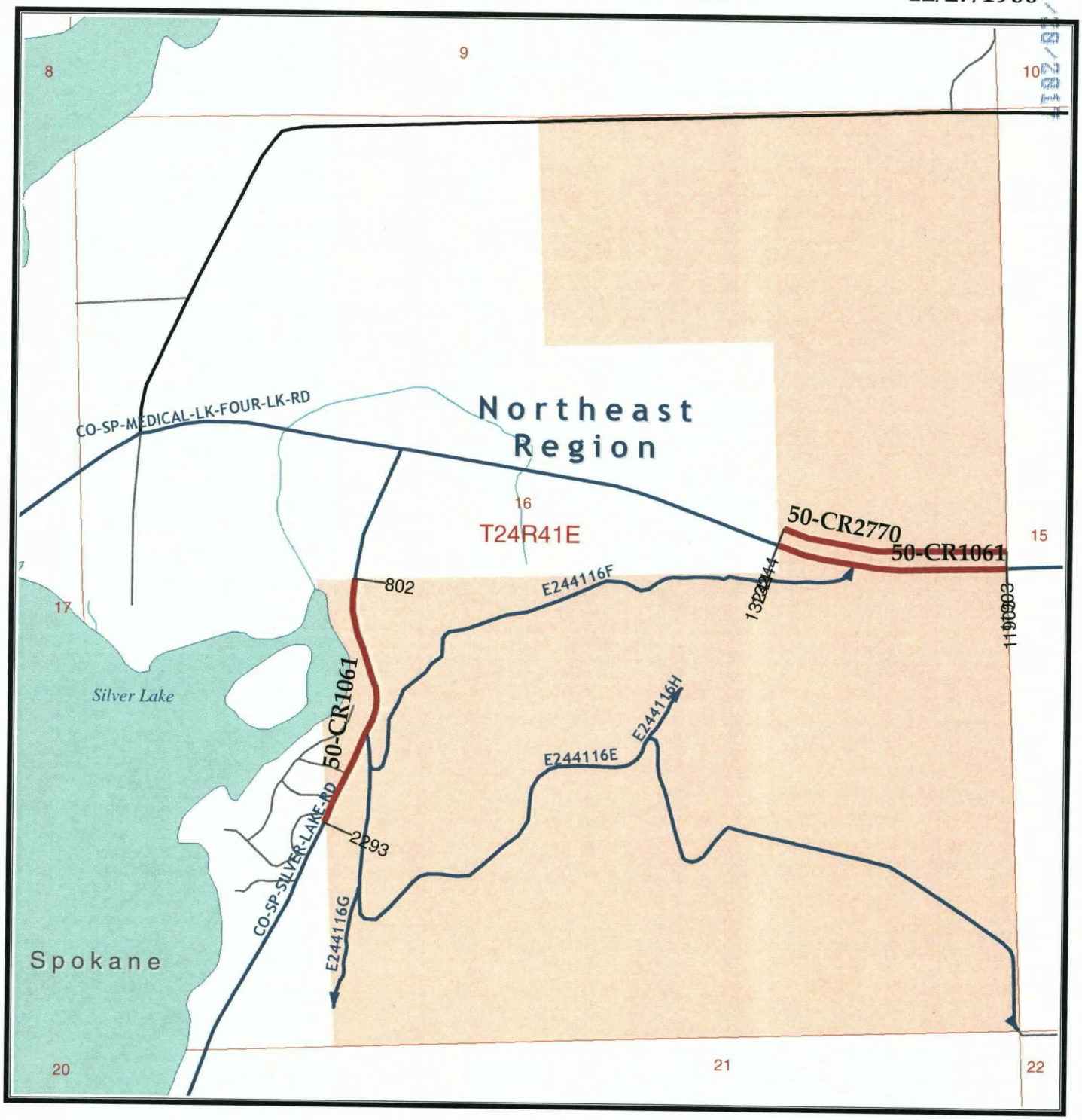
STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By Bert L Cole
BERT L. COLE
Commissioner of Public Lands

App. No. 1061
lb

PROOF READ cls/gm

50-CR1061 **Auditor No: Unknown** **12/27/1966**



0 290 580 1,160 1,740 2,320 Feet

REGIS Right of Way Events
Grant Codes

- 1: Acquired by DNR
- 2: Granted to Other
- 3: Merged in Title

DNR Routes

- Route Direction

Roads by USGS Class

- 1: Primary Highway/All-Weather/Hard Surface
- 2: Secondary Highway/All-Weather/Hard Surface
- 3: Light-Duty Road/All-Weather/Improved
- 4: Unimproved Road/Fair or Dry Weather
- 5: 4 wheel drive

DNR-MANAGED LANDS
Surface Lands

- DNR Ownership

Date: 4/17/2017

DB

Parcel #
2612 &
2613

DEPARTMENT OF PUBLIC LANDS
Office of Commissioner

Dec. 31, 1924.

In Re Granting of Application No. 1061 for right of way for county road in Spokane County, and the cancelation of the order heretofore entered granting a right of way under application No. 399,

ORDER.

It appearing to the Commissioner at this time that application No. 1061 was filed in this office by Spokane County for right of way for county road over the N½ of NE¼, NE¼ of NW¼, E½ of SW¼, SE¼ of NE¼, N½ of SE¼, and NE¼ of SW¼ of section 16, township 24 north, range 41 east, W.M., that the said application conflicts in many ways with the application No. 399, under which an easement had already been granted; and the Engineer of Spokane County has stated that it is expected that the grant under application No. 399 will be canceled upon the entering of an order granting a right of way under application No. 1061; and

It further appearing that the said application No. 1061 was filed in accordance with the law of 1897 which provides for the granting of rights of way over state lands; that there is no merchantable timber on the area included within the right of way, and that no good reason exists why this right of way should not be granted; it is, therefore

ORDERED and DETERMINED that the plat showing the survey of the right of way as filed under application No. 1061, be and the same is hereby approved as the official plat of said road and that an easement be, and the same is hereby granted to Spokane County for a county road over and across the following described lands:

E.J.

All those portions of the N½ of NE¼ and the NE¼ of NW¼ of section 16, township 24 north, range 41 east, W.M., included in a strip of land 30 feet in width lying south of, parallel and contiguous to the north line of said section; also,

All that portion of the N½ of SW¼ of section 16, township 24 north, range 41 east, W.M., included within the limits of a strip of land 60 feet in width having 30 feet of such width on each side of the following described center line:

Beginning at a point on the south line of said section 16, which is N 88°E 51.7 feet distant from the meander corner of said south line and running thence N 21°31'E 290.7 feet, N 33°30'E 445 feet, N 24°30'E 1470 feet, N 8°W 220 feet and N 18°10'W 554.4 feet to a point on the east and west center line of said section 16, which is N 88°32'E 151.9 feet distant from the northwest corner of the NE¼ of SW¼; also

All those portions of the SE¼ of NE¼, the N½ of SE¼ and the NE¼ of SW¼ of section 16, township 24 north, range 41 east, W.M., included within the limits of a strip of land 60 feet in width having 30 feet of such width on each side of the following described center line:

Beginning at the quarter section corner on the east line of said section and running thence S 88°32'W, along the east and west center line of said section, 1725 feet; thence S 65°16'W 278 feet, N 74°59'W 285 feet, S 71°40'W 1022 feet and N 41°41'W 426.2 feet to a point on said east and west center line; thence S 88°32'W along said center line 332.4 feet to the terminal point of the center line of the right of way last above described.

The three rights of way hereinabove described have a total area of 9.91 acres according to the plat thereof on file in the office of the Commissioner of Public Lands at Olympia, Washington.

It is further ORDERED and DETERMINED that the said order of the Board of State Land Commissioners, dated November 29th, 1910, granting a right of way for county road to Spokane County, under application No. 399, be and the same is hereby canceled, set aside and held for naught, and that proper notation be made upon the records of this office showing such cancelation.

Dated this 31st day of December, A. D., 1924.

Commissioner of Public Lands.

Water Rights

The following documents are for water rights. The well is not located on the Picnic Pines auction parcel. Due to non-use, DNR does not believe any water rights remain on the parcel. It is the bidder's responsibility to do their due diligence and check with the Department of Ecology to determine what if any water rights exist on the property.

- 78-000845 – Water Right – RV Park
- 78-004989 – Water Right Claim
- 78-004990 – Water Right Claim

	A	B	C	D	E	F	G	H	I
1	**ATB Indexing Form**								
2	***Note: Please leave fields blank if not applicable***						**PAS Initials**		**JG**
3	**Prefix**	**78**							
4	**Agreement Number**	**548**							
5	**Document Type**	**27**							
6	**Agreement Name**								
7	**Transaction Type**	**3 Wells**							
8	**Effective Date/Date Granted**	**5/6/1974**							
9	**Expiration Date**	**Indefinite**							
10	**Grantee/Lessee/Buyer**	**Washington State Department of Natural Resources and Sonneborns' Inc., et al**							
11	**Grantor/Lessor/Seller**	**Department of Ecology**							
12									
13	**Water Body (aquatics)**								
14	**Notes (Deed file # or Aquatic Plate Reference**								
15	**Additional Parcel Information or special Instructions**	**1 Well on State ownership in the NE1/4SW1/4 of Sec. 16**							
16									
17	**GIS Parcel ID Entries**	**County**	**Spokane**	***County,***					
18									
19		**Region**	**Southeast**						
20					**Sec**	**Tsp**	**Range**	**E/W**	**G. Lot**
21	**Parcel ID 1**	**2612**	**Parcel ID 21**						
22	**Parcel ID 2**		**Parcel ID 22**						
23	**Parcel ID 3**		**Parcel ID 23**						
24	**Parcel ID 4**		**Parcel ID 24**						
25	**Parcel ID 5**		**Parcel ID 25**						
26	**Parcel ID 6**		**Parcel ID 26**						
27	**Parcel ID 7**		**Parcel ID 27**						
28	**Parcel ID 8**		**Parcel ID 28**						
29	**Parcel ID 9**		**Parcel ID 29**						
30	**Parcel ID 10**		**Parcel ID 30**						
31	**Parcel ID 11**		**Parcel ID 31**						
32	**Parcel ID 12**		**Parcel ID 32**						
33	**Parcel ID 13**		**Parcel ID 33**						
34	**Parcel ID 14**		**Parcel ID 34**						
35	**Parcel ID 15**		**Parcel ID 35**						
36	**Parcel ID 16**		**Parcel ID 36**						
37	**Parcel ID 17**		**Parcel ID 37**						
38	**Parcel ID 18**		**Parcel ID 38**						
39	**Parcel ID 19**		**Parcel ID 39**						
40	**Parcel ID 20**		**Parcel ID 40**						

S. F. No. 7361—(Rev 6-70).

CERTIFICATE RECORD NO. ----, PAGE NO. G3-00871C

STATE OF WASHINGTON, COUNTY OF SPOKANE

CERTIFICATE OF GROUND WATER RIGHT

THIS CERTIFICATE SUPERSEDES CERTIFICATE OF GROUND WATER RIGHT ISSUED SEPTEMBER 28, 1973

(Issued in accordance with the provisions of Chapter 263, Laws of Washington for 1945, and amendments thereto, and the rules and regulations of the Department of Ecology thereunder)

THIS IS TO CERTIFY *That* WASHINGTON STATE DEPARTMENT OF NATURAL RESOURCES and SONNEBORNS' INC., et al

of Medical Lake, Washington, *has made proof*

to the satisfaction of the Department of Ecology of a right to the use of the public ground waters of

the State of Washington from three (3) wells

located within Government Lots 2 and 3 and shoreland abutting Government Lot 3 to the west

Sec. 16, *Twp.* 24 *N., R.* 41 E. *W.M.,*

for the purpose(s) of community domestic supply

under and specifically subject to provisions contained in Ground Water Permit No. 10088

issued by the Department of Ecology and that said right to the use of said ground waters has been perfected in accordance with the laws of Washington, and is hereby confirmed by the Department of Ecology and entered of record in Volume ---- *at page* G3-00871C *; that the priority of the right hereby confirmed dates from* March 10, 1970 *; that the quantity of ground water under the right hereby confirmed for the aforesaid purposes, is limited to an amount actually beneficially used for said purposes, and shall not exceed* 30 gallons per minute; 11.2 acre feet per year, continuously, for community domestic supply.

A description of the lands to which such ground water right is appurtenant is as follows:

SONNEBORNS' INC.:
That part of the south 640.15 feet of Government Lot 2 lying westerly of Silver Lake Road and shorelands abutting thereto to the west; AND that part of the north 447.11 feet of Government Lot 3 lying westerly of said road, and shorelands abutting thereto to the west; AND

STATE OF WASHINGTON:
That part of the south 640.15 feet of the NE¼SW¼ lying westerly of Silver Lake Road; ALL in Sec. 16, T. 24 N., R. 41 E.W.M.

The right to use of water aforesaid hereby confirmed is restricted to the lands or place of use herein described, except as provided in RCW 90.03.380, 90.03.390 and 90.44.020.

This certificate of ground water right is specifically subject to relinquishment for nonuse of water as provided in RCW 90.14.180.

Given under my hand and seal of this office at Olympia, Washington, this 6th *day of* May, 19 74

JOHN A. BIGGS, *Director*
Department of Ecology

Engineering Data

OK

by R. JERRY BOLLEN
Assistant Director

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
WATER RIGHT CLAIMS REGISTRATION

WATER RIGHT CLAIM

RECEIVED
DEPARTMENT OF ECOLOGY
JUN 18 74 101303
CASH___ OTHER___ NONE___

1. NAME State of Washington Department of Natural Resources

ADDRESS Public Lands Building

Olympia, WA ZIP CODE 98504

2. SOURCE FROM WHICH THE RIGHT TO TAKE AND MAKE USE OF WATER IS CLAIMED: Surface (SURFACE OR GROUND WATER)

W.R.I.A. 34 (LEAVE BLANK)

A. IF GROUND WATER, THE SOURCE IS

B. IF SURFACE WATER, THE SOURCE IS a lake

3. THE QUANTITIES OF WATER AND TIMES OF USE CLAIMED:

A. QUANTITY OF WATER CLAIMED 0.22 CFS PRESENTLY USED 0.22 CFS
(CUBIC FEET PER SECOND OR GALLONS PER MINUTE)

B. ANNUAL QUANTITY CLAIMED 2 AF PRESENTLY USED 2 AF
(ACRE FEET PER YEAR)

C. IF FOR IRRIGATION, ACRES CLAIMED PRESENTLY IRRIGATED

D. TIME(S) DURING EACH YEAR WHEN WATER IS USED: continuous

4. DATE OF FIRST PUTTING WATER TO USE: MONTH November 11 YEAR 1889

5. LOCATION OF THE POINT(S) OF DIVERSION/WITHDRAWAL: 2000 FEET North AND ~~3990~~ 3940

FEET West FROM THE SE CORNER OF SECTION 16

BEING WITHIN NE¼SW¼ OF SECTION 16, T. 24 N., R. 41 E (E.~~OR W~~.) W.M.

IF THIS IS WITHIN THE LIMITS OF A RECORDED PLATTED PROPERTY, LOT ____ BLOCK ____ OF

(GIVE NAME OF PLAT OR ADDITION)

6. LEGAL DESCRIPTION OF LANDS ON WHICH THE WATER IS USED: the SE¼, E½SW¼, E½NE¼, NW¼NE¼,

Section 16, Township 24 North, Range 41 East, W.M.

COUNTY Spokane

7. PURPOSE(S) FOR WHICH WATER IS USED: Recreation, Wildlife and Fire Protection

8. THE LEGAL DOCTRINE(S) UPON WHICH THE RIGHT OF CLAIM IS BASED: Riparian, Appropriation and Enabling Act Trust Land Rights.

THE FILING OF A STATEMENT OF CLAIM DOES NOT CONSTITUTE AN ADJUDICATION OF ANY CLAIM TO THE RIGHT TO USE OF WATERS AS BETWEEN THE WATER USE CLAIMANT AND THE STATE OR AS BETWEEN ONE OR MORE WATER USE CLAIMANTS AND ANOTHER OR OTHERS. THIS ACKNOWLEDGEMENT CONSTITUTES RECEIPT FOR THE FILING FEE.

DATE RETURNED THIS HAS BEEN ASSIGNED WATER RIGHT CLAIM REGISTRY NO.

JUN 18 1974 067403

John Biggs

DIRECTOR - DEPARTMENT OF ECOLOGY

I HEREBY SWEAR THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

X STATE OF WASHINGTON
DEPT. OF NATURAL RESOURCES
BERT L. COLE, COMMISSIONER

DATE

IF CLAIM FILED BY DESIGNATED REPRESENTATIVE, PRINT OR TYPE FULL NAME AND MAILING ADDRESS OF AGENT BELOW.

BY Howard Dickson
ECOLOGICAL AGENT
LANDS DIVISION
5/7/74

☐ ADDITIONAL INFORMATION RELATING TO WATER QUALITY AND/ OR WELL CONSTRUCTION IS AVAILABLE.

RETURN ALL THREE COPIES WITH CARBONS INTACT, ALONG WITH YOUR FEE TO:
DEPARTMENT OF ECOLOGY
WATER RIGHT CLAIMS REGISTRATION
OLYMPIA, WASHINGTON 98504

4989

GIS # 2612

®L

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
WATER RIGHT CLAIMS REGISTRATION

WATER RIGHT CLAIM

RECEIVED
DEPARTMENT OF ECOLOGY
JUN 18 74 101304
CASH ___ OTHER ___ NONE ___

1. NAME State of Washington Department of Natural Resources

ADDRESS Public Lands Building

Olympia, WA ZIP CODE 98504

2. SOURCE FROM WHICH THE RIGHT TO TAKE AND MAKE USE OF WATER IS CLAIMED: Surface (SURFACE OR GROUND WATER)

W.R.I.A. 34 (LEAVE BLANK)

A. IF GROUND WATER, THE SOURCE IS

B. IF SURFACE WATER, THE SOURCE IS a lake

3. THE QUANTITIES OF WATER AND TIMES OF USE CLAIMED:

A. QUANTITY OF WATER CLAIMED 0.02 CFS PRESENTLY USED 0.02 CFS
(CUBIC FEET PER SECOND OR GALLONS PER MINUTE)

B. ANNUAL QUANTITY CLAIMED 2 AF PRESENTLY USED 2 AF
(ACRE FEET PER YEAR)

C. IF FOR IRRIGATION, ACRES CLAIMED ___ PRESENTLY IRRIGATED ___

D. TIME(S) DURING EACH YEAR WHEN WATER IS USED: April 1 to November 30

4. DATE OF FIRST PUTTING WATER TO USE: MONTH November 11 YEAR 1889

5. LOCATION OF THE POINT(S) OF DIVERSION/WITHDRAWAL: 600 FEET West AND 50 FEET South FROM THE NE CORNER OF SECTION 16

BEING WITHIN NE¼NE¼ OF SECTION 16, T. 24 N., R. 41 E (E.~~XXX~~.) W.M.

IF THIS IS WITHIN THE LIMITS OF A RECORDED PLATTED PROPERTY, LOT ___ BLOCK ___ OF ___
(GIVE NAME OF PLAT OR ADDITION)

6. LEGAL DESCRIPTION OF LANDS ON WHICH THE WATER IS USED: SE¼, E½SW¼, E½NE¼, NW¼NE¼, Section 16, Township 24 North, Range 41 East, W.M.

COUNTY Spokane

7. PURPOSE(S) FOR WHICH WATER IS USED: Livestock, Wildlife and Fire Protection

8. THE LEGAL DOCTRINE(S) UPON WHICH THE RIGHT OF CLAIM IS BASED: Riparian, Appropriation and Enabling Act Trust Land Rights.

THE FILING OF A STATEMENT OF CLAIM DOES NOT CONSTITUTE AN ADJUDICATION OF ANY CLAIM TO THE RIGHT TO USE OF WATERS AS BETWEEN THE WATER USE CLAIMANT AND THE STATE OR AS BETWEEN ONE OR MORE WATER USE CLAIMANTS AND ANOTHER OR OTHERS. THIS ACKNOWLEDGEMENT CONSTITUTES RECEIPT FOR THE FILING FEE.

DATE RETURNED THIS HAS BEEN ASSIGNED WATER RIGHT CLAIM REGISTRY NO.

JUN 18 74 067404

DIRECTOR - DEPARTMENT OF ECOLOGY

I HEREBY SWEAR THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

X ___

DATE ___

IF CLAIM FILED BY DESIGNATED REPRESENTATIVE, PRINT OR TYPE FULL NAME AND MAILING ADDRESS OF AGENT BELOW.

STATE OF WASHINGTON
DEPT. OF NATURAL RESOURCES
BERT L. COLE, COMMISSIONER

BY Howard Isaacson
ECOLOGICAL AGENT
LANDS DIVISION 5/7/74

☐ ADDITIONAL INFORMATION RELATING TO WATER QUALITY AND/ OR WELL CONSTRUCTION IS AVAILABLE.

RETURN ALL THREE COPIES WITH CARBONS INTACT, ALONG WITH YOUR FEE TO:
DEPARTMENT OF ECOLOGY
WATER RIGHT CLAIMS REGISTRATION
OLYMPIA, WASHINGTON 98504

4990

GIS# 2612

Historical Document

This document is expired, but provided for information purposes only.

- 60-078315 Special Use Lease to Picnic Pines Resort (includes septic & overflow area)

RECORD SEARCH
SPECIAL USE LEASE

Application No: 60-078312
Region: NORTHEAST
County: SPOKANE
Applicant: MARY RUSHFELDT
UBI/DNR #
Address: S 9212 SILVERLAKE RD. MEDICAL LAKE, WA 99022
Telephone:
Grantor: STATE OF WASHINGTON

Description

Portions of:	Sec	Twp	Rge	Trust	GIS Parcel #
E½SW¼	16	24N	41E	SCHOOL (03)	2612

Acres: 5.98± **Miles:** ±

Encumbrances N/A

Class	Number	Event	ExpireDt	Applicant	DateGtd
ESE	50-029192	OVPOWER	INDEF	The Washington Water Power	08/01/1964
W/R	78-004989	SURFH20	INDEF	DNR	06/18/1974
LSE	52-A35287	COMMSITE	09/30/2012	Federal Aviation Admin.	
LSE	10-B65444	GRAZE	05/21/2013	Sonya R. Marlton	

Pending Applications

Class	Number	Event	Applicant	DateApp
ESE	50-054952	PIPELINE	Strathview Water Dist. #16	05/08/1997

Special Notations

*** This is a combination of 60-059064 & 60-058907.

Title Examiner: Tamiko Ward **Date:** 05/26/2006

Application: _____
Register/TB

(GIS Parcel # for Title Office Use Only)

Document: _____ 06/02/2007
Register/TB

Executed Document
Mailed 9-28-06

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
DOUG SUTHERLAND, Commissioner of Public Lands

SPECIAL USE LEASE

Lease No. 60-078312

BY THIS LEASE (hereinafter "Agreement"), the STATE OF WASHINGTON, Department of Natural Resources, (hereinafter "State") leases to PICKNICK PINES INVESTMENT GROUP, LLC (hereinafter "Lessee") the premises in Spokane County, Washington, the legal description of which is set forth in Exhibit 1A, upon the terms and conditions and for the consideration enumerated herein. Said premises and rights leased hereby are hereinafter referred to as the "Premises".

SECTION 1 OCCUPANCY

1.01 Lease Term. This Agreement shall commence on January 1, 2006 ("Commencement Date") and expire on September 1, 2024.

1.02 No Warranty of Quiet Enjoyment. State makes no warranty of quiet enjoyment of the Premises.

1.03 Condition of Premises. Lessee has had an opportunity to inspect Premises and enters into this Agreement solely in reliance on Lessee's own examination and not by reason of any representation by State. Premises are accepted in its present condition "AS IS WHERE IS". No reliance shall be placed on any opinion, material, or information provided by or through State, and Lessee does so at its own risk, cost and expense.

SECTION 2 USE OF PREMISES

2.01 Permitted Use. For this Agreement, the following uses and no other uses are permitted:

Permitted Use	Acres
Recreational (resort/mobile home park)	2.23
Septic tank, drain field, and storage	3.75

In the event the Lessee desires a change in acreage or use, authorization must be obtained in advance and in writing from the State. Approval may be conditioned upon adjustment of the payment in accordance with changes in acreage or use.

SECTION 3 PAYMENT

Payments made hereunder will be applied first to interest, then to outstanding or delinquent rent, leasehold tax and other charges owed, then to current rent, leasehold tax, and charges.

3.01 Cash Rent. The Lessee shall pay to the State, in advance, the required rent of $1,870.00 for the period of January 1, 2006, through August 31, 2006, and $4,334.00 for the period of September 1, 2006 through August 31, 2007, and $4,473.00 for the period of September 1, 2007 through August 31, 2008, with the same amount due annually thereafter, subject to Subsection 3.06.

3.02 Leasehold Tax. Lessee shall pay to State, the leasehold tax as set forth in RCW Chapter 82.29A - Leasehold Excise Tax as may be amended. The tax shall be due and payable at the same time the rental charged herein is due and payable.

3.03 No Counterclaim, Setoff, or Abatement of Rent. Rent and all other sums payable by Lessee hereunder shall be paid without the requirement of prior notice or demand by State, and shall not be subject to any counterclaim, setoff, deduction or defense and without abatement. The obligations and liabilities of Lessee hereunder shall in no way be released, discharged or otherwise affected, except as expressly provided in Subsection 13.06 (Condemnation).

3.04 Interest Charged for Past-Due Rent and Other Sums Owed. Lessee shall pay interest at the rate of one percent (1%) per month (or at such higher rate as may be authorized by statute after the Commencement Date hereof), until paid, on rent or other sums owing under the terms of this Agreement commencing the date such rent or other sum is due and payable. In the event State pays any sum or incurs any expense which Lessee is obligated to satisfy or pay under this Agreement, or which is made on behalf of Lessee, State shall be entitled to receive reimbursement thereof from Lessee upon demand, together with interest thereon from the date of expenditure at the rate stated above.

3.05 Late Charge for Failure to Pay. In the event the Lessee fails to make any payment of rent due hereunder upon the date due, the State shall be entitled to collect from the Lessee a late charge equal to six percent (6%) of the amount of the delinquent payment. Any failure to pay rent or any amount specified in this Section 3, or any other amount to be paid by the Lessee under terms of this Agreement within thirty (30) days of the date due, shall be a material default hereunder by the Lessee and such default shall entitle the State to pursue all remedies specified in this Agreement, including the right to terminate this Agreement, though failure to exercise such right shall not be construed as a waiver of the right and thereafter pursue any remedies available at law or equity, including those contained in Chapter 59.12 RCW.

3.06 Adjustment of Rent. Beginning on September 1, 2008 and at intervals of five (5) years thereafter (the "Adjustment Date"), a new annual rental will be established. In no event will the adjusted annual rental be less than the previous annual rental. Adjusted rental values established after the designated Adjustment Date shall be due retroactive to such Adjustment Date. The method for such adjustment shall be selected solely by the State from the following options:

(a) Increase of the current annual rent by the percentage increase in the United States Department of Labor, Bureau of Labor Statistics, "All Items" Consumer Price Index for All Urban Consumers ("CPI"), US City Average (1982-84=100), between the date five (5) years previous to the Adjustment Date and the Adjustment Date, i.e., adjusted rental amount equals current annual rent times CPI as of current Adjustment Date divided by CPI as of date five (5) years previous. In the event the CPI ceases to be published, the State may substitute such other comparable cost of living index as then may be in publication by a comparable governmental agency.

(b) Determination of fair market value of the Premises within six (6) months before or after the Adjustment Date through evaluation of pertinent market evidence by State lease administrator and/or other appropriate State personnel.

(c) Determination of fair market value of the Premises within six (6) months before or after the Adjustment Date through formal appraisal by State's appraiser, certified general appraiser under contract with the State, or such other appraiser as may be agreed to by State. Such appraisal must be performed in accordance with the Uniform Standards of Professional Appraisal Practices (USPAP) as promulgated by the Appraisal Institute.

The market value will be determined exclusive of Lessee's improvements and as though ownership were in fee simple, not encumbered by lease.

Under (b) and (c) above, the new annual rental above shall be computed by multiplying the market value of the Premises by the then current Prime Rate as of the Adjustment Date plus 200 basis points (Prime Rate + 2.0%). The term "Prime Rate" shall mean the Prime Rate as published in The Wall Street Journal from time to time (or the average Prime Rate if more than

one is published), any change in such Prime Rate to effect a change in the rate charged hereunder on the date of each such change. If The Wall Street Journal ceases to be published or ceases to publish a Prime Rate, then State shall designate another nationally recognized business publication which publishes such a rate or such rates which does, in the reasonable opinion of State, represent the "Prime Rate" as defined herein.

3.07 Failure to Adjust Not Waiver. Failure of State to adjust rent pursuant to Subsection 3.06 above at the end of any five (5) year period, shall not be a waiver by State of the right to adjust rent at the end of any subsequent five (5) year period. State shall retain the right, for so long as this Agreement remains in effect, to adjust rent as of the end of any five (5) year period, as though all prior adjustments had been made in accordance with the above provisions.

SECTION 4 RESERVATIONS

4.01 Compliance. The State shall have access to the Premises at all reasonable times to determine and secure compliance with this Agreement. Failure to inspect or enforce compliance shall not be construed as a waiver of the State's right to declare a breach, nor relieve Lessee of any liability to the State for any breach of the terms, conditions, or requirements of this Agreement.

4.02 Compatible Uses. State reserves for itself, its successors and assigns, the right at all times for any purpose to cross and re-cross the Premises at any place or grade, to grant easements/licenses over or leases to the Premises, to sell, or otherwise dispose of minerals, coal, oil, timber, gas, or other valuable materials from the Premises insofar as the State's activities on the Premises and any grant of rights the State makes to any person or entity shall not unreasonably interfere with the activities permitted hereunder.

4.03 Non-Default Termination. State reserves the right to terminate this Agreement upon sixty (60) days' written notice in the event the State includes the Premises in a plan for higher and better use, land exchange or sale.

SECTION 5 SPECIAL RESTRICTONS

5.01 Permits and Conformance With Laws.

(a) Lessee shall obtain all building permits and other required permits, licenses, permissions, consents, and approvals from governmental agencies or third parties in connection with this Agreement and Lessee's permitted use including construction of any improvements, changes, alterations, additions, repairs, maintenance to or replacement of the Premises, or for the conduct of any business upon the Premises at the sole cost and expense of Lessee. Copies of such permits, licenses, permissions, consents, and approvals shall be supplied to State on request.

(b) Lessee shall conform to all applicable laws, regulations, permits, orders, or requirements of any public authority affecting the Premises and the use thereof, and shall correct at the Lessee's own cost and expense any failure of compliance created through the Lessee's fault or by reason of the Lessee's use. In no event shall Lessee undertake or suffer any activity to be conducted upon the Premises which constitutes a nuisance or which is a threat to the health or welfare of the general public.

(c) Lessee shall cause all work on the Premises and all business conducted thereon during the term to be performed in accordance with all applicable laws and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction.

5.02 Other Restrictions on Use.

(a) Lessee shall cut no State timber or remove State-owned valuable material, without prior written consent of the State. Prior to State's authorization for the cutting of timber, or removal of valuable material, the Lessee must pay to the State the fair market value of the timber or valuable material, as determined by the State.

(b) Lessee shall take all reasonable precautions to protect the land and improvements on the Premises from fire, make every reasonable effort to report and suppress such fires as may affect the Premises, and shall be subject to applicable fire laws affecting the Premises.

(c) Lessee shall prevent accumulation of equipment parts or "bone yards" on the Premises.

(d) This Agreement does not convey rights to media uses, communication sites, or any use on the Premises other than those expressly stated in this Agreement.

SECTION 6 UTILITIES, TAXES, LIENS

6.01 Utilities and Maintenance. During the term of this Agreement, Lessee shall pay all expenses incurred by Lessee in the use, enjoyment, and operation of the Premises, including, but not limited to, utility charges and all costs of maintaining and repairing the Premises and all improvements thereon whether now existing or hereafter installed. Lessee shall indemnify and hold the State harmless against any loss, liability, or expense resulting from any failure of Lessee to pay all such charges when due.

6.02 Taxes and Assessments.

(a) Lessee shall pay during the term of this Agreement all taxes and other governmental charges of any kind applicable or attributable to the installation of Lessee owned improvements on the Premises, Lessee's leasehold interest therein, and Lessee's use and enjoyment thereof.

(b) Lessee shall pay its prorated share of all assessments that are legally required to be paid now or may be charged during the Agreement term to the Premises or Lessee owned improvements thereon. Lessee shall not cause or suffer the imposition of any assessment upon the Premises without the prior written consent of State. In the event any new assessment is proposed which affects the Premises, Lessee shall immediately notify State of such proposal after Lessee has knowledge or receives notice thereof. Any assessment upon the Premises shall be made in compliance with all applicable statutes, including, but not limited to, Chapter 79.44 RCW.

6.03 Lessee Liens. Lessee shall not suffer or permit any lien to be filed against the State's interest in the Premises, or improvements thereon by reason of work, labor, or services performed thereon or materials supplied to, by or through the Lessee. If any such lien is filed, Lessee shall cause the same to be discharged of record within thirty (30) days after the date of filing or creation of such lien unless other arrangements are authorized in writing by the State in advance. Lessee shall indemnify the State for any costs, damages or expenses (including attorneys' fees and courts' costs) incurred as a result of such liens or in obtaining their discharge whether such costs, damages or expenses were incurred prior or subsequent to termination or cancellation of this Agreement.

SECTION 7 LESSEES INDEMNITY; INSURANCE REQUIREMENTS

7.01 Indemnity. Lessee releases and shall indemnify and defend (with counsel acceptable to State) State, its employees, officers, and agents from and against any and all claims arising out of the use, occupation or control of the Premises by Lessee, its agents, and employees. A "claim" as used in this subsection means any claim of any nature whatsoever for penalties, financial loss, damages (including but not limited to bodily injury, sickness, disease or death, or injury to or destruction of property, land and other natural resources including the loss of use thereof), costs or expenses (including but not limited to attorney's fees), whether or not resulting in a suit or action or reduced to judgment. This release and the obligation to indemnify shall not be eliminated or reduced by the concurrent negligence of the State, its officials, employees, or agents, except as provided in this subsection. To the extent that RCW 4.24.115 applies, Lessee shall not be required to indemnify State from State's sole or concurrent negligence. Lessee waives its immunity under Title 51 to the extent it is required to indemnify the State herein.

7.02 Insurance Requirements. Lessee shall, at all times during the term of this contract at its cost and expense, buy and maintain insurance of the types and amounts listed below. Failure to buy and maintain the required insurance may result in the termination of the contract at State's option.

All insurance and surety bonds should be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception shall be reviewed and approved by the department's risk manager before the contract is accepted. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

State shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications:

1. Insurers subject to Chapter 48.18 RCW (admitted and regulated by the Insurance Commissioner): The insurer shall give the State 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the State shall be given 10 days advance notice of cancellation.

2. Insurers subject to Chapter 48.15 RCW (surplus lines): The State shall be given 20 days advance notice of cancellation. If cancellation is due to non-payment of premium, the State shall be given 10 days advance notice of cancellation.

Before starting work, Lessee shall furnish with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements specified in the contract and, if requested, copies of polices to State. The certificate of insurance shall reference the State of Washington, Department of Natural Resources, and the lease number.

Lessee shall include all subcontractors as insured under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of subcontractor(s) to comply with insurance requirements does not limit Lessee's liability or responsibility.

The State, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella, and property insurance policies.

All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by State.

Lessee waives all rights against State for recovery of damages to the extent these damages are covered by general liability or umbrella insurance maintained pursuant to this contract. All insurance policies must expressly waive any right of subrogation by the insurance company against the State and the State's officials, employees, and agents.

If Lessee is self-insured, evidence of its status as a self-insured entity shall be provided to State. If requested by State, Lessee must describe its financial condition and the self-insured funding mechanism.

By requiring insurance herein, State does not represent that coverage and limits will be adequate to protect Lessee, and such coverage and limits shall not limit Lessee's liability under the indemnities and reimbursements granted to State in this contract.

The limits of insurance, which may be increased by State, as deemed necessary, shall not be less than as follows:

Commercial General Liability (CGL) Insurance. Lessee shall maintain general liability (CGL) insurance covering claims for bodily injury, personal injury, or property damage arising on the property and/or out of Lessee's operations and, if necessary, commercial umbrella insurance with a limit of not less than $1,000,000 per each occurrence. If such CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit.

CGL insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract), and contain separation of insured (cross liability) condition.

Employer's Liability ("Stop Gap") Insurance. Lessee shall buy employers liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than $1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury by disease.

Workers' Compensation Coverage. Lessee shall comply with all State of Washington workers' compensation statutes and regulations. Workers' compensation coverage shall be provided for all employees of Lessee and employees of any subcontractor or sub-subcontractor. Coverage shall include bodily injury (including death) by accident or disease, which exists out of or in connection with the performance of this contract. Except as prohibited by law, Lessee waives all rights of subrogation against State for recovery of damages to the extent they are covered by workers' compensation, employer's liability, commercial general liability, or commercial umbrella liability insurance.

If Lessee, subcontractor or sub-subcontractor fails to comply with all State of Washington workers' compensation statutes and regulations and State incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Lessee shall indemnify State. Indemnity shall include all fines, payment of benefits to Lessee or subcontractor or sub-subcontractor employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees.

Business Auto Policy (BAP). The Lessee shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than $1,000,000 per accident. Such insurance shall cover liability arising out of "Any Auto".

Business auto coverage shall be written on ISO form CA 00 01, or substitute liability form providing equivalent coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01.

The Lessee waives all rights against the State for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

Builders Risk Insurance. If applicable, Lessee shall buy and maintain in force builders risk insurance on the entire work during the period construction is in progress and until completion of the project and acceptance by State. Such insurance shall be written on a completed form and in an amount equal to the value of the completed building, subject to subsequent modifications to the sum. The insurance shall be written on a replacement cost basis. The insurance shall name as insureds State, Lessee, and all subcontractors and sub-subcontractors in the work.

Insurance described above shall be written to cover all risks of physical loss except those specifically excluded in the policy, including loss or damage caused by collapse. Insurance described above shall cover the entire work at the site including reasonable compensation for architect's services and expenses made necessary by an insured loss. Insured property shall include portions of the work located away from the site but intended for use at the site, and shall also cover portions of the work in transit. The policy shall include as insured property scaffolding, falsework, and temporary buildings located at the site. The policy shall cover the cost of removing debris, including demolition as made legally necessary by the operation of any law, ordinance or regulation.

Any deductible applicable to the insurance bought in compliance with the policy described above shall be identified in the contract documents and the responsibility for paying the part of any loss not covered because of application of deductible(s) shall be the responsibility of the Lessee. If any part of any loss is not covered because of the application of a deductible amount not identified in the contract documents, Lessee will pay such loss. Lessee shall buy and maintain boiler and machinery insurance required by contract documents or by law, covering insured objects during installation and until final acceptance by State. If testing is being performed, such insurance shall cover such operations. This insurance shall name as insureds State, Lessee, and all subcontractors and sub-subcontractors in the work.

SECTION 8 WEEDS, HARMFUL SUBSTANCES

8.01 Weed Control. Lessee shall control all weeds on the Premises. Lessee shall be responsible for, or shall immediately reimburse State for, any noxious weed control cost incurred, as a result of Lessee's failure to control noxious weeds on said Premises.

Lessee shall prevent noxious weed infestations by applying management practices which discourage their establishment or spread. The Lessee shall detect and control the invasion of new noxious weeds. Noxious weeds will be controlled using appropriate mechanical, biological and chemical treatments that meet the requirements of Washington State and Federal law.

Lessee shall use Integrated Pest Management (IPM) to control weeds. This means using a coordinated decision-making and action process that considers all weed management methods and strategies, and applies them in an environmentally and economically sound manner to meet weed management objectives. The elements of integrated pest management for weeds include:

a. Preventing weed problems;

b. Monitoring for the presence of weed species;

c. Establishing the density of the weed population (which may be zero) that can be tolerated;

d. Treating weed problems to reduce their populations below the tolerable threshold, using strategies that may include biological, cultural, mechanical, and chemical control methods, and that consider human health, ecological impact, feasibility and cost-effectiveness; and

e. Evaluating the effects and efficacy of weed control treatments.

8.02 Hazardous, Toxic, or Harmful Substances.

(a) Deleterious Material. Lessee shall not make, or suffer to be made, any filling in of the Premises or any deposit of rock, earth, ballast, refuse, garbage, waste matter, chemical, biological or other wastes, hydrocarbons, any other pollutants, or other matter within or upon the Premises, except as approved in writing by the State, or unless permitted by Subsection 2.01 (Permitted Use). If the Lessee fails to remove all nonapproved fill material, refuse, garbage, wastes or any other of the above materials from the Premises, the Lessee agrees that the State may, but is not obligated to, remove such materials and charge the Lessee for the cost of removal and disposal.

(b) Hazardous, Toxic, or Harmful Substances.

(1) Lessee shall not keep on or about the Premises, any substances now or hereinafter designated as or containing components now or hereinafter designated as hazardous, toxic, dangerous, or harmful, and/or which are subject to regulation as hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation, statute or ordinance (hereinafter collectively referred to as "Hazardous Substances") unless such are necessary to carry out Lessee's permitted use under Subsection 2.01 (Permitted Use) and unless Lessee fully complies with all federal, state and local laws, regulations, statutes, and ordinances, now in existence or as subsequently enacted or amended. Lessee shall:

(i) Immediately notify the State of: all spills or releases of any Hazardous Substance affecting the Premises; all failures to comply with any federal, state, or local law, regulation or ordinance, as now enacted or as subsequently enacted or amended; all inspections of the Premises by, or any correspondence, orders, citations, or notifications from any regulatory entity concerning Hazardous Substances affecting the Premises; and all regulatory orders or fines or all response or interim cleanup actions taken by or proposed to be taken by any government entity or private party concerning the Premises; and

(ii) On request, provide copies to the State of any and all correspondence, pleadings, and/or reports received by or required of Lessee or issued or written by Lessee or on Lessee's behalf with respect to the use, presence, transportation or generation of Hazardous Substances related to the Premises.

(2) Lessee shall be fully and completely liable to the State, and shall indemnify, defend, and save harmless State and its agencies, employees, officers, and agents with respect to any and all damages, costs, fees (including attorneys' fees and costs), penalties (civil and criminal), and cleanup costs assessed against or imposed as a result of Lessee's use, disposal, transportation, generation and/or sale of Hazardous Substances or that of Lessee's employees, agents, assigns, sublessees, contractors, subcontractors, licensees or invitees, and for any breach of this subsection.

SECTION 9 ASSIGNMENTS

Assignment. Lessee shall not hypothecate, mortgage, assign, sublease, transfer, or otherwise alienate this Agreement ("Assignment"), or any interest therein, without the prior written consent of State, which consent shall not be unreasonably withheld. In granting any such consent under this clause State shall be entitled to consider, among other items, the proposed assignee's, sublessee's or transferee's financial condition, business reputation, business, and such other factors as may reasonably bear upon the suitability of the assignee, sublessee, or transferee as

lessee of the Premises. If Lessee is a corporation, partnership, or other association, (1) the transfer of more than fifty percent (50%) of the ownership interest in such entity, or (2) the sale of all or substantially all of the assets of Lessee shall be deemed to constitute an "assignment" of this Agreement which requires consent of State. The consent of State to any one assignment shall not constitute a waiver of State's right to consent to subsequent assignments, nor shall consent of State to any one assignment relieve any party previously liable as Lessee from any obligations under this Agreement, who shall remain joint and severally liable as primary obligor and not as surety. The acceptance by State of the payment of rent following an assignment shall not constitute consent to any assignment and State's consent shall be evidenced only in writing. The State may require reimbursement for any additional administrative costs resulting from the assignment.

SECTION 10 IMPROVEMENTS

10.01 Authorized Improvements. No improvement shall be placed on the Premises without the prior written consent of the State. Consent may be granted through this Agreement resulting in the State's approval of the authorized improvements listed herein as Exhibit 10A, or by written Letter of Authorization issued by the State.

10.02 Plan Approval. The plans or specifications for the construction of the authorized improvements listed on Exhibit 10A or authorized by Letter of Authorization issued by State, and for such changes or alterations, including amendments of such plans or specifications, shall be submitted to State for its approval.

10.03 Ownership of Improvements. During the Term of this Agreement, the improvements constructed by Lessee, including without limitation all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein, shall be the property of Lessee. At the expiration or earlier termination of this Lease, all improvements and all additions, alterations and improvements thereto or replacements thereof and all appurtenant fixtures, machinery and equipment installed therein shall become the property of State, unless State requires their removal pursuant to Section 10.04 below. Throughout the term of this Agreement, Lessee shall not permit any claim of lien made by any mechanic, materialman, laborer, or other similar liens to stand against the Premises for work or labor done, services performed, or materials used or furnished to be used in or about the Premises for or in connection with any construction, improvements or maintenance or repair thereon made or permitted to be made by Lessee, its agents, or sublessees. Any liens, encumbrances or claims of third parties with respect to any of the foregoing, shall be expressly subordinate and subject to the rights of State under this Agreement.

10.04 Condition at End of Lease. Upon vacating the Premises on the termination date, Lessee shall leave the Premises and all improvements thereon in the state of repair and cleanliness required to be maintained by Lessee during the Term of this Agreement and shall peaceably surrender the same to State. At the option of State, Lessee shall at its sole expense remove all improvements constructed by Lessee upon the Premises and return the Premises to grade level free of all debris.

10.05 Surety Bond. A surety bond, certificate of deposit assignment, or letter of credit may be required by State to assure completion of construction or development of any improvements costing in excess of $2,500.

10.06 Hold Harmless. Lessee shall indemnify, defend and hold harmless State and the Premises from and against all claims and liabilities arising by virtue of or relating to construction of the authorized improvements or repairs made at any time to the authorized improvements (including repairs, restoration and rebuilding). Lessee shall regularly and timely pay any and all amounts properly payable to third parties with respect to such work and will maintain its books and records in the State of Washington, with respect to all aspects of such work and materials therefore, and will make them available for inspection by State or its representatives as requested.

10.07 Permits; Compliance with Codes. Lessee shall cause all work on the Premises during the Term to be performed in accordance with all applicable laws and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction. Lessee is responsible, at Lessee's sole cost and expense, to cause the authorized improvements and the Premises to comply with all applicable governmental laws, statutes, rules, regulations and/or ordinances that apply to the Premises during the Agreement Term, whether now in effect, or hereinafter adopted or enacted.

10.08 State's Repairs. State shall not be required or obligated to make any changes, alterations, additions, improvements, or repairs in, on, or about the Premises, or any part thereof, during the term of this Agreement.

10.09 Lessee's Repairs, Alteration, and Maintenance. Lessee shall, at its sole cost and expense, keep and maintain the Premises and all improvements thereon and all facilities appurtenant thereto (regardless of ownership) in good order and repair and safe condition for the safe conduct of any activities or enterprises conducted on the Premises pursuant to this Agreement, and keep and maintain the whole of the premise, including all improvements in a clean, sanitary and attractive condition.

SECTION 11 ROADS

11.01 Access Across Premises. Lessee is authorized, subject to any rights previously granted to third parties, to use existing roads on the Premises as needed to enjoy the permitted uses, the location of which are illustrated on the map(s) attached as Exhibit 11A. Lessee may, with written approval of State, construct additional roads.

SECTION 12 DEFAULT AND REMEDIES

12.01 Default. In the event of any material breach of any provision of this Agreement by Lessee, the breach, after expiration of any grace period as provided in this subsection, shall be deemed a default entitling State to cancel this Agreement and seek any other remedies set forth in this Agreement or otherwise available at law or equity. State shall deliver to Lessee notice of the breach and a demand that the same be remedied immediately. Lessee shall not be in default if the breach pertains to the payment of money and Lessee cures the breach within thirty (30) days of receipt of the notice, or if the breach pertains to a matter other than the payment of any monies due under this agreement, Lessee shall after receipt of the notice promptly commence to cure the breach and shall cure the breach within forty-five (45) days after receipt of the notice. If such breach is non-monetary in nature, and, as determined by State, is not reasonably susceptible of being cured in said forty-five (45) days (provided that the lack of funds, or the failure or refusal to spend funds, shall not be an excuse for a failure to cure), Lessee shall commence to cure such breach within said period and diligently pursue such action with continuity to completion. If Lessee fails to cure a default, all Lessee owned improvements shall at the option of State, be removed by Lessee, be removed by State at the cost to Lessee, or become the property of State.

12.02 Reentry. In the event of any default by Lessee, State shall have the right, with or without canceling the Agreement, to reenter the Premises and remove all persons and property from Premises and take whatever actions may be necessary or advisable to relet, protect or preserve the Premises. Any property so removed may be stored in a public warehouse or other suitable place or otherwise disposed of in State's discretion at the expense and for the account of Lessee. State shall not be responsible for any damages or losses suffered by Lessee as a result of such reentry, removal, storage or other disposition, and no such action shall be construed as an election to terminate this Agreement unless a written notice of termination is given to Lessee.

12.03 Termination of Agreements. Whether or not State elects to terminate this Agreement on account of any default by Lessee and subject to any non-disturbance and attornment agreements, if any, State shall have a right to terminate any and all subleases, licenses, concessions or other arrangement for possession affecting Premises. Alternatively, State, in its sole discretion, may succeed to Lessee's interest in such sublease, license, concession or arrangement, and Lessee shall have no further right to or interest in the rent or other consideration receivable thereunder.

12.04 Survival. All obligations of Lessee to be performed prior to the expiration or earlier termination shall not cease upon the termination or expiration of this Agreement and shall continue as obligations until fully performed. All clauses of this Agreement that require performance beyond the termination or expiration date shall survive the termination or expiration date of this Agreement. Upon expiration or earlier termination of this Agreement, the rights of Lessee and of all persons, firms, corporations, and entities claiming under Lessee in and to the Premises and all improvements hereon, unless specified otherwise in this Agreement, shall cease.

12.05 State's Right to Cure Defaults. If Lessee fails to perform and is in default of any undertaking or promise contained herein, the State shall have the option, but is not obligated, to make such performance after giving ten (10) days written notice to the Lessee. The State's costs and expense to correct Lessee's failure to perform shall be reimbursed by Lessee and shall be immediately due and payable, together with interest accruing from the date such cost or expense is incurred.

12.06 Remedies Cumulative. The specified remedies to which the State may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which State may lawfully be entitled in case of any breach or threatened breach by Lessee of any provision of this Agreement.

12.07 Nonwaiver. Waiver by the State of strict performance of any provision of this Agreement shall not be a waiver of nor prejudice the State's right to require strict performance of the same provision in the future or of any other provision. The acceptance of performance, rent, or any other sum owing, by State following a breach by the Lessee of any provision of this Agreement shall not constitute a waiver of any right of the State with respect to such breach and State shall be deemed to have waived any right hereunder only if State shall expressly do so in writing.

12.08 Force Majeure. The Lessee's failure to comply with any of the obligations under this Agreement shall be excused only if due to causes beyond Lessee's control and without the fault or negligence of the Lessee, including acts of God, acts of the public enemy, acts of any government, fires, floods, epidemics and strikes.

12.09 Insolvency of Lessee. If the Lessee becomes insolvent, a receiver is appointed, or Lessee's interest is transferred by operation of law by reason of insolvency, the State may terminate this Agreement at its option. Insolvency as used herein will mean the inability of the Lessee to meet its monetary obligations under this Agreement as they come due.

SECTION 13 GENERAL PROVISIONS

13.01 Governing Law. This Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington. Venue shall be in Thurston County. The terms of this Agreement shall be given their ordinary meaning and shall not be presumed construed in favor of or against either party hereto.

13.02 No Partnership. The State is not a partner nor a joint venturer with the Lessee in connection with the activities conducted and business carried on under this Agreement, and the State shall have no obligation with respect to the Lessee's debts or other liabilities.

13.03 Lessee's Authority. Persons executing this Agreement on behalf of Lessee represent that they are authorized to do so and represent and warrant that this Agreement is a legal, valid, and binding obligation on behalf of Lessee, and is enforceable in accordance with its terms.

13.04 State's Authority. This Agreement is entered into by State pursuant to the authority granted by statute and the Constitution of the State of Washington. The terms and conditions hereof are subject to such statutory and constitutional provisions as may be now in effect and such provisions which do not impair the contractual rights of Lessee under this Agreement which may lawfully be enacted subsequent to the date of this Agreement.

13.05 Preservation of Markers. Lessee shall not destroy any land survey corner monuments and reference points (including but not limited to corner markers, witness objects, or line markers) without prior written approval from the State, which shall not be unreasonably withheld. Monuments or reference points that must necessarily be disturbed or destroyed during construction or operations must be adequately referenced and replaced, at the Lessee's cost, under the direction of a State of Washington Professional Land Surveyor, in accordance with all applicable laws of the State of Washington, including but not limited to RCW 58.24, and all relevant Department of natural Resources regulations.

13.06 Condemnation. If all of the Premises are taken by any lawful authority under the power of eminent domain for a period which will end on or extend beyond the expiration of the term of this Agreement, this Agreement terminates as of the date the condemner takes possession. If part of the Premises is taken by any lawful authority under the power of eminent domain for a period which will end on or extend beyond the expiration of the term of this Agreement, the State or Lessee may choose to terminate this Agreement as of the date the condemner takes possession. If either the State or Lessee elects to terminate this Agreement, the rents or other charges to be paid by Lessee will be apportioned by the State and paid by the Lessee to the date of taking. If neither the State nor Lessee elects to terminate this Agreement, the rent will be reduced in the same proportion that the value of the portions of the site to be taken bears to the value of the entire site as of the date condemner takes possession.

If the taking is for a period which will end on or extend beyond the expiration of the term of this Agreement, Lessee will have no claim or interest in or to any award of damages for the whole or partial taking of the site, except that the Lessee will be entitled to an amount equal to the fair market value of any improvements as of the date of taking (except trade fixtures) considered by this Agreement to be owned by the Lessee taken by the condemner.

If temporary use of all or part of the site is taken by any lawful authority under the power of eminent domain for a period ending before the expiration of the term, this Agreement will continue in full force and Lessee will be entitled to receive any award from the condemner for the use of all or part of the Premises.

The State and Lessee will give to the other immediate written notice of any proceedings with respect to a condemnation and of any intentions of any authority to exercise the power of eminent domain.

13.07 Interpretation and Numbering. This lease has been submitted to the scrutiny of all parties hereto and their counsel if desired, and shall be given a fair and reasonable interpretation in accordance with the words hereof, without consideration or weight given to it being drafted by any party hereto or their counsel. Section and subsection numbers, headings, or titles are for convenience only and are not to be construed to limit or to extend the meaning of any part of this lease.

Section and subsection numbers may be omitted or out of sequence because of inclusion or exclusion of sections or subsections in this lease at the option of the State. Cross references to sections or subsections that are not included in this lease should not be construed as material references.

13.08 Time of Essence. Time is expressly declared to be of the essence of this Agreement and each and every covenant of Lessee and the State hereunder.

13.09 Amendments. Any amendments, revisions, supplements, or additions to this Agreement or the attached exhibits shall be made in writing executed by the parties hereto, and neither State nor Lessee shall be bound by verbal or implied agreements. Such changes may be made by re-execution of the signature page and the deletion and addition of the appropriate new effective pages or exhibits governing the change, if any.

13.10 Entire Agreement. This written Agreement or its successor or replacement contains the entire agreement of the parties hereto with respect to the matters covered hereby, and no other agreement, statement or promise made by any party hereto, or to any employee, officer or agent of any party hereto, which is not contained herein, shall be binding or valid.

13.11 Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent prove to be invalid, unenforceable, void, or illegal, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be not affected thereby, and each term and provision of this Agreement shall be valid and be enforced as written to the fullest extent permitted by law.

13.12 Attorney Fees. If either party brings suit or submits to an alternative dispute process to interpret or enforce any provision of the agreement, the prevailing party shall be entitled to reasonable attorney fees, paralegal fees, accountant and other expert witness fees and all other fees, costs and expenses actually incurred in connection therewith, including those incurred on appeal, in addition to all other amounts provided by law, regardless of whether the matter proceeds to judgment or is resolved by the defaulting party curing the default.

13.13 Notices and Submittals. Any notice or submittal given under this Agreement shall be deemed as received when delivered by hand or five (5) days after deposit in the United States mail with first-class postage affixed, addressed as noted. Changes of address may be given in accordance with this section. Any notice or submittal given under this Agreement shall be:

To the State:

Where Agreement provisions require submittal to State office:

Department of Natural Resources
Product Sales and Leasing Division
PO Box 47016
Olympia, WA 98504-7016

Where Agreement provisions require submittal to the State at its Region office:

Department of Natural Resources
Northeast Region
P.O. Box 190
Colville, WA 99114-0190

To the Lessee at the address affixed with signature or Lessee's last known address.

13.14 Exhibits. This agreement is subject to the terms and conditions of exhibits referenced herein, which are attached hereto and by this reference made a part hereof.

Exhibits: 1A - Legal Description and Encumbrances, 5A - HCP Requirements, 10A - Authorized Improvements, 11A- Access Roads, 11B - Other Easements/Road Use Agreements

PICKNICK PINES INVESTMENT GROUP, LLC

Dated: 09-18-06, 20____.

CHUCK GROOM, President

Address: 9212 South Silver Lake Road
Medical Lake, WA 99022

Phone: (509) 299-3223

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: 9-28, 2006.

JOHN X. VIADA
Northeast Region Manager

Approved as to form this
27 day of February, 2003
Jim Schwartz, Assistant Attorney General

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NOTARIAL CERTIFICATE
ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

I certify that I know or have satisfactory evidence that Chuck Groom Pres. Chuck Groom [name(s)] (is / are) the person(s) who appeared before me, and said person(s) acknowledged that (he / she / they) signed this instrument, on oath stated that (he / she / they) (was / were) authorized to execute the instrument, and acknowledged it as the LLC [office(s) or title(s)] of Picknick Pines Investment Group (business name of the Lessee) to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in the instrument.

DATED: 9-18-06

Shawn M. Soliday
NOTARY PUBLIC in and for the
State of WASHINGTON
My appointment
expires 6-20-07

(Seal or Stamp)

SHAWN M. SOLIDAY
COMMISSION EXPIRES
NOTARY
PUBLIC
6-20-07
STATE OF WASHINGTON

EXHIBIT 1A
Legal Description of Premises & Encumbrances

That portion of the NE1/4SW1/4, lying south of the north 700 feet thereof and west of an easement for right of way for county road granted to Spokane County, December 31, 1924, under Application No. 1061, having an area of 2.23 acres, more or less, and;

Those portions of the SW1/4SW1/4NE1/4SW1/4 and NW1/4NW1/4SE1/4SW1/4, lying easterly of an easement for right of way for county road granted to Spokane County, December 31, 1924, under Application No. 1061, having an area of 3.75 acres, more or less, all in Section 16, Township 24 North, Range 41 East, W.M., Spokane County, Washington.

Encumbrances

Subject to easement for right of way for overhead power line, heretofore granted under Application No. 29192, for an indefinite term.

Subject to Department of Natural Resources Water Rights No. 4989, filed June 18, 1974.

Subject to the rights of the holder of Communication Site Lease No. A35287, expiring on September 30, 2012.

Subject to the right of the holder of Grazing Lease No. B65444, expiring on May 21, 2013.

Pending Applications

Subject to easement for right of way for pipeline, heretofore granted under Application No. 54952.

EXHIBIT 10A
Authorized Improvements

IMPROVEMENTS AUTHORIZED BY THE STATE:

Description	Location
Cyclone fence, four feet high	East of county road
Septic tank and drainfield	East of county road
Eleven trailer spaces and hookups	West of county road

STATE-OWNED IMPROVEMENTS, INCLUDING, BUT NOT LIMITED TO:

Description	Location
None	