Application for Use of State-owned Aquatic Lands

Applicant Name: HARBOR SHORES, LLC
County: Whatcom County
Water Body: Dakota Creek
Type of Authorization - Use: Easement – Underground Sewer Main
Authorization Number: 51-087287
Term: 30 years

Description: This agreement will allow the use of State-owned aquatic lands for the sole purpose of constructing and maintaining an underground Sewer Main. It is located under Dakota Creek, in Whatcom County, Washington.

Posted 5/3/2011
APPLICATION FOR AUTHORIZATION TO USE STATE-OWNED AQUATIC LANDS

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

I. SUBMISSION OF APPLICATION

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

APPLICATION MUST BE FILLED OUT IN BLUE OR BLACK PEN

Please send the completed application form to your region land manager at:

Washington State Department of Natural Resources
Attn: Ms. Brenda Werden
919 N Township Street
Sedro Woolley, WA 98284-9384

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

II. APPLICANT INFORMATION

Date of Application: March 16, 2011

Authorization to be Issued To (how name is to appear in the lease document): Harbor Shores LLC

Applicant’s Representative: Mr. Skip Jansen

Relationship to Applicant: Managing Member

<table>
<thead>
<tr>
<th>Address: 4167 Mitchell Way</th>
<th>City: Bellingham</th>
<th>State: WA</th>
<th>Zip Code: 98226</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone: 360-738-3990</td>
<td>Fax: 360-738-4690</td>
<td>E-Mail: <a href="mailto:skip@ijicorp.com">skip@ijicorp.com</a></td>
<td></td>
</tr>
</tbody>
</table>

FOR OFFICIAL USE ONLY

<table>
<thead>
<tr>
<th>Land Manager:</th>
<th>New Application:</th>
<th>Renewal Application:</th>
<th>Land Manager Initials:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Manager: Type:</td>
<td>(20, 21, 22, 23, 31)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Records: New Application Number:</td>
<td>Trust</td>
<td>County:</td>
<td>AQR Plate No.</td>
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</table>
II. APPLICANT INFORMATION continued

Department of Revenue Tax *Registration Number (Unified Business Identifier) is Required: 602540647

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

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

Other □ (Please Explain):

Has the site use been authorized before or is it currently under lease? Yes □ Lease Number:
No □ Don’t Know □

III. LOCATION

The Body of Water on which the state property is located:
Dukota Creek, Blaine, Washington

County in which the state property is located: Whatcom

Government Lot:

Section: 07

Township: T40N

Range: R01E

E □ or W □

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

Physical description of Project Area (For example, Marsh, Tidelift adjacent to the Chehalis River, etc.):

Tidally influenced, lower reach of Dukota Creek.

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

North bank – City of Blaine Address: 344 H Street, Blaine, WA 98230 (360) 332-8820 (Steve Banham)
South bank – Rodny M. and Christy M. Lonquist Address: 4580 Shipyard Road, Blaine, WA 98230 (360) 220-5090

Address: See above
City: State: Zip Code:

Phone Number:
Fax Number
E-mail:

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

County Parcel No(s). for adjacent properties, upland, and/or adjacent tideland properties:
North bank – Haws Street Right-of-Way; South Bank – Tax Parcel No: 400107 4722645
## IV. USE OF PROPERTY

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

Property will be used as a corridor for an underground sanitary sewer force main. It is proposed to construct a directional bore, and install a 4-inch or less diameter High Density Polyethylene pipe. The construction will place the pipe approximately twenty feet below the creek bottom.

<table>
<thead>
<tr>
<th>Is or will the Property be subleased to another party?</th>
<th>Yes ☐ No ☑</th>
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<tbody>
<tr>
<td>If yes, submit a copy of the sublease agreement.</td>
<td></td>
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</table>

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<thead>
<tr>
<th>What are the current and past uses of the site?</th>
<th>North bank is undeveloped street right-of-way. The south bank is in a residential setting.</th>
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</table>

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<tr>
<th>Do you have any knowledge of contamination of the site by toxic or hazardous substances, or of past uses or practices that might have lead to contamination by such substances?</th>
<th>Yes ☐ No ☑</th>
</tr>
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<tbody>
<tr>
<td>If so, please explain:</td>
<td></td>
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<tr>
<th>Do you know if any fill material has been placed on the property in question?</th>
<th>Yes ☐ No ☑</th>
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<tbody>
<tr>
<td>If yes, please explain:</td>
<td></td>
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## V. IMPROVEMENTS

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

<table>
<thead>
<tr>
<th>What physical improvements currently exist on the site? (Photos may be required.)</th>
<th>None. Property is a tidally influenced creek. See attached aerial photograph.</th>
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<tr>
<th>If there are physical improvements currently on the site, who owns them?</th>
<th>N/A</th>
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<tr>
<th>If there are physical improvements currently on the site, describe their condition:</th>
<th>N/A</th>
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<tr>
<th>Which, if any, of the existing physical improvements will be removed, remodeled, or reconstructed?</th>
<th>N/A</th>
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<tr>
<th>Describe any physical improvements that the applicant is proposing to construct on the site:</th>
<th>Construct an underground sanitary sewer pipeline – 4-inches or less in diameter.</th>
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</table>

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Has any fill material been placed on the site? Yes ☐ No ☒
If Yes, please describe:

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

Please include the following permit applications, permits, or waivers with the application:

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

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

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

Describe any habitat mitigation required by any of the permitting agencies identified above and identify where such mitigation is proposed to occur: No impacts anticipated, therefore no mitigation proposed.

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

Applicant Name (please print):
Mr. Skip Jansen, Harbor Shores LLC
Title:
Managing member

Applicant or Authorized Signature:

Date:
March 16, 2011