

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BRIAN J. BOYLE
Commissioner of Public Lands
Olympia, Washington 98504

RECEIVED

JUN 11 1986

DEPARTMENT OF
NATURAL RESOURCES

ORIGINAL

ADm - Agreement
LEASE AGREEMENT
Dept. NAT'L Resour

WASTE OUTFALL LEASE NO. 22-002592

BY THIS LEASE, by and between the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, hereinafter called the Lessor, and CITY OF PORT ORCHARD, hereinafter called the Lessee, the Lessor leases to the Lessee on the terms and conditions as hereinafter set forth the following described tract or parcel of state land situate in Kitsap County, Washington, to wit:

That portion of the harbor area and bed of Sinclair Inlet, owned by the State of Washington, situate in front of Section 25, Township 24 North, Range 1 East, W.M., more particularly described as follows:

Commencing at the East 1/4 corner of Section 25, Township 24 North, Range 1 East, W.M., Kitsap County, thence North 1° 15' 24" East along the east line of said Section 25, 1,991.03 feet, thence North 88° 44' 36" West 861.63 feet, thence North 8° 34' 04" East 51.11 feet to the true point of beginning, said lease parcel being 10 feet on each side of the following described centerline, thence North 0° 19' 00" East 722.00 feet to the inner harbor line, thence continuing North 0° 19' 00" East 495.90 feet, thence North 15° 00' 13" East 108.80 feet to the outer harbor line, thence continuing North 15° 00' 13" East 404.92 feet and terminus thereof, as shown on the attached Exhibit A; subject to Easement No. 36694 granted to Cascade Natural Gas Corporation on April 5, 1973 for a submarine cable right of way; also, subject to future needs of Washington's Veterans' Home in accordance with chapter 183, Session Laws of 1909.

SECTION 1 OCCUPANCY

1.1 Term. This lease shall commence on the 1st day of January, 1984, and continue to the 1st day of January, 2014, or so long as Lessee holds a valid waste discharge permit, whichever period is less.

1.2 Renewal. The Lessee shall have the right to renew this lease provided the Lessor finds renewal not to be adverse to the public interest.

SECTION 2 USE OF PREMISES

2.1 Permitted Use. The Lessee shall have use of the premises for:

1. Installation, operation and maintenance of a waste outfall.
2. No improvements other than those shown on the approved exhibits on file in lease file no. 22-002592 will be placed or constructed on the premises without written consent of the Lessor.

SECTION 3 PAYMENT

3.1 Rental. Annual base rental in the amount of \$224.68 is due and payable in advance to the Lessor for the first year and thereafter the annual rental shall not be charged, per RCW 79.90.470, unless changed by subsequent legislation. However, the state may charge for resource withdrawal if the city releases effluent which violates Department of Ecology and/or Department of Social and Health Services standards and damages the marine resources.

herein is due and payable. Failure to pay said tax when due and payable shall be considered a breach of the provisions of this lease and the Lessor shall be entitled to all remedies they are entitled to by law, and the remedies provided herein for a breach of a provision of this lease. Any delinquent taxes shall be a debt to the Lessor and in the event the Lessor is subject to any penalties or interest because of the failure of the Lessee to pay such taxes, such penalties and interest shall be payable by the Lessee to the Lessor and shall be considered a debt to the Lessor. In the event the Lessor suffers any costs of whatsoever nature, including attorney fees, or other costs of litigation in collecting said tax, such costs shall be payable by the Lessee and shall be considered a debt due and owing to the Lessor by the Lessee.

SECTION 4 RESERVATIONS

4.1 Entry. The Lessor shall have access to the premises at all reasonable times for the purpose of securing compliance with the terms and conditions of this lease.

4.2 Access. The Lessor reserves the right to grant easements and other land uses on the premises to itself and others when the easement or other land uses applied for will not unduly interfere with the use to which the Lessee is putting the premises or interfere unduly with the approved plan of development for the premises. No easement or other land uses shall be granted until damages to the leasehold shall first have been ascertained by the Lessor and paid to the Lessee by the applicant for the easement or other land use.

4.3 Restrictions on Use. In connection with use of the premises, the Lessee shall:

(1) Conform to applicable laws and regulations of any public authority affecting the premises and the use thereof and correct at the Lessee's own expense any failure of compliance created through the Lessee's fault or by reason of the Lessee's use.

(2) Remove no valuable material without prior written consent of the Lessor.

(3) Not fill or cause to be filled any of the lands covered by this lease, except in connection with the installation, operation and maintenance of the waste outfall such filling and dredging as is found necessary shall be permitted.

(4) Upon violation of any condition of this lease by the Lessee, the Lessor may, within 30 days' notice, cancel the lease and any rights the Lessee may have thereunder.

4.4 Removal of Improvements. If requested by the Lessor, within six months after the date of termination of this lease or within such longer period designated by the Lessor, the Lessee shall cause to be removed at his own expense all improvements placed on the land as provided for in this lease. In those cases where such action is not taken by the Lessee, the Lessor may remove the improvements charging said Lessee for the full cost of the removal and disposal.

SECTION 5 REQUIREMENTS

5.1 Assignment and Sublease. This lease or any portion thereof may not be assigned nor may the lands held hereunder be sublet without the written consent of the Lessor.

5.2 Maintenance.

(1) The Lessee, at his sole cost and expense, shall at all times keep or cause all improvements (regardless of ownership) to be kept in as good condition and repair as originally constructed or as hereafter put, except for reasonable current wear and tear.


(2) The Lessee shall not allow debris or refuse to accumulate on the leased premises, caused either by himself, or any person authorized on the premises by the Lessee. Failure to comply with this provision shall be cause to permit the Lessor to remove the debris and refuse and collect the cost of such removal from the Lessee and/or cancel this lease.

5.3 Condition of Premises and Liability. The premises have been inspected by the Lessee and are accepted in their present condition. Lessee agrees to defend and hold the Lessor harmless from any and all claims suffered or alleged to be suffered on the premises or arising out of operations on the premises.

The Lessee expressly agrees to all covenants herein and binds himself for the payment hereinbefore specified.

Executed this _____ day of _____, 19____.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES



JAMES A. STEARNS, Supervisor

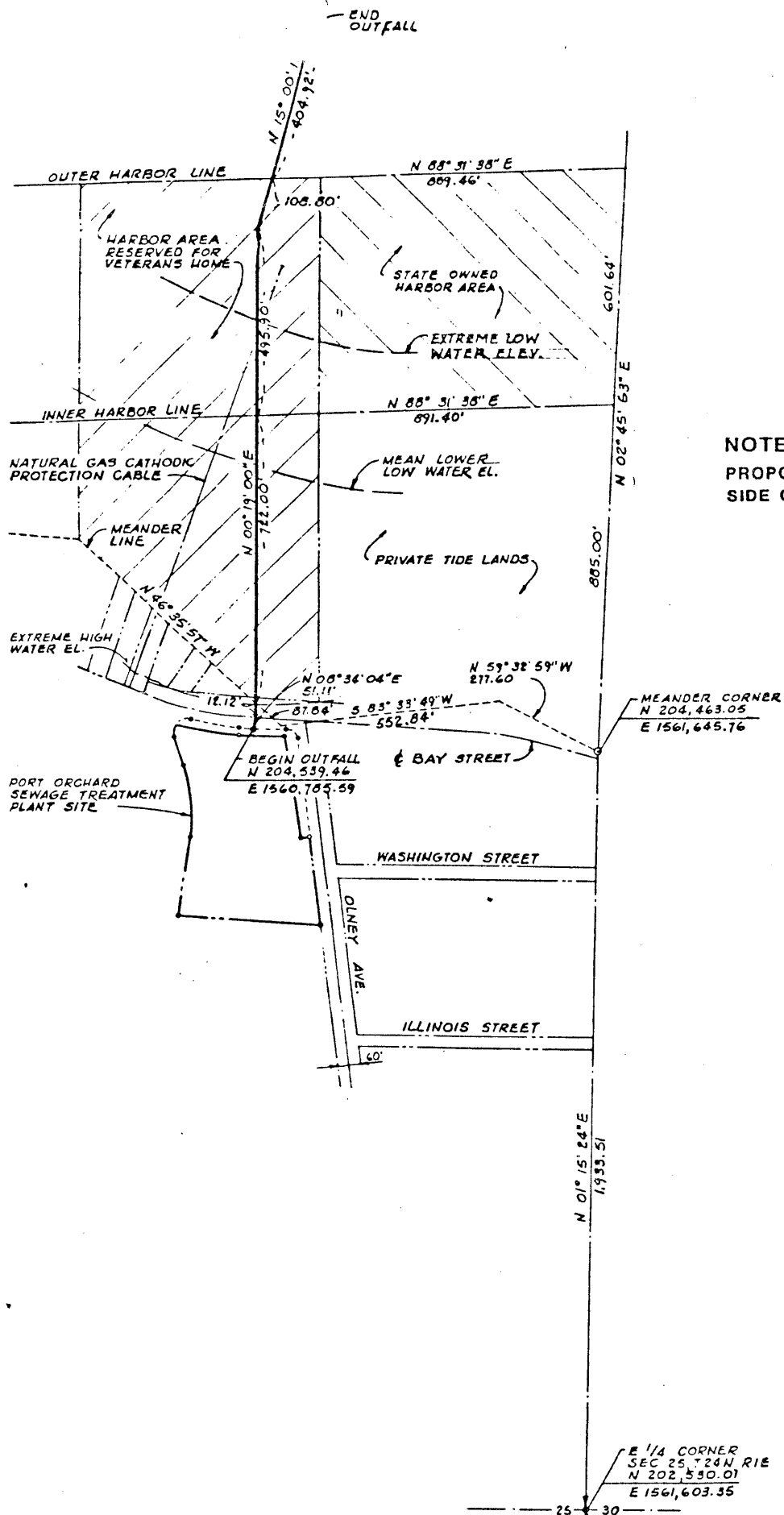
Signed this 10 day of JUNE, 19 86.

CITY OF PORT ORCHARD



PO Box 186
Port Orchard, WA 98366

EXHIBIT A



NOTE:
PROPOSED LEASE AREA IS 10' EACH
SIDE OF OUTFALL CENTER LINE