

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
COLL, Commissioner of Public Lands

CONTRACT FOR REMOVAL OF WALKCONTRACT NO. 38272

This contract made by and between the State of Washington, acting by and through the Department of Natural Resources, hereinafter called the "State" and Stevenson, Washington SKAMANIA COUNTY

Witnesseth: That the State in and for the considerations and upon the terms, conditions, and provisions herein mentioned, does hereby grant, convey, and let unto the Purchaser.

SECTION 1 USE OF PREMISES

1.01 Permitted Use. The right to enter upon, excavate, take and remove 250,000 cubic yards of State-owned material from lands under the jurisdiction of the State described as follows:

Part of SE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 9, Township 2 North, Range 7 East, W. M.
Subject to easement for right of way for pipeline heretofore granted
under Application No. 27707, for an indefinite term.

1.02 Exclusive Rights. Nothing herein contained shall be deemed as a grant of the exclusive use privilege of the premises herein described.

SECTION 2 RENTAL

2.01 Amount. The Purchaser shall and does hereby agree to pay the State \$ 0.50 per cubic yard for all valuable material removed by the Purchaser from said premises.

2.02 Reporting. A fixed minimum annual payment of \$ 50.00 shall be payable in advance. Actual materials removed shall be charged against the minimum annual payment until said payment is exhausted, at which time materials removed must be paid for each December 31 and June 30 in accordance with the royalty rate specified in C.L.N. No portion of the minimum annual payment will be refunded in the event it has not been exhausted by the end of the year. Purchaser shall keep an accurate record and account of all such material removed or taken, and render to the State at the end of each reporting period an itemized account of the respective quantities or amounts thereof taken or removed during such preceding reporting period and at the time of rendering such statement or account, shall pay to the State the full sum for all amounts of material taken or removed during such preceding reporting period. All materials shall be reported and paid for with the removal statement that covers reporting period during which the material was removed whether or not the material was stockpiled at the pit or elsewhere.

2.03 Reappraisal. The price of the material is subject to reappraisal at the end of 5 years, or at least every five (5) years whichever comes first.

SECTION 3 OCCUPANCY

3.01 Term. TO HAVE ACCESS TO AND USE RIGHTS FOR the Purchaser for and during the period from April 1 19 87, to April 1 19 87.

SECTION 4 ROADS

4.01 Authorization. Unless otherwise provided herein the Purchaser is authorized, subject to previous rights conveyed to the State, to use all existing roads on State land and to construct and maintain on State land all roads, with written approval by the State, needed for the removal of the material included in this sale.

4.02 Easements. Purchaser shall provide valid easements to the State of Washington for roads required for access to State land, to a county or State road. State shall allow to the Purchaser right of way access across State land.

4.03 Maintenance. At all times during the term of this contract, Purchaser shall keep all roads constructed on this contract area land open and in such state of repair as to permit normal operation of a motor vehicle at a speed of 35 miles per hour.

4.04 Reservations. The State shall have the right to use, without charge, all existing roads and/or any road constructed or reconstructed on State lands by the Purchaser under this contract for any and all purposes deemed necessary or desirable in connection with the control, management, harvest and administration of State-owned land or the resources thereof and further, the State may extend such rights and privileges to others;

PROVIDED, That use by others shall be controlled by the State so it will not, in the opinion of the Department, interfere unduly with the use of the road by the Purchaser;

PROVIDED, However, contractors using these roads for the removal of timber or other resources must, as the State directs, pay their proportionate share of maintenance of these roads based on their use of them. This required payment shall not relieve any contractor from liability for repair of damage to said roads, including bridges and culverts, due to overloading trucks, carelessness or negligence on the part of the contractor, his employees, subcontractors and their employees.

SECTION 5 RESERVATIONS

5.01 Default. Should the Purchaser violate or default on any of the covenants and provisions contained herein, including the obligation to pay for the fixed minimum annual payment, if so agreed to in this contract, then the State may terminate this contract provided that the Purchaser has been notified of the violation or default fifteen (15) days prior to such cancellation and such violation or default has not been corrected within such time. Upon such cancellation on the State shall have the right to take control of all valuable materials belonging to the State, but not withstanding such cancellation or termination the State shall be entitled to recover the full cost for material removed pursuant to this agreement, or if no material has been removed or if the amount of material removed is less than the fixed minimum payment, the State shall recover the full fixed minimum annual payment. Further, the State shall be entitled to all costs arising out of termination of this contract and a resale, if occurring, of any valuable material rights.

5.02 Audit. The State shall have the right to inspect the books and accounts of the Purchaser in the interest of the State, make such investigations and secure or receive any other material or information necessary to determine whether or not the State is being paid the full amount payable to it for the removal of materials, and in furtherance of the operations of said Purchaser who hereby covenants and agrees to submit such books and accounts for such State inspections at all reasonable business hours.

5.03 Compliance. The Purchaser shall comply with all rules, regulations and laws of the United States and the State of Washington. Violation of the rules, regulations and laws of the United States and the State of Washington, or failure to pay any damages due the State, or noncompliance with any rules, regulations, or laws of the State shall constitute grounds for the forfeiture of the contract rights outlined in the laws of the State and the provisions in this contract.

5.04 Restrictions on Use. In connection with the use of the site, the Purchaser shall: Comply with all public authority concerning planning, zoning and other laws which may affect the contract area in the same manner as if the land was leased from a private owner.

Take all reasonable precautions to protect the land and improvements on the contract area from fire, make every reasonable effort to report and suppress such fires as may affect the contract area, and shall be subject to applicable fire laws affecting the contract area. Not allow debris or refuse to accumulate on the contract area.

5.05 Resource Management Operating Specifications. In the exercise of the rights granted by this contract, the Purchaser agrees to abide by the Department's Resource Management Operating Specifications in effect at the time of execution of this contract. Subsequent changes in specifications proposed by the State, necessary to reasonably protect the environment, will be mutually agreed upon. Costs for such subsequent changes will be borne by the Purchaser.

If the State and the Purchaser fail to agree as to the changes in specifications necessary, a committee comprised of three individuals will be formed. Said committee to be made up of one member appointed by the State, one member appointed by the Purchaser and one member to be appointed by the two aforementioned members. The decision of the committee will be final and binding on all parties.

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5.00 Higher and Better Use. This lease is subject to cancellation upon sixty (60) days' written notice in the event the area covered thereby is included in a plan of development to a higher and better use in the opinion of the State.

SECTION 6 REQUIREMENTS

6.01 Assessments. The Purchaser shall pay the annual payments on all assessments and taxes that are charged now or may be charged in the future to the land or personal property thereon.

6.02 Reclamation Plan. Purchaser shall furnish State a reclamation plan, which is subject to the approval of the Area Manager, which provisions shall become a part of this contract. All operations of the Purchaser under this contract shall be so conducted to re-establish on a continuing basis the vegetative cover, provide soil stability, protect water conditions, avoid damage to productivity of the land, maximize utilization of the site for the removal of materials, insure site appearance and safety conditions appropriated to the intended subsequent use of the area. All topsoil disturbed shall be stockpiled for redistribution.

6.03 Condition of Premises and Liability. The premises have been inspected by the Purchaser and are accepted in present condition. Purchaser will protect, save and hold harmless the State, its authorized agents and employees, from all claims, costs, damages or expenses of any nature whatsoever arising out of or in connection with the use of the contract area. Further, the Purchaser shall be responsible for any fines or penalties charged against the premises as a result of his action in not complying with laws or regulations affecting the premises.

6.04 Unnecessary Damage. Any damage to existing timber and/or reforestation potential deemed by the State to be excessive or unnecessary shall be paid for by the Purchaser at triple the appraised value as determined by the State. The Purchaser may have the right to remove such timber upon payment thereof if such removal is authorized in writing by the State.

6.05 Assignment. No assignment of the Purchaser's rights herein shall be legally valid and effective without the Commissioner's written consent.

6.06 Bond. As a guarantee of the full and faithful performance of the provisions of this contract and the payment of all sums due the State herein, including payment for all damages suffered by the State by reason of the operations under this contract, the Purchaser will deliver before commencing operations under authority hereof, a surety bond in the sum of \$ NONE in a form acceptable to the State.

6.07 Termination. Should the Purchaser wish to terminate the contract provisions contained herein, he shall notify the State, and specify reasons for the termination request. The State may consider a negotiated termination of this contract, however the Purchaser shall be liable for the cost of any valuable material removed before final termination of the contract, and if the Purchaser has removed no material or has removed an amount of material which is less than the value of the fixed minimum annual payment, the Purchaser shall be liable for the full fixed minimum annual payment. Further, the Purchaser shall be liable for any damages to the property from which the valuable material is removed.

SECTION 7 MISCELLANEOUS

7.01 Improvements Belonging To The State. The Purchaser has thirty (30) days after the termination of this contract to remove from the contract area or portion thereof, all machinery, trade fixtures, tools or other equipment. Any machinery, equipment, trade fixtures or tools which are allowed to remain on said contract area or portion thereof shall become the property of the State upon expiration of such period.

The State reserves the right to cancel the contract if the Purchaser does not utilize the contract area as the State feels they should.

Dated at Olympia, Washington, this 27th day of April, 19 77.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By [Signature]
Commissioner of Public Lands

SKAMANIA COUNTY

By [Signature]
Purchaser

P. O. Box 411
Stevenson, WA 98648

App. No. 38272
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FILES FOR RECORD
SKAMANIA CO. WA
BOARD OF COUNTY
COMMISSIONERS
SEP 9 10 30 AM '86
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AUDITOR
MARY M. OLSON