

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
PETER GOLDMARK, Commissioner of Public Lands

RECEIVED

JUN 28 2013

LAND USE LICENSE ("License")
FACE SHEET

KITTITAS COUNTY
GDS

License No. 60-SE1202

DNR Region Southeast Region
County Kittitas County

License authorization period: FROM October 1, 2011 THROUGH December 31, 2012

License Area (legal description/other identifying descriptors):

All of Section 36, Township 19N Range 20E; All Section 16, W $\frac{1}{2}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 10, Township 18N, Range 20, approximately 1800 acres total.

Name of Licensee: Columbia Plateau Energy Facility, LLC C/O Keun Ryu

Address: P.O. Box 862, Ellensburg, WA 98926

Phone: 206-356-6944, 425-248-4999, and alternate contact, Gene Martin 509-899-1413

hereafter referred to as "Licensee," is hereby authorized by the Department of Natural Resources, hereafter referred to as "State," during the specified time period to use land in the above described location

Permitted Use(s):

The Licensee is authorized to come onto the License Area and to use the License Area to study feasibility of wind energy conversion on the License Area. This License authorizes the Licensee to apply for all necessary permits to site wind development. This License authorizes the Licensee to construct, use, repair, replace, relocate, and remove equipment, machines, and vehicles upon the License Area. For example, Licensee may place stakes and conduct survey work, install anemometer towers on the License Area to measure wind flow across the License Area, and operate air track drill equipment to assess soil characteristics on the License Area. Licensee shall have the right to ingress to and egress from its wind measurement equipment on the License Area by means of roads or lanes thereon if existing, or otherwise by such route or routes as agreed to by the State to construct, repair, maintain, relocate or remove its wind measurement equipment from the License Area. Licensee shall be responsible for all expenses and damages associated with its activities on the License Area. This License may be exercised by Licensee and by Licensee's employees, agents, contractors, and invitees. Licensee will

exercise its rights under this Permitted Use section in a way that will minimize interference with State's existing use of the License Area.

Performance Security: Not Required

Amount N/A

Liability Insurance Required: Yes
(see Addendum A, Insurance Requirements, for specifics)

ISSUANCE of this License is subject to the terms and conditions on appended pages (listed below and by this reference made a part of this License):

Addendum A - Terms and Conditions of Land Use License and payment to the State of the sum of **\$3,000.00**.

Exhibit A - Map of authorized access routes for Licensees

Exhibit B - HCP Requirements (use only if License is in the HCP Permit Areas)

The undersigned hereby accepts this License subject to the terms and conditions expressed or implied herein.

Columbia Plateau Energy Facility, LLC

Licensee:

Signature

Date

DEWEY

Print Name

MANAGER

Title

UBI No. (if applicable) 603-088-617

Authorizing Official:

TODD WELKER

Date

Southeast Region Manager

Approved for HCP Clause, February 8, 1999.

by James Schwartz

Assistant Attorney General

State of Washington

- Note:**
- 1) License must be available on site for inspection during licensed activity.
 - 2) This license does not reserve campground or trails.

ADDENDUM "A" - TERMS AND CONDITIONS FOR LAND USE LICENSE

TERMS:

1. Purpose. By issuance of this License, State is conferring the privilege of use of the land and/or improvements herein described, and expressly retains exclusive possession of same.
2. License Authorization Period. This License is limited to the license authorization period(s) specified on *face sheet* and is not subject to renewal.
3. Revocation. This License may be revoked at will, including under the following circumstances:
 - a. immediately upon material breach of any of the conditions herein or, for reasonable cause, by the State's authorized representative without compensation to the Licensee or liability to State;
 - b. upon sixty (60) days' written notice in the event the State includes the License area in a plan for higher and better use, land exchange or sale;
4. Non-Transferrable. This License is personal to the Licensee and may not be transferred.
5. Encumbrances. This License is subject to any rights and valid claims previously conveyed by State, and to any rights and valid claims pending on or encumbering License area.
6. Compliance. State retains possession of and the right to access License area at any and all times to ensure compliance or carry out any management activities.
7. Access. Provisions for the use of rights of way across State land, including the License area and adjacent land are as follows:
 - a. State has no legal access to the License area. Licensee must obtain legal access before entering the License area. In any such License, Licensee must provide for access by State to exercise its rights under this License. Licensee shall submit to State in writing, any Licenses to obtain legal access to the Premises.
8. Condition of Premises. Licensee has inspected the License area and accepts it in its present condition. The State has no obligation to make any repairs, additions, or improvements thereto and expressly disclaims any warranty that the License area is suitable for intended use.

9. Performance Security. As guarantee of the faithful performance of the conditions of this License, the State **may** require performance security by Licensee prior to commencement of activity; such security may be in the form of cash, savings account assignment, bank letter of credit, or performance bond, in such amount as determined by State.
10. Notice to Licensee: This License does not interfere with State's management activities and possible sale or exchange of the land.

CONDITIONS:

1. Compliance with Laws. Licensee shall comply with all applicable laws, including all Department of Natural Resources regulations, county and municipal laws, ordinances, or regulations in effect.
2. Required Permits/Licenses. Licensee shall obtain and be in possession of all permits and licenses required for the permitted use, and shall provide proof of such permits/licenses upon request by State's representative.
3. Responsibility. Licensee assumes responsibility for all activities conducted, including but not limited to supervision and control to prevent injury or damage; maintenance of the premises during the use; clean-up of litter and debris; and provision of surveillance and security to preserve order.
4. Insurance Requirements:
 - a. Evidence of Insurance. Licensee must furnish evidence of insurance in the form of a Certificate of Insurance satisfactory to the State, executed by a duly authorized representative of each insurer showing compliance with the insurance requirements set forth below. The Certificate of Insurance must reference the Department of Natural Resources and the Land Use License number. Before implementing this License, Licensee must provide proof of coverage.
 - b. Cancellation. The Certificate(s) of Insurance must provide 45 days written notice to State before the cancellation, non-renewal, or material change of any insurance coverage included therein. Notices must be sent to State's Ellensburg office via certified mail.
 - c. Additional Requirements.
 - (1) All policies must name State of Washington Department of Natural Resources, as an additional insured.

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

(3) All insurance policies must provide liability coverage on an **occurrence** basis unless otherwise specified in this License.

(4) Policies must be issued by an insurer admitted and licensed by the Insurance Commissioner to do business in the State of Washington. Excess or "surplus lines" carriers must be approved in advance by the Risk Manager (or other authorized representative) of DNR. All insurers must have a Best's rating of B-plus or better.

d. Minimum Coverage Requirements. The Minimum Coverage Requirements set forth the *minimum* limits of insurance the Licensee must purchase to secure a license with State. These limits may not be sufficient to cover all liability losses and related claim settlement expenses. Purchase of these minimum limits of coverage does not relieve the Licensee from liability for losses and settlement expenses greater than these amounts.

During the term of the License, Licensee must purchase and maintain, and shall require all independent contractors to maintain while performing work on License area under this License, the minimum insurance coverages and limits specified below, which may be increased by State at its sole discretion:

(1) Commercial General Liability (CGL) Insurance. Licensee must purchase and maintain CGL on an Insurance Services Office (ISO) form CG 00 01 or equivalent form, covering liability arising from premises, operations, independent contractors, personal injury, and liability assumed under an insured contract. Such insurance must be provided on an occurrence basis. Insurance must include liability coverage with limits not less than those specified below:

Description

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

(2) Business Auto Policy (BAP) Insurance (Required for all licenses). The Licensee must purchase and maintain a BAP on an Insurance Services Office (ISO) form CA 00 01 or equivalent form. The Description of Covered Autos must include one or more of the following:

"Any Auto" (Symbol 1), "Hired Autos Only" (Symbol 8), "Non-Owned Autos," (Symbol 9).

Such insurance must be provided on an occurrence basis. The BAP insurance must include liability coverage with limits not less than those specified below. The Licensee is responsible for any deductible.

Description	Each Accident
Bodily Injury and License Area Damage	\$1,000,000

(3) Worker's Compensation and Employer's Liability Insurance. The Licensee must purchase and maintain insurance covering obligations imposed by Federal and State statutes having jurisdiction of its employees in the performance of work, including Employer's Liability Insurance. Evidence of "Qualified Self-Insurance Status" will suffice to meet the requirements of this section.

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

e. Self-Insurance. In lieu of the coverages required under this section entitled "Insurance Requirements," the State at its sole discretion, may accept evidence of self-insurance by the Licensee, provided the Licensee provides the following:

(1) Licensee shall provide a statement by a CPA or actuary, satisfactory to the State that demonstrates Licensee's financial condition is satisfactory to self-insure any of the required insurance coverages.

(2) State may require Licensee to provide the above from time to time to ensure Licensee's continuing ability to self-insure. If at any time the Licensee does not satisfy the self-insurance requirement, Licensee shall immediately purchase insurance as set forth under this section entitled "Insurance Requirements."

Aside from any "self-insurance" guaranteed by the Licensee, it is the responsibility of the Licensee to ensure that its contractors, concessionaires, agents, employees, guests, invitees, or affiliates in, on, under, or above the License area, any adjoining License Area, or any other License Area subject to use by Licensee in conjunction with its use of the License area, meet minimum insurance requirements described above.

5. Indemnification. Licensee shall indemnify, defend (with counsel acceptable to State) and hold harmless State, its employees, officers and agents from any and all liability, damages (including, but not limited to, personal injury and damages to land and other natural

resources), expenses, causes of action, suits, claims, costs, fees (including, but not limited to, attorneys' fees), penalties, or judgments, of any nature whatsoever, arising out of the use or occupation of the License Area by Licensee, its contractors, concessionaires, agents, employees, guests, invitees, customers or affiliates, except as may arise solely out of the willful act of State or State's elected officials, employees, or agents. To the extent that RCW 4.24.115 applies, Licensee shall not be required to indemnify, defend, and hold State harmless from State's sole or concurrent negligence. This section shall not in any way limit Licensee's liability under section entitled *Environmental Liability/Risk Allocation*.

6. Protection of Natural Resources and Improvements. Licensee shall take all reasonable precautions to prevent or minimize damage to natural resources (e.g., vegetation, wildlife, soil, water) and improvements (crops, buildings, roads, etc.) within the License area. Licensee shall cut no State timber, remove no State-owned valuable material (as defined in RCW 79.02.010 plus coal, minerals, oil or gas), disturb or remove any cultural, historical or paleontological (fossils) resources, without written prior consent of the State. Upon revocation or expiration of this License, Licensee shall reclaim any disturbed areas to the specifications of the State within a reasonable amount of time as agreed to by State's authorized representative. Damage to timber, crops and improvements not identified and paid for under the terms and conditions of this License shall be appraised by the State. The Licensee shall be liable for said damages at the appraised rate.
7. Cleanup. All garbage shall be packed out, or disposed of as required by the State's authorized representative, within the license authorization period of this License.
8. Improvements/Personal License Area. No building or other structures will be erected under this License within the License area. Any unauthorized improvements shall either be removed immediately by the Licensee, removed by State at the cost of the Licensee, or become the License Area of State, at State's option. All personal Property must be removed from the premises upon revocation or expiration of this License. Any property remaining after 24 hours will become the property of the State, unless a longer time allowance is specifically authorized by the State under the "Additional Terms and Conditions" section below.
9. Advertising. Licensee shall file with the State's authorized representative copies of all advertising brochures or other handouts describing the activity/event for which this License is issued. Licensee shall ensure advertising does not imply the endorsement of the Washington State Department of Natural Resources.
10. Noxious Weeds. Licensee shall take all reasonable precautions, which may be directed by State's representative, to control the spread of noxious weeds as a result of their activity. Licensee shall be responsible for, or shall immediately reimburse State, for any weed control cost incurred as a result of Licensee's failure to comply with precautions

directed by State. All methods of chemical weed control shall be approved in writing by State prior to beginning such activities.

11. Discrimination. Licensee shall not conduct or suffer any business upon the License area which unlawfully discriminates against any person on the basis of race, color, creed, religion, sex, age, or physical or mental handicap.
12. Environmental Liability/Risk Allocation
 - a. Definition. "Hazardous Substance" means any substance which now or in the future becomes regulated or defined under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to human health, environmental protection, contamination or cleanup, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. '9601 *et seq.*, and Washington's Model Toxics Control Act ("MTCA"), RCW 70.105D.010 *et seq.*
 - b. Use of Hazardous Substances. Licensee covenants and agrees that Hazardous Substances will not be used, stored, generated, processed, transported, handled, released, or disposed of in, on, under or above the License area, except in accordance with all applicable laws. Licensee agrees to use hazardous substances only to the extent necessary to the permitted use under this License.
 - c. Deleterious Material. Licensee shall not make, or suffer to be made, any filling in of the License area or any deposit or 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. If the Licensee fails to remove all non-approved fill material, refuse, garbage, wastes or any other of the above materials from the License area, the Licensee agrees that the State may, but is not obligated to, remove such materials and charge the Licensee for the cost of removal and disposal.
 - d. Notification and Reporting. Licensee shall immediately notify State if Licensee becomes aware of any of the following:
 - (1) a release or threatened release of Hazardous Substances in, on, under or above the License area, any adjoining property, or any other property subject to use by Licensee in conjunction with its use of the License area;
 - (2) any problem or liability related to or derived from the presence of any Hazardous Substance in, on, under or above the License area, any adjoining property, or any other property subject to use by Licensee in conjunction with its use of the License area;

(3) any actual or alleged violation of any federal, state or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances with respect to the License area, any adjoining property, or any other property subject to use by Licensee in conjunction with its use of the License area;

e. Indemnification and Burden of Proof. Licensee shall fully indemnify, defend (with counsel acceptable to State), and hold State harmless from and against any and all claims, demands, damages, natural resource damages, response costs, remedial costs, cleanup costs, losses, liens, liabilities, penalties, fines, lawsuits, other proceedings, costs, and expenses (including attorneys' fees and disbursements), that arise out of or are in any way related to:

(1) the use, storage, generation, processing, transportation, handling, release or disposal of any Hazardous Substance by Licensee, its contractors, concessionaires, agents, employees, guests, invitees, or affiliates in, on, under, or above the License area, any adjoining property, or any other property subject to use by Licensee in conjunction with its use of the License area, during the license authorization period of the License or during any time when Licensee occupies or occupied the License area or any such other property;

(2) the release or threatened release of any Hazardous Substance in, on, under, or above the License area, any adjoining property, or any other property subject to use by Licensee in conjunction with its use of the License area, which release or threatened release occurs or occurred during the license authorization period of the License or during any time when Licensee occupies or occupied the License area and as a result of:

a. Any act or omission of Licensee, its contractors, concessionaires, agents, employees, guests, invitees, or affiliates; or,

b. Any act or omission of a third party unless Licensee exercised the utmost care with respect to the foreseeable acts or omissions of the third party and the foreseeable consequences of those acts or omissions.

13. Erosion and Damage to Soil. During operations under this License, including the construction of roads, the Licensee shall take such precautions as necessary to minimize insofar as possible soil erosion and damage to the soil. Equipment will not be operated when ground conditions are such that excessive damage will result.

14. Test Pits and Test Holes. The Licensee shall backfill or otherwise replace all soil removed from pits, ditches, or other excavations created by the Licensee and shall cap all drill holes created by the Licensee. Provided further, the Licensee shall make available to

the State representative all samples, cores, and a copy of reports and description upon completion of said exploratory drillings and excavations.

15. Preservation of Surveys. All legal land subdivisions survey corners and witness objects are to be preserved. If such are destroyed or disturbed, the Licensee shall re-establish them by a registered professional engineer or licensed land surveyor in accordance with U.S. General Land Office standards at its own expense. Corners and/or witness objects that must necessarily be disturbed or destroyed in process of construction must be adequately referenced and/or replaced in accordance with all applicable laws of the State of Washington in force at the time of construction, reconstruction, or development of the right of way including but not limited to RCW 58.24, and all Department of Natural Resources rules and regulations pertaining to preservation of such corners and/or witness objects. Such references must be approved by the State prior to removal of said corners and/or witness objects.
16. Obstruction. Licensee shall not obstruct said roads or take any action to restrict the flow of traffic on said roads without the State's written permission.
17. Plan of Operation. Thirty (30) days prior to commencement of the activity licensed herein, the Licensee shall submit to the State representative, for written approval, a complete and detailed plan of operation for the intended activity. The Licensee shall provide for the examination of the License area, with the State representative, before any construction, reconstruction, or development is commenced.
18. Compliance with the Habitat Conservation Plan (HCP). The License Area is located within an area that is subject to State's Habitat Conservation Plan adopted in connection with Incidental Take Permit No. PRT-812521 (ITP) as supplemented by Permit No. 1168 (Collectively "ITP"). As long as the Habitat Conservation Plan remains in effect, Licensee and all persons acting under Licensee shall comply with the terms and conditions set forth in Exhibit B while operating on License Area. State shall have the right to modify these terms and conditions from time to time to comply with the Habitat Conservation Plan, the ITP, the Endangered Species Act, the implementing regulations, and amendments thereto, or the requirements of the federal agencies administering these laws.

Additional terms and conditions:

19. Site Rehabilitation. Prior to expiration or termination of this License, at the State's request and sole option, the Licensee, at its sole cost, shall rehabilitate the lease premises as follows:
 - a. The Licensee shall remove all towers, tower foundations, and any other aboveground or underground fixtures placed on the premises during the term of

the License.

- b. The Licensee shall plant a grass seed mixture acceptable to the State on the portion of the premises which has been disturbed under the term of this permit.
20. Reports. The Licensee shall submit to the State copies of all wind, wildlife study and archaeological survey information relating to the License Area on an on-going basis and the State shall have the unrestricted rights to use this information in the event the Licensee abandons the License Area. All of the following data, collected or prepared are to be submitted.
- a. Map(s) showing the locations and orientation of anemometer tower(s), including UTM coordinates;
 - b. All wind survey data collected, data shall be formatted to include monthly speed, direction, and other useful reports generated by off-the-shelf commercial software provided by the manufacturer of the wind monitoring equipment;
 - c. Map showing the location and orientation of any exploratory drill holes;
 - d. Results of engineering studies relating to site stability;
 - e. Map(s) showing any wildlife studies conducted, including UTM coordinates; and
 - f. Interpretations, reports, conclusions, derived from this data.
 - g. Archaeological survey reports

EXHIBIT B HCP REQUIREMENTS

1. The Licensee shall immediately notify the State of new locations of permit species covered in the Incidental Take Permit (ITP) that are discovered within the License Area covered by the Habitat Conservation Plan (HCP), including, but not limited to: locations of occupied murrelet habitat; spotted owl nest sites; wolves; grizzly bears; nests, communal roosts, or feeding concentrations of bald eagles; peregrine falcon nests; Columbian white-tailed deer; Aleutian Canada geese; and Oregon silverspot butterflies. In all circumstances notification must occur within a 24 hour time period.

2. Upon locating any live, dead, injured, or sick specimens of any listed species covered by the ITP within the License Area the Licensee shall immediately notify the State. In all circumstances notification must occur within a 24 hour time period. Licensee may be required to take certain actions to help the State safeguard the well-being of any live, injured or sick specimens of any listed species discovered, until the proper disposition of such specimens can be determined by the State.

3. Any Forest Practices Permit application submitted for activities on the License Area must comply with the ITP and HCP and identify that the License Area is within an area covered by a Habitat Conservation Plan and part of the Incidental Take Permit No. PRT-812521 as supplemented by Permit No. 1168.

8789

CASHMERE VALLEY BANK
P.O. BOX 249
LEAVENWORTH, WA. 98826
98-460/1251

Derald E. Martin
Margaret A. Martin
P.O. Box 862
Ellensburg, Wa. 98926

10/5/11

PAY TO THE ORDER OF Dept of Natural Resources
Two thousand dollars and no ^{cents} 100 DOLLARS

\$ 2000.00

[Signature]

MEMO

[Redacted area]

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STATE OF WASHINGTON
Department of Natural Resources

011392

FIELD RECEIPT

DATE 10-5-11

RECEIVED OF Derald E. Martin

Address P.O. Box 862 City Ellensburg State WA Zip 98926

Check \$ 2000.00 Money Order \$ _____ Cash \$ _____

Two thousand + no/100 DOLLARS

For Lease # 100-SE/1002

By Alynn Woods *[Signature]*

DD-06 (Rev 11/96)

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