DUPLICATE
COPY

No. HA-2027

LEASE AND BOND
OF
Harbor Areas

STATE OF WASHINGTON

TO

PHILLIPS PETROLEUM COMPANY

Address 4201 Wilshire Boulevard
Los Angeles, California 90005

Harbor of Bremerton

Application No. HA 2027

RECEIVED
OCT 25 1966
COMMISSIONER OF PUBLIC LANDS
No.

DNR-00000714

STATE OF WASHINGTON, } ss.
County of.....

We, ...

of....., as principal....., and we, ...

COMMERCIAL UNION INSURANCE COMPANY OF NEW YORK

as sureties, all of the State of Washington, County of....., do confess ourselves indebted to the State of Washington in the penal sum of Five Hundred ($500) Dollars, and to the payment of which we are held and firmly bound, and do by these presents bind ourselves, our and each of our heirs, executors, administrators or assigns, jointly and severally, firmly by these presents.

Sealed with our seals this.....day of....., A. D. 19.....

The condition of the above obligation is such that, Whereas, the principal....., in the foregoing bond did enter into a certain lease and contract with the State of Washington (which is hereto attached and made part of this instrument, and all the conditions of which are written into and made part of this instrument), whereby the above bounden principal..... ha..... leased from the State of Washington the part, lot or parcel of property described in said hereto attached lease and contract, upon all the conditions set up in said lease and contract: Now, therefore, if the said above named lessee....., the principal....., herein, shall well and truly perform all the conditions set up and prescribed in the said lease and contract hereto attached, in all and every part thereof, then this bond shall be considered satisfied and discharged; otherwise it shall have full force and effect.

Signed with our hands and sealed with our seals, this day and year first above written.

(Bond No. 572 877)

PHILLIPS PETROLEUM COMPANY

By G. E. Glatfeder [SEAL]

Assistant to the Vice President

(b) (6) [redacted] [SEAL]

[redacted] [SEAL]

[redacted] [SEAL]

The foregoing bond and the sureties thereon approved this 28th day of October, 1966

Bert L. Cole

Commissioner of Public Lands.

TO BE EXECUTED BY SURETIES ONLY

STATE OF WASHINGTON, } ss.
County of.....

.....,

being first duly sworn, each for himself, and not one for the other, deposes and says: That he is a citizen of the State of Washington and is not barred by any statute of said State from executing bonds or becoming a surety; that he is one of the persons named in and who executed the foregoing obligation as surety, and that the same is his free and voluntary act and deed for the uses and purposes therein mentioned; that he is worth the sum of $500.00, over and above all his just debts and liabilities, in separate property situated in said State, and not exempt from sale on execution.

.....

.....

.....

Subscribed and sworn to before me this.....day of....., A. D. 19.....

.....

Notary Public in and for the State of Washington,

Residing at.....

To have and to hold for the term of ten (10) *years from the date of this instrument, for the purpose of building and maintaining upon the above described harbor area, wharves, docks and other structures for the convenience of navigation and commerce, as may be determined by legislative enactment or by rule of the Commissioner of Public Lands.*

This indenture is executed in consideration of the covenants and stipulations herein contained, and of the payment annually in advance of rental in the amount 6 *% of the true value, in money, of the harbor area (exclusive of improvements) as fixed by the assessor of* Kitsap *County in accordance with the provisions of Sec. 130, Chap. 255 of the Laws of 1927 (RCW 79.01.520) as follows:*

"The assessor shall thereupon determine the true and fair value in money of such harbor area (exclusive of the improvements thereon) as of March 1st preceding the date of the filing of such application, and certify the same to the Commissioner, which true and fair value in money of such harbor area, shall be the value at which the property would be taken in payment of a just debt from a solvent debtor. Such value shall be the basis of the rental until the assessor's next valuation, as herein provided. The assessor shall thereafter, in even numbered years, as of March 1st, place a valuation on such harbor area (exclusive of improvements) as above provided, and certify the same to the Commissioner and such valuation shall be the basis of rental for the two year period following such valuation."

The State of Washington shall have the right to regulate, either under rules established by the Commissioner of Public Lands, or by legislative enactment, or by both methods, the rates of wharfage, dockage and other tolls, to be imposed by the lessee..... upon commerce for any of the purposes for which said leased harbor area may be used, and to change such regulations and rates from time to time, and the right to prevent by such means and in such manner as it may adopt, extortion, discrimination, unequal or exclusive privileges, and to cancel this lease for the violation of any law, rule, regulation or order governing the same.

The State of Washington shall have the power by the Commissioner of Public Lands to cancel this lease upon a breach of any of its conditions by the lessee..... or for the failure or refusal of the said lessee..... to erect, within a reasonable time hereafter, and continuously to operate and maintain in and upon the above described harbor area the wharves, buildings or other structures described and represented in the exhibits of improvements proposed to be erected therein by said lessee....., which have heretofore been filed with the Commissioner of Public Lands, or as altered with the consent and approval of said Commissioner entered upon his records.

The State of Washington reserves unto itself, port district, county, city or other public agency in the territory where the portion of the harbor area described in this lease is located, the right to assume and thereafter hold this lease upon acquirement of the tide lands contiguous thereto and fronting thereon, without any value for said lease except for improvements thereon: Provided, That this covenant shall not be held to apply to any cancellation of this lease ordered by the Commissioner of Public Lands on account of fraud or breach of any of the covenants of this lease, or a failure to file and keep therewith a good and sufficient bond as provided by law, but in such case the improvements upon the said leased area shall become the property of the State.

The lessee..... shall not make or suffer to be made any artificial filling in of said leased area or any deposit of rock, earth, ballast, refuse, garbage or other matter within such area, except as provided by law or as approved in writing by the Commissioner of Public Lands.

If the said lessee..... shall fail to pay to the State the rental hereinbefore provided on the date when the same is due, or within sixty days thereafter, the Commissioner of Public Lands may declare this lease canceled and all rights or claims of the said lessee..... under this lease in and to the said area or in or to any improvement therein or thereon, shall immediately thereupon vest in the State of Washington.

The lessee..... herein shall not sub-let the whole or any part of said leased area except upon the written permission of the Commissioner of Public Lands.

All the conditions and covenants set forth in this indenture are declared to be of the essence of the contract, and a breach of any one is a breach of the whole.

Executed in duplicate this day and year above written.

THE STATE OF WASHINGTON.

By Bert L Cole
Commissioner of Public Lands.

PHILLIPS PETROLEUM COMPANY

By W. S. Blackmund
Assistant to the Vice President
Title ~~Lessee~~

P. O. Address 4201 Wilshire Boulevard
Los Angeles 90005

County, State of California

DNR-00000716

S. F. No. 490—11-61—3M. 71165. ~~COPY~~ DUPLICATE Bremerton - B/P17

STATE OF WASHINGTON, COUNTY OF THURSTON, *ss.*

THIS INDENTURE, Made this 7th *day of* May *, A. D. 19*66

by and between the State of Washington, party of the first part, lessor, and

PHILLIPS PETROLEUM COMPANY *, party of the second part, lessee*

WITNESSETH, That the State of Washington, lessor, does hereby lease, demise and let unto said party of the second part the following described property, situate in said State, County of Kitsap *, and being that part of the harbor area in front of the following described property, towit:*

Lot 6, Section 11, Township 24 North, Range 1 East, W.M., Bremerton Tide *Lands,*

and more particularly described as follows:

That portion of the harbor area lying in front of Lot 6, Section 11, Township 24 North, Range 1 East, W.M., between the easterly line of Waterway No. 4 and the east line of Lot 6 of said Section 11, produced northerly across the harbor area to the outer harbor line, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

Annual rental, $ 120.00 (First Period)

Payable May 7th

Application No. HA 2027

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PROOF READ ll/jp