

Form Approved  
by VP-Law

Contract No. BF-3828  
Tracking No. RWJ-223

**PIPE LINE LICENSE**

**THIS LICENSE**, made this 12th day of November, 1997, subject to the terms and conditions set forth herein, between **THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY**, its successors and assigns, a Delaware corporation (hereinafter called "Licensor"), party of the first part, and **GARY SCOTT HAUGEN AND JANE A. HAUGEN**, husband and wife, dba **FOUR SEASONS CAMPGROUND**, (hereinafter, whether one or more, called "Licensee"), party of the second part.

**WITNESSETH**, That the parties hereto for the consideration hereinafter expressed covenant and agree as follows:

1. Subject to the terms and conditions hereinafter set forth, Licensor grants a non-exclusive license to Licensee for it and/or its contractors to construct and maintain ONE (1) WATER PIPELINE, 2-INCHES IN DIAMETER (hereinafter, whether one or more pipe lines, called the "PIPE LINE"), across or along the rail corridor of Licensor at or near the station of Pifer, Adams County, Washington, Line Segment 46, Mile Post 47.46, the location of the PIPE LINE being more particularly shown on the attached EXHIBIT "A", dated July 26, 1997, and made a part hereof.
2. This agreement shall be effective DECEMBER 1, 1997.
3. Licensee shall use the PIPE LINE solely for carrying WATER and shall not use it to carry any other commodity or for any other purpose whatsoever.
4. Licensee shall pay Licensor as compensation for this license the sum of TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$2,500.00). This fee is for an indefinite review period for this license which means that there will be no future lease changes or no future lease fees.
5. Licensee shall, at its own cost and subject to the supervision and control of Licensor's field engineer, locate and/or relocate, construct and maintain the PIPE LINE in such a manner and of such material that it will not at any time be a source of danger to or interference with the present or future tracks, roadbed or rail corridor of Licensor, or the safe operation of its railroad. When the PIPE LINE is used for oil, gas, petroleum products, or other flammable or highly volatile substances under pressure, the PIPE LINE shall be constructed, installed and thereafter maintained in conformity with the plans and specifications shown on print hereto attached, marked Exhibit B and made a part thereof. If at any time Licensee shall, in the judgment of Licensor, fail to perform properly its obligations under this paragraph, Licensor may, at its option, arrange for the performance of such work as it deems necessary for the safe operation of its railroad, and in such event Licensee agrees to pay, within fifteen (15) days after bill shall have been rendered therefor, the cost so incurred by Licensor, but failure on the part of Licensor to perform the obligations of Licensee shall not release Licensee from liability hereunder for loss or damage occasioned thereby.

*GS*      *JAH*

6. Licensee shall reimburse Licensor for any expense incurred by Licensor for false work to support Licensor's tracks and for flagman to protect its traffic during installation and maintenance periods and for any and all other expense incurred by Licensor on account of the PIPE LINE. (The current rate, subject to change without notice, for furnishing of Licensor's Flagman is a minimum daily charge of \$300.00, for the first eight hours, or any part thereof, per day, with an hourly charge of \$45.00 per hour for any time over eight hours per day).

7. Prior to any boring work on or about any portion of the Premises, Licensee shall explore the proposed location for such work with hand tools to a depth of at least three (3) feet below the surface of the ground to determine whether pipeline(s) or other structures exist below the surface, provided, however, that in lieu of the foregoing, the Licensee shall have the right to use suitable detection equipment or other generally accepted industry practice (e.g., consulting with the Underground Services Association) to determine the existence or location of pipeline(s) and other subsurface structures prior to drilling or excavating with mechanized equipment.

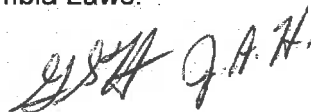
8. Prior to installation and/or maintenance work on the PIPELINE, five (5) days advance notice must be given to Licensor's Roadmaster, John Espinosa at Pasco, WA., telephone (509) 546-3290.

9. (a) Except as set forth in Section 9 (b), Licensee shall release, indemnify, and hold harmless Licensor for all losses, damages, expenses, injuries or death to Licensee, its employees, agents and contractors, arising in any manner from the performance of this agreement, except for Licensor's gross negligence or intentional misconduct.

Licensee further agrees to release, indemnify, and hold harmless Licensor for all losses, damages, expenses, injuries, or death to any person, including Licensor, which arise in any manner from the construction, maintenance, use, state of repair or presence of Licensee's pipeline(s).

(b) Whenever any employee, agent or contractor of Licensee or any of Licensee's Parties makes any claim for personal injury or death against Licensor within the meaning of the Federal Employers' Liability Act, or any applicable safety act, (45 U.S.C. e51 et. seq.), for any incident caused, wholly or in part, by property, equipment, fixtures or condition belonging to or subject to the control of Licensee, or claims or alleges that he or she is an employee of Licensor or is furthering the operational activities of Licensor, Licensee agrees to indemnify and hold harmless Licensor for all losses, damages, costs or expenses related to such claim, regardless of Licensor's negligence.

(c) The liability assumed by Licensee shall not be affected by the fact, if it is a fact, that the loss, damage, death or injury was occasioned by or contributed to by the negligence of Licensor, its agents, servants employees, or otherwise, to the fullest extent permitted by applicable law; provided, however, that Licensee shall have no obligation to assume such liability to the extent caused by the negligence of Licensor or its employees or agents where assumption of such liability would violate Washington, Oregon, Idaho or the Province of British Columbia Laws.



10. If at any time during the term hereof Licensor shall desire to make any use of its rail corridor with which the pipeline will in any way interfere, including the relocation of existing or the construction of new pipeline(s) and other facilities in which it shall have an interest, Licensee shall, at Licensee's own cost, within thirty (30) days after receiving written notice from Licensor to such effect, make such changes in the pipeline as in the judgment of Licensor may be necessary to avoid interference with the proposed use of its rail corridor.

11. (a) Licensee shall, at its expense, procure and maintain throughout the term of this License a comprehensive general form of insurance covering liability, including, but not limited to, Public Liability, Personal Injury and Property Damage, as well as Contractual Liability in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Such insurance shall contain no exclusion with respect to rail corridor of Licensor in the care, custody or control of Licensee. Licensee's contractors shall also procure and maintain the above coverage when on Licensor's property. **LICENSOR AND CAPELLUS MANAGEMENT CORPORATION SHALL BE NAMED AN ADDITIONAL INSURED.**

(b) All risk insurance on the PIPE LINE of the Licensee, or Licensor's property in Licensee's care, custody and control, shall contain a waiver of subrogation of claims against Licensor. Licensee, its agents and/or its contractors shall maintain Workers Compensation insurance which shall contain a waiver of subrogation against Licensor.

(c) All insurance shall be placed with insurance companies licensed to do business in the State in which the PIPE LINE is located, with a current Best's Insurance Guide Rating of B and Class X, or better. Licensee shall provide Licensor in advance of said installation a Certificate of Insurance evidencing such insurance. Insurance must provide for coverage of incidents occurring within fifty (50) feet of a railroad track, and any provision in the insurance policy to the contrary must be specifically deleted.

(d) A Railroad Protective Liability insurance policy issued in the name of Licensor with limits of \$2,000,000 for bodily injury and property damage per occurrence with an aggregate of \$6,000,000 must be provided when construction work will be performed within fifty (50) feet of Licensor's tracks. The policy will remain in force during the construction phase of this project and must be provided to Licensor prior to starting any construction work.

(e) The furnishing of insurance required by this Section shall in no way limit or diminish the liability or responsibility of Licensee as provided under any Section of this License.

12. Upon written notice from Licensor, Licensee agrees to assume the defense of any lawsuit, or other proceeding brought against Licensor by any public body, individual, partnership, corporation, or other legal entity, relating to any matter covered by this License for which Licensee has an obligation to assume liability for and/or save and hold harmless Licensor. Licensee shall pay all the costs incident to such defense including, but not limited to, attorneys' fees, investigators' fees, litigation expenses, settlement payments, and amounts paid in satisfaction of judgments.

13. (a) Licensee shall comply with all federal, state and local environmental laws and regulations in its use of Licensor's rail corridor, including, but not limited to, the Resource Conservation and Recovery Act, as amended (RCRA), and the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (CERCLA). Licensee shall not maintain a treatment, storage, transfer or disposal facility, or underground storage tank, as defined by RCRA, on or under Licensor's rail corridor. Licensee shall not release or suffer the release of oil or hazardous substances, as defined by CERCLA, on Licensor's rail corridor. Notwithstanding any other requirements in this contract, Licensee assumes all responsibility for the investigation and cleanup of such release and shall indemnify and defend Licensor and its agents for all costs and claims, including consultant and attorney fees, arising in any manner out of such release or Licensee's failure to comply with environmental laws, regardless of whether such costs or claims are caused or contributed to by the negligence or alleged negligence of Licensor, except to the extent such costs or claims are proximately caused by Licensor's gross negligence or intentional misconduct.

(b) Licensee shall give Licensor timely notice of any release, violation of environmental laws or inspection or inquiry by governmental authorities charged with enforcing environmental laws with respect to Licensor's rail corridor. Licensee also shall give Licensor timely notice of all measures undertaken by or on behalf of Licensee to investigate, remediate, respond to or otherwise cure such release or violation.

(c) In the event that Licensor receives notice from Licensee or otherwise of a release or violation of environmental laws which occurred or is occurring during the term of this License, Licensor may require Licensee, at Licensee's sole expense, to take timely measures to investigate, remediate, respond to or otherwise cure such release or violation.

14. If default shall be made in any of the covenants or agreements of Licensee contained in this document, or in case of any assignment or transfer of this License by operation of law, Licensor may, at its option, terminate this License by serving five (5) days' notice in writing upon Licensee; but any waiver by Licensor of any default or defaults shall not constitute a waiver of the right to terminate this License for any subsequent default or defaults, nor shall any such waiver in any way affect Licensor's ability to enforce any Section of this License. The remedy set forth in this Section shall be in addition to, and not in limitation of, any other remedies that Licensor may have at law or in equity.

15. Licensee shall promptly pay and discharge any and all liens arising out of any construction, alterations or repairs done, suffered or permitted to be done by Licensee on the PIPE LINE and shall indemnify Licensor against any loss, liability or expense incurred by Licensor on account of such liens. Licensor is hereby authorized to post any notices or take any other action upon or with respect to the PIPE LINE that is or may be permitted by law to prevent the attachment of any such liens to Licensor's premises; provided, however, that failure of Licensor to take any such action shall not relieve Licensee of any obligation or liability under this Section or any other Section of this License.

*[Handwritten signatures]*

16. In the case of eviction of Licensee by anyone owning or obtaining title to the rail corridor on which the PIPE LINE is located, or the abandonment by Licensor of said rail corridor, Licensor shall not be liable to Licensee for any damage of any nature whatsoever or to refund any payment made by Licensee to Licensor hereunder, except the proportionate part of any recurring rental charge which may have been paid hereunder in advance.

17. Any notice to be given by either party shall be deemed to be properly served if deposited with the United States Postal Service, or other acceptable mailing service, postage prepaid, addressed to either party, at the addresses and department shown beneath signature of the parties.

18. In the event that Licensee consists of two or more parties, all the covenants and agreements of Licensee herein contained shall be the joint and several covenants and agreements of such parties.

19. Any contractor or subcontractor performing work on or in connection with the PIPE LINE shall for the purpose of this license, be conclusively deemed to be the servant and agent of Licensee acting on behalf and within the scope of such contractor's or subcontractor's employment for Licensee.

20. Neither Licensee, nor the heirs, legal representatives, successors or assigns of Licensee, nor any subsequent assignee, shall underlease or sublet the PIPE LINE. This license or lease may be transferred to any future owners of Licensee's property, for only a nominal transfer fee not to exceed \$250.00. The Licensor will then consent and provide written approval of any transfer as long as the license or lease is for the same use.

21. It is understood and agreed that this License shall not be placed of public record.

22. All the covenants and provisions of this License shall be binding upon the heirs, legal representatives, successors and assigns of Licensee. No assignment by Licensee shall be binding upon Licensor without the written consent of Licensor in each instance.

23. All questions concerning the interpretation or application of provisions of this License shall be decided according to the laws of the State in which the PIPE LINE is located.

24. To the maximum extent possible, each provision of this License shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this License shall be prohibited by, or held to be invalid under, applicable law, such provision shall be ineffective solely to the extent of such prohibition or invalidity, and this shall not invalidate the remainder of such provision or any other provision of this License.

25. The waiver by Licensor of the breach of any provision herein by Licensee shall in no way impair the right of Licensor to enforce that provision for any subsequent breach thereof.



26. Notwithstanding any other provisions of this license, Licensee shall comply with all statutes, ordinances, rules, regulations, orders and decisions issued by any federal, state or local governmental body or agency established thereby relating to Licensee's use of Licensor's premises hereunder.

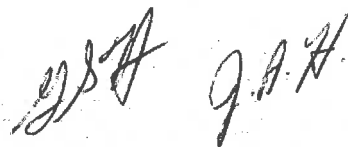
27. This license is given by Licensor and accepted by Licensee upon the express condition that the same may be terminated with ninety (90) days' notice, if PIPE LINE interferes with the operation of the operations of a railroad, in writing to be served upon Licensee, stating therein the date that such termination shall take place, and that upon the termination of this license in this or any other manner herein provided, Licensee, upon demand of Licensor, shall abandon the use of the PIPE LINE and remove the same and restore the rail corridor of Licensor, as near as possible, to the same condition in which it was prior to the placing of the PIPE LINE thereunder. In case Licensee shall fail to restore Licensor's rail corridor within Thirty (30) days after the effective date of termination, Licensor may proceed with such work at the expense of Licensee. No termination hereof shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date the PIPE LINE is removed and the rail corridor of Licensor restored as above provided.

28. This License is the full and complete agreement between Licensor and Licensee with respect to all matters relating to license on the Premises, and supersedes any and all other agreements between the parties hereto relating to license on the Premises.

29. License dated November 1, 1970, between Licensor, or its corporate predecessor, and Joe and Nancy Keller dba FOUR SEASONS CAMPGROUND, INC., relating to the use of Licensor's property located at or near Pifer, Adams County, Washington, for a 2-inch water pipeline crossing, is hereby terminated. Said license is filed in Licensor's records as License No. 201,853.

Licensee hereby warrants that Licensee is the lawful successor in interest to said Joe and Nancy Keller dba FOUR SEASONS CAMPGROUND, INC., in said license.

Licensee also warrants that Licensee has acquired all of said Joe and Nancy Keller dba FOUR SEASONS CAMPGROUND, INC.'s right, title, and interest in and to all improvements and facilities now located at the location shown on the attached Exhibit A and assumes all obligations under this License with respect thereto, including the removal thereof upon the expiration or termination of this License.



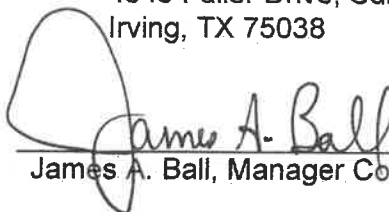
Catellus Management Corporation is acting as agent for The Burlington Northern And Santa Fe Railway Company.

**WHEREOF**, the parties have executed this agreement in duplicate the day and year first above written.

**THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY**

By: Catellus Management Corporation  
Its Attorney in Fact  
4545 Fuller Drive, Suite 105  
Irving, TX 75038

By:

  
James A. Ball, Manager Contracts

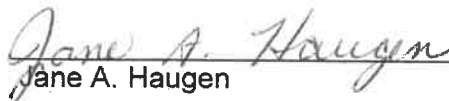
**GARY SCOTT HAUGEN AND JANE A. HAUGEN  
dba FOUR SEASONS CAMPGROUND**

2384 N. Bob Lee Road  
Sprague, WA, ~~98032~~-9716  
99032

By:

  
Gary Scott Haugen

By

  
Jane A. Haugen

