



WASHINGTON STATE DEPARTMENT OF
Natural Resources
 Doug Sutherland - Commissioner of Public Lands

**NOTICE OF LEASING STATE TRUST LANDS FOR IRRIGATED AGRICULTURE
 AT ORAL PUBLIC AUCTION**

(All Bidders Must Be Pre-Qualified Before Bidding)

APPLICATION NO. 12-077930

The State of Washington, Department of Natural Resources, hereinafter called the "State," is offering a 10 year, 0 month Irrigated Agriculture Cash lease at oral public auction for State trust land located in Grant County, Washington.

The oral public auction will be conducted on Thursday, December 15, 2005 at 10:00 a.m., in the Grant County Courthouse, Ephrata, Washington.

BIDDER'S QUALIFICATION PACKET

All bidders must submit a bidder's qualification packet for approval to the State of Washington Department of Natural Resources, Southeast Region Office, 713 Bowers Road, Ellensburg, WA 98926-9031, no later than December 8, 2005. The State will not be responsible for lost mail or late delivery of the packet. Qualification packets will be opened and examined to verify that all of the items required in Section 2 of this Notice have been included. A representative of the State will review, request clarification and/or additional information if needed, evaluate the packets, and the qualified bidders will be notified by phone or mail no later than December 12, 2005. One qualification packet can be submitted to cover both this oral auction and the other, Application No. 12-077931, to be held at 10:30 a.m.

Only pre-qualified bidders will be eligible to bid on the lease.

Qualification packets must be placed in a sealed envelope and marked as follows:

<p>Bidder's Qualification Packet For Oral Auction</p> <p>Date: <u>December 15, 2005</u></p> <p>Application No. <u>12-077930</u></p>	<p>STATE OF WASHINGTON DEPT OF NATURAL RESOURCES 713 BOWERS ROAD ELLENSBURG, WA 98926-9031</p>
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1. GENERAL INFORMATION:

A. Property Information

- 1) Acres: 157.03, more or less
- 2) Permitted Use(s): Alfalfa, Beans, Buckwheat, Cereal Grains, Corn, Mint, Onions, Peas, Potatoes, Timothy on 125.5 acres, more or less.
 - * Lessee will be allowed to grow one (1) crop of Potatoes and one (1) crop of Onions within a 5-year period.
- 3) General Location: 1 mile East of Mattawa. Located on the Northeast corner of Road 24 SW and Road R SW.
- 4) Legal Description: Government Lots 3 and 4, E½SW¼ of Section 31, Township 15 North, Range 24 East, W.M., Grant County, Washington, containing 157.03 acres, more or less, according to the government survey thereof.
- 5) Access: Grant County road access via Road 24 SW and Road R SW.
- 6) Water: Water delivery is through the South Columbia Basin Irrigation District. The 2005 assessment for Block 26, Unit 6 was \$6,452.56 and was paid by the current lessee. The successful bidder will be responsible to pay each year's assessment for the term of the lease.
- 7) Improvements owned by the State:
 - Buried Mainline
 - Buried Electrical System

The successful bidder will be responsible for furnishing and installing a circle, pump, and panel, and all other development necessary for irrigating the lease premises.

B. Rental Payment

The annual rental of \$25,100 is fixed and is split into two equal semi-annual payments due on May 1 and November 1 of each year as outlined in Section 3 of the proposed lease.

C. Assessments

The annual assessments for the lease premises currently are: Grant County Weed Board of \$26.05 and South Columbia Basin Irrigation District of \$6,452.56. These assessments are to be paid by the Lessee as outlined in Subsection 5.01 of the proposed lease.

D. Attachments

Attached to this notice is the following supplementary information:

- 1) Proposed Lease.
- 2) Location Map.
- 3) Topography Map.
- 4) Aerial Photo.
- 5) Crop Rotation.

E. Special Requirements

The successful bidder shall agree to, and comply with a conservation plan prepared and approved by the Natural Resource Conservation Service prior to disturbing any vegetation or soil on the lease premises. The successful bidder shall furnish to the State a copy of the approved conservation plan fifteen (15) days prior to disturbing any vegetation or soil on the lease premises. The plan shall be partial fulfillment of the requirements set forth in Subsection 6.02(1). See Subsection(s) 5.10, 6.02(1) and (6.20) of the proposed lease.

2. BIDDER'S QUALIFICATION PACKET:

The following items and information must be included and individually identified in the order shown:

A. General Information

Name, address and telephone number of the bidder, and any other individual who can be contacted for further information. If the entity which will execute the lease is different than the bidder, please provide entity name, address and telephone number.

B. Financial Statement

For each individual and/or entity who will execute the lease, provide one or more letters from financial institutions or prospective lenders attesting to net worth and/or evidence of financial resources and ability to complete the lease operation and/or development as proposed. This information will be held confidential to the extent permitted by law.

C. Qualifications

Two (2) years of work experience by the bidder, or operator, in all phases of successful management of irrigated crops including planting, insect and weed control, harvesting, knowledge of handling, storage and marketing. References attesting to this experience are required from a warehouse, processor, buyer and/or other appropriate local business unless the bidder and/or entity which will execute the lease has established their qualifications as the holder of an active irrigated State lease.

3. ORAL AUCTION PROCEDURE AND AWARD OF LEASE:

A. The County Auditor, his/her representative, or a representative of the State will be the auctioneer and conduct the oral auction at the time and place specified in this notice. A State representative will be present to answer questions.

B. The oral auction will be conducted on the basis of competitive bidding by qualified bidders. The auction shall commence at zero dollars and, if there are two or more qualified bidders, the auction shall continue until no further cash bonus bids are received by the auctioneer.

C. The lease will be awarded on the basis of the highest cash bonus bid offered. The amount offered as a bonus bid will be payable only once on the day of the auction. The successful bidder will be required, at the close of the auction, to

deposit with the auctioneer a check, certified check or money order, payable to the Department of Natural Resources for the following:

Cash Bonus Bid	\$
Leasehold Tax on Bonus Bid (12.84%)	\$
Total Deposit	\$

- D. Subject to payment of all monies due at the time of the auction, including leasehold tax, verification of the bidder's qualifications and approval by the Commissioner of Public Lands, the high bidder will be offered the lease.
- E. A lease in substantially the same form as the attached proposed lease will be submitted to the successful bidder for signature.

If the offered lease is not signed and returned to the State within twenty (20) days of mailing the lease to the successful bidder, any claim to the lease and the prepaid deposit, if any, may be forfeited to the State, at the option of the State, as fixed, agreed and liquidated damages, but not as a penalty. However, any money collected as a deposit for the value of improvements shall be returned.

- F. The State reserves the right to waive any irregularity in any bidder's qualification packet, to reject any and all bids, and to readvertise the lease.

The lands described herein will be leased, subject to all terms, conditions and reservations of the statutes, now provided for the leasing of lands under the jurisdiction of the Washington State Department of Natural Resources.

The information contained in this Notice is of a general nature only. It is the responsibility of the bidder to review the attached lease.

Executed on behalf of the Commission of Public Lands this ____ day of _____, 20____.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

WILLIAM O. BOYUM, Southeast Region Manager