NOTICE OF INTENT TO LEASE STATE TRUST LANDS FOR GRAZING
AT SEALED BID PUBLIC AUCTION

APPLICATION NO. 10-103505

The State of Washington, Department of Natural Resources, hereinafter called the "State", is offering a 10 year Grazing lease at sealed bid public auction for State trust land located in Stevens County, Washington. Sealed bids will be opened on August 8, 2022, at 10:00 AM at the region office of the State, whose address is noted below. All bids must be received no later than this date and time. For more information, contact Land Manager, Shawn Soliday at (509) 998-2811.

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

<table>
<thead>
<tr>
<th>SEALED BID</th>
<th>STATE OF WASHINGTON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td>August 8, 2022</td>
</tr>
<tr>
<td></td>
<td>DEPARTMENT OF NATURAL RESOURCES</td>
</tr>
<tr>
<td></td>
<td>NORTHEAST REGION OFFICE</td>
</tr>
<tr>
<td></td>
<td>225 S. Silke Rd, Colville, WA 99114</td>
</tr>
</tbody>
</table>

Application No. 10-103505

1. **GENERAL INFORMATION:**

A. **Property Information**

1) Permitted Use(s) and Acres: Grazing, 4,902.4 acres.

2) General location and access: Old Dominion Road

Legal description: Section 36, Township 36 North, Range 40 East, W.M., Stevens County, Washington; Section 1; Section 2; Section 3; Along with that portion lying north of E354010M road & E354010Y road, N1/2SE1/4, S1/2SW1/4, Section 10; Along with that portion lying north of E354010Y road & E354023A road in Section 11; Along with that portion lying north & east of E354023A road W1/2W1/2, less that portion S1/2S1/2, Section 12; All in Township 35 North,
Range 40 East W.M.; N1/2, N1/2SE1/4, SW1/4SE1/4, N1/2SW1/4, SE1/SW1/4, Section 5; NE1/4, S1/2, SW1/4NW1/4, NE1/4NW1/4, Section 6; NE1/4NW1/4 Section 7; All in Township 35 North, Range 41 East W.M., Stevens County, Washington, containing 4,902.4 acres, more or less, according to the DNR mapping tools.

3) Water: Narcisse Creek, Hanson Creek, numerous unnamed seasonal streams, seeps and springs

4) Improvements:

State-owned improvements include, but are not limited to:

<table>
<thead>
<tr>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wetland Fencing 2 miles.</td>
<td>See attached Map of Improvements</td>
</tr>
<tr>
<td>2 miles proposed</td>
<td></td>
</tr>
</tbody>
</table>

A $1.00 per AUM credit was applied to the rent calculation for lessee maintenance of State-owned fences.

Lessee-owned improvements:

<table>
<thead>
<tr>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

B. Rental Payment

The Rental Payment in the Proposed Lease Subsection 1.03 is fixed.

<table>
<thead>
<tr>
<th>Permitted Use/Payment</th>
<th>Acres</th>
<th>Annual Amount Due</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grazing (123 AUMs)*</td>
<td>4,902.4</td>
<td>$1,642.30</td>
<td>August 1</td>
</tr>
<tr>
<td>Stevens County Noxious Weed Assessment</td>
<td>4,902.4</td>
<td>$225.00</td>
<td>August 1</td>
</tr>
<tr>
<td>Total Amount Due</td>
<td></td>
<td>$1,867.30</td>
<td>August 1</td>
</tr>
</tbody>
</table>

* Initial estimate of 40 acres/AUM will be re-evaluated upon completion of enclosure fencing.

C. Bonus Bid Deposit

As provided for in Section 2D “Deposit” of this notice, the bidder may include as part of the required deposit, a cash bonus bid. The cash bonus bid is a one-time payment, and is in addition to all other payments. The amount of cash bonus bid offered will be considered in determining which bid is most beneficial to the State.

Each bid is required to contain a check, certified check, or money order, payable to the Department of Natural Resources equal to the amount of cash bonus bid.
D. Attachments

Attached to this notice is the following supplementary information:

1) Proposed Lease.

2) Location Map.

3) Improvement Map.

E. Disposition of Existing Lessee Owed Improvements

There are no existing improvements.

2. SEALED BIDS:

The following items and information must be included in the sealed bid packet 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 in grazing and handling livestock or two (2) years of formal education in range management or animal husbandry. References attesting to this experience are required unless the bidder and/or entity which will execute the lease has established their qualifications as a prior holder of a State grazing lease or permit.
D. Deposit

Check made out to the Department of Natural Resources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Rent - August 15, 2022 to July 31, 2023</td>
<td>$1,642.30</td>
</tr>
<tr>
<td>Stevens County Weed Assessment</td>
<td>$225.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$1,867.30</strong></td>
</tr>
<tr>
<td>Cash Bonus Bid</td>
<td>$________</td>
</tr>
<tr>
<td><strong>Total Deposit</strong></td>
<td>$________</td>
</tr>
</tbody>
</table>

E. Plan of Operation

No grazing may occur prior to enclosure being established or without an approved proposal.

Proof of adjacent ownership or lease may result in no fence requirement along shared boundary.

Improvements/Enclosure must be completed in 5 years. Failure to complete enclosure within the 5-year period may result in default of lease.

Describe any proposed leasehold improvements (such as fencing or water developments) and provide a Plan of Operation Time Line for those improvements.

Boundary line fence must meet legal fence definition.

Interior fence proposals must be approved by State prior to construction.

There are 123 AUMs available annually on 4,902.4 acres, which will be managed for a Non-Jointed plant community.

Initially AUM's set at 40 acres/AUM will be re-evaluated upon completion of enclosure fencing, AUM's may be adjusted based on available forage and Letter of Authorization issued by the State.

If Premises is grazed with contiguous private lands, list number of other acres grazed.

Bidders shall submit a 5 or 10 year grazing plan of operation, using the table below, that follows the parameters listed below:
Proposed Plan of Operation Table – Include this page with your bid

<table>
<thead>
<tr>
<th>Year</th>
<th>Pasture Name</th>
<th>Livestock Number</th>
<th>Livestock Class</th>
<th>Date In</th>
<th>Date Out</th>
<th>AUMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>EXAMPLE_North</td>
<td>25</td>
<td>Cow Calf Pairs</td>
<td>June 1</td>
<td>Sept 1</td>
<td>75</td>
</tr>
<tr>
<td>2023</td>
<td>EXAMPLE_South</td>
<td>25</td>
<td>Cow Calf Pairs</td>
<td>June 1</td>
<td>Sept 1</td>
<td>75</td>
</tr>
</tbody>
</table>
If bidder proposes to sublease the Premises provide the following information:

Sublessee name, address, phone number, and email address. Describe the proposed authorization such as full or partial sublease. Bidder shall submit a Plan of Operation Table specific to the sublease.

3. **SEALED BID EVALUATION AND AWARD OF LEASE:**

   A. At the time and place previously specified in this notice, the bids will be opened and recorded by at least two (2) representatives of the State.

   B. Each item outlined in Section 2 of this notice must be included or the bid may be rejected. The State will review each bid proposal. If there are any questions about the bid proposal resulting from this review, the State may contact the bidder prior to making a decision.

   C. The State will choose a successful bidder after all bids have been evaluated to determine which offer is most beneficial to the State.

   D. A lease in substantially the same form as the attached proposed lease will be submitted to the successful bidder.

      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 may be forfeited to the State, at the option of the State, as fixed, agreed and liquidated damages, but not as a penalty. A lease may then be offered to the bidder who submitted the next most beneficial bid.

   E. Deposits will be returned to all unsuccessful bidders within sixty (60) days of the auction, or upon the State's receipt of a signed lease from the successful bidder, whichever occurs first.

   F. The State reserves the right to waive any irregularity in any bid, to reject any and all bids, and to accept any bid although it may not purport to offer the highest financial return if that bid appears to be in the best interest of the State. All bids become the property of the State and will not be returned.

4. **PROPRIETARY INFORMATION/PUBLIC DISCLOSURE:**

   Materials or information submitted in response to this bid shall become public records within the meaning of RCW Chapter 42.56, and are subject to disclosure to the public unless an exemption applies.
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 Commissioner of Public Lands this 29th day of June, 2022.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Signature]
Ken McNamara
Northeast Region Manager
Exhibit A
Map of Improvements

Map of Improvements
North Narcisse Lease # 10-103505

Sealed Bid Public Auction - 8 - Application No. 10-103505