GRAZING LEASE

Lease No. 10-098490

Section 1 Parties, Premises, Term, Use, and Payments

Lessor: Department of Natural Resources (“State”)
Northeast Region 509-684-7474
225 S Silke Rd. northeast.region@dnr.wa.gov
Colville, WA  99114

Lessee:

1.01 Property Description. State hereby leases to Lessee, the following described property (“Premises”): N1/2, SW1/4, W1/2SE1/4 Section 36, Township 38 North, Range 27 East, W.M., consisting of approximately 560 acres, according to the GLO survey thereof, in Okanogan County, Washington.
1.02 Term. This Lease shall commence on September 1, 2019 (“Commencement Date”), and shall expire on August 31, 2029 (“Termination Date”).

1.03 Permitted Use, Rent, Taxes, and Assessments. Lessee shall use the Premises for the Permitted Use identified below and no other. Lessee shall pay rent and other sums identified below on the due date and annually thereafter.

<table>
<thead>
<tr>
<th>Permitted Use/Payment</th>
<th>Acres</th>
<th>Amount Due</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grazing</td>
<td>560</td>
<td>$772.80</td>
<td></td>
</tr>
<tr>
<td>Okanogan County Weed Assessments</td>
<td>560</td>
<td>$34.82</td>
<td></td>
</tr>
<tr>
<td><strong>Total Amount Due</strong></td>
<td></td>
<td><strong>$807.62</strong></td>
<td></td>
</tr>
</tbody>
</table>

Lessee shall pay all assessments, utilities, and taxes that may be charged against Lessee’s use of the Premises.

On September 1, 2024, (“Adjustment Date”) a new rent will be established to be effective as of the Adjustment Date. The adjusted rent shall be determined by State through an evaluation of fair market rental value. Failure by State to establish a new rent by the Adjustment Date shall not preclude State from doing so then or thereafter, and the adjusted rent shall be retroactive to the Adjustment Date, unless otherwise provided by State.

Rent and all other sums payable by Lessee shall be paid without the requirement of prior notice or demand by State, and shall not be subject to any counterclaim, setoff, deduction or defense and without abatement. The obligations and liabilities of Lessee hereunder shall in no way be released, discharged or otherwise affected.

Section 2 Grazing Management

Lessee shall follow the Grazing Management requirements set forth in this section, including the grazing schedule for each pasture set forth below:

2.01 Grazing Schedule Table.

<table>
<thead>
<tr>
<th>Year</th>
<th>Grazing Period</th>
<th>Off Date</th>
<th>Max AUs or AUMs</th>
<th>Forage Use Not to Exceed</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;[ ]&quot;</td>
<td>early</td>
<td>[Month/Day]</td>
<td>[Month/Day]</td>
<td>[AUs]</td>
</tr>
<tr>
<td>&quot;[ ]&quot;</td>
<td>critical</td>
<td>[Month/Day]</td>
<td>[Month/Day]</td>
<td>[AUs]</td>
</tr>
<tr>
<td>&quot;[ ]&quot;</td>
<td>late</td>
<td>[Month/Day]</td>
<td>[Month/Day]</td>
<td>[AUs]</td>
</tr>
</tbody>
</table>

Total Acres: 560
Exhibit 2A displays the Permitted Use area and pasture(s).

State may amend this table to meet future needs or changes in circumstances including but not limited to fire, flood, drought, or non-compliance by Lessee with Grazing Management requirements.

Annual on and off dates may vary up to two weeks earlier or later than those designated in the Grazing Schedule Table (GST) without approval from State. Variations greater than two weeks before or after the above on and off dates require prior written approval from the State. Total grazing days may not exceed the Grazing Period permitted under the GST.

West side pasture consist of 560 acres of State land is contiguous with ??? acres of private and BLM land. Maximum animal units stocked during the prescribed grazing period may fluctuate higher or lower than those designated in the GST. Forage use on State land may not exceed required levels.

2.02 Forage Use. Forage use as described in the GST is that portion of current growth available for grazing. It is measured in key areas at the end of a grazing period and shall represent the average use of the entire unit. It may be measured in key areas by a State representative using agency protocols.

2.03 Animal Unit. Animal unit (AU) as described in the GST is one mature cow of approximately 1,000 pounds, either dry or with a calf up to six (6) months of age, or their equivalent. For purposes of unit equivalent per animal, the following ratios will apply:

<table>
<thead>
<tr>
<th>Animal</th>
<th>Unit</th>
<th>Animal</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cow and Calf</td>
<td>1.00</td>
<td>Cow</td>
<td>1.00</td>
</tr>
<tr>
<td>Bull</td>
<td>1.00</td>
<td>Yearling</td>
<td>0.66</td>
</tr>
<tr>
<td>Fall Calf</td>
<td>0.50</td>
<td>Two Year Old</td>
<td>1.00</td>
</tr>
<tr>
<td>Horse</td>
<td>1.50</td>
<td>Ewe or Ram</td>
<td>0.20</td>
</tr>
</tbody>
</table>

2.04 Adaptive Grazing Management. If Grazing Management requirements cannot be followed due to any climatic variations, unforeseen events, or other land management activities that lead to changes in forage production, changes to grazeable woodland health, or deteriorating rangeland, Lessee must receive authorization from State Land Manager regarding any proposed changes prior to any grazing activity.

2.05 Livestock Feeding. Lessee shall not feed livestock unless authorized in writing by the State.

2.06 Salting. Lessee shall place salt or mineral supplements a minimum of 500 feet away from all water sources, riparian areas, and fencing. When available salt or mineral supplements shall be placed on very shallow sites or rock outcrops.
2.07 **Record Keeping.** Lessee shall maintain a record of the number and class of livestock and on and off dates for each State pasture. Lessee shall use Exhibit 2B to record this information and shall submit Exhibit 2B annually to State or State Land Manager within thirty (30) days of the latest designated off date.

2.09 **Weed Control.** Lessee shall control all noxious weeds on all lands under this Lease consistent with applicable laws. Lessee shall be responsible for, and shall reimburse State for, any noxious weed control costs incurred as a result of Lessee’s failure to control.

2.10 **Riparian Grazing Management.** Where livestock grazing is permitted within the riparian area, Lessee’s grazing management of the riparian area must meet the following requirements to maintain soil and stream bank stability, shade, filtration, hydrological function, and wildlife cover.

<table>
<thead>
<tr>
<th>Minimum stubble height on sod forming or Non-Jointed grasses</th>
<th>Bunchgrass/jointed grass species forage use not to exceed</th>
<th>Shrub/woody species forage use not to exceed</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 inches</td>
<td>50%</td>
<td>30%</td>
</tr>
</tbody>
</table>

2.14 **Streambank Erosion.** Lessee shall manage livestock to ensure that no more than ten percent (10%) of the streambanks are eroded, unless this is prevented by geologic factors. The major cause of excessive streambank erosion is loss of vegetative cover.

**Section 3 General Provisions**

3.01 **Condition of Premises and State Owned Improvements.** Lessee has inspected the Premises and improvements on Premises and acknowledges that they are in good and tenantable condition and suitable for the use permitted.

3.02 **Limitations on Use.** Lessee shall conform to all applicable laws, rules, and ordinances of any public authority affecting Premises. Lessee shall provide to State within ten (10) days a copy of any notice that Lessee is not in compliance with those laws, rules, and ordinances. Lessee shall bear sole responsibility for any violations, including the expense of bringing the Premises into compliance, including any attorneys’ fees, costs, fines or penalties. Lessee shall be solely responsible for securing any permits or approvals necessary for his or her activities on Premises. Lessee shall remove no valuable materials as defined in RCW 79.02.010, including but not limited to timber, without prior written approval of State.

3.03 **Interest Penalty for Past-Due Rent and Other Sums Owed.** Lessee shall pay interest at the rate of one percent (1%) per month (or at such higher rate as may be authorized by statute after the Commencement Date), until paid, on rent or other sums owing under the terms of this Lease, commencing the date such rent or other sum is due and payable. In the event State pays any sum or incurs any expense which Lessee is obligated to satisfy or pay under this Lease, or
which is made on behalf of Lessee, State shall be entitled to receive reimbursement thereof from Lessee upon demand, together with interest thereon from the date of expenditure at the rate stated above.

3.04 Right to Inspect. State has the right to enter and inspect the Premises at all times, including improvements constructed thereon.

3.05 Access/Easements. State reserves the right to grant easements on the Premises. Lessee is granted a non-exclusive easement to use existing roads on the Premises only for permitted operations under this Lease. Lessee shall recognize and comply with all terms of easements granted to State and used by Lessee to access the Premises.

3.06 Uses. State reserves the right to lease the Premises for other uses that will not interfere with Lessee’s Permitted Use. State further reserves the right to sell, lease, or otherwise dispose of valuable materials in a manner consistent with Lessee’s right to use the Premises for its Permitted Use.

3.07 Public Hunting, Fishing, and Nonconsumptive Wildlife Activities. The Premises shall be open and available to the public for purposes of hunting, fishing, nonconsumptive wildlife, and other activities, unless closed to public entry because of fire hazard or a closure is authorized in writing by State, as provided in RCW 79.10.125. When closure is authorized by State, Lessee shall post the Premises with signs to inform the public of such closure, except when the closure is for fire hazard.

3.08 Early Termination. State may terminate this lease on one hundred eighty (180) days’ written notice if State includes the Premises in a plan for higher and better use, land exchange, or sale. State will provide written documentation along with the notice, demonstrating that the department has included the leased land in a plan for higher use, land exchange or sale. Lessee will be allowed to use the Premises for the remainder of the current grazing season. Lessee may submit a written request for lease termination and State may, at its sole discretion, terminate this Lease upon satisfaction by Lessee of all outstanding rents, duties, and obligations.

3.09 Insurance/Indemnity/Hold Harmless. To the fullest extent permitted by law, Lessee shall indemnify, defend and hold harmless State, agencies of State and all officials, agents and employees of State, from and against any and all claims, including claims by Lessee’s employees, agents, and contractors, arising out of or resulting from any act or omission of Lessee, its agents, employees, and contractors while operating under this lease or at the Premises. “Claims” as used in this subsection means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney’s fees, attributable to bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom. Lessee's obligation to indemnify, defend and hold harmless State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees, and officials. Lessee waives its immunity under RCW Title 51 to the extent
it is required to indemnify, defend and hold harmless State and its agencies, officials, agents, or employees.

**General Insurance Requirements.** Lessee shall, at all times during the term of this Lease at its cost and expense, buy and maintain insurance of the types and amounts listed below. Failure to buy and maintain the required insurance is a default of this Lease.

All insurance and surety bonds should be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best’s Reports. If an insurer is not so admitted, all insurance policies and procedures for issuing the insurance policies must comply with RCW 48.15 and WAC 284-15.

Before starting work under this Lease, Lessee shall, at State’s request, furnish State at its Region Office with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements and lease.

State shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accordance with the following specifications:

1. Insurers subject to RCW 48.18 (Admitted and Regulated by the Insurance Commissioner): The insurer shall give forty-five (45) days advance notice of cancellation or non-renewal. If cancellation is due to non-payment or premium, State shall be given ten (10) days advance notice of cancellation.

2. Insurers subject to RCW 48.15 (Surplus lines): State shall be given twenty (20) days advance notice of cancellation. If cancellation is due to non-payment or premium, State shall be given ten (10) days advance notice of cancellation.

Sublessee(s) must comply fully with all insurance requirements stated herein. Lessee shall include all sublessee(s) as insureds under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each sublessee. Failure of sublessee(s) to comply with insurance requirements does not limit Lessee’s liability or responsibility.

State, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella, and property insurance policies.

All insurance provided in compliance with this Lease shall be primary as to any other insurance or self-insurance programs afforded to or maintained by State. Lessee waives all rights against State for recovery of damages to the extent these damages are covered by general liability or umbrella insurance maintained pursuant to this Lease.
If Lessee is self-insured, evidence of its status as a self-insured entity shall be provided to State and upon receipt by State shall be automatically incorporated into this Lease. If requested by State, Lessee must describe its financial condition and the self-insured funding mechanism.

By requiring insurance herein, State does not represent that coverage and limits will be adequate to protect Lessee, and such coverage and limits shall not limit Lessee’s liability under the indemnities and reimbursements granted to State in this Lease.

The limits of insurance, which may be increased by State, as deemed necessary, shall not be less than as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Commercial General Liability Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Aggregate Limit</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Each Occurrence Limit</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

Lessee shall maintain commercial general liability (CGL) insurance and, if necessary, commercial umbrella insurance with a limit of not less than the amounts listed above per each occurrence. If such CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the “each occurrence” limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the “each occurrence” limit.

CGL insurance shall be written on Insurance Service Office (ISO) occurrence form CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability arising out of the Premises, operations, independent contractors, sublessees, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract), and contain separation of insureds (cross liability) condition.

**Employer’s Liability Insurance and Worker’s Compensation Insurance**. Lessee shall buy employers’ liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than $1,000,000 each accident for bodily injury by accident or $1,000,000 each employee for bodily injury by disease.

Lessee shall comply with all State of Washington workers compensation statutes and regulations. Workers compensation coverage shall be provided for all employees of Lessee and employees of any sublessees. Coverage shall include bodily injury (including death) by accident or disease, which arises out of or in connection with the performance of this Lease. Except as prohibited by law, Lessee waives all rights of subrogation against State for recovery of damages to the extent they are covered workers compensation, employers liability, commercial general liability, or commercial umbrella liability insurance.
If Lessee or sublessee fails to comply with all State of Washington workers compensation statutes and regulations and State incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Lessee shall indemnify State. Indemnity shall include all fines, payment of benefits to Lessee, sublessees, employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such.

**Business Auto Policy.** Lessee shall maintain business auto liability and, if necessary commercial umbrella liability insurance with a limit not less than $1,000,000 per accident. Such insurance shall cover liability arising out of “Any Auto.”

Business auto coverage shall be written on ISO form CA 00 01, or substitute liability form providing equivalent coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage and cover a “covered pollution cost or expense” as provided in the 1990 or later editions of CA 00 01.

Lessee waives all rights against State for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

### 3.10 Deleterious, Hazardous, Toxic, or Harmful Substances.

1. **Deleterious Material.** Lessee shall not make or permit any filling in of Premises or any deposit of rock, earth, ballast, refuse, garbage, waste matter, chemical, biological or other wastes, hydrocarbons, any other pollutants, or other matter within or upon Premises, except as approved in writing by State. If Lessee deposits and then fails to remove all nonapproved fill material, refuse, garbage, wastes or any other of the above materials from Premises, Lessee agrees that State may, but is not obligated to, remove such materials and charge Lessee for the cost of removal and disposal.

2. **Hazardous, Toxic, or Harmful Substances.**
   a. Lessee shall not keep on or about the Premises, any substances now or hereinafter designed as or containing components now or hereinafter designated as hazardous, toxic, dangerous, or harmful, and/or which are subject to regulation as hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation, statute or ordinance (hereinafter collectively referred to as (“Hazardous Substances”) unless such are necessary to carry out Lessee’s Permitted Use(s) and unless Lessee fully complies with all federal, state and local laws, regulations, statutes, and ordinances, now in existence or a subsequently enacted or amended.
   b. With respect to Lessee’s use of Premises or as a result of Lessee’s personal knowledge of activities on Premises, Lessee shall:
1. Immediately notify State of (i) all spills or releases of any Hazardous Substance affecting Premises, (ii) all failures to comply with any federal, state, or local law, regulation or ordinance, as now enacted or as subsequently enacted or amended, (iii) all inspections of Premises by, or any correspondence, orders, citations, or notifications from any regulatory entity concerning Hazardous Substances affecting the Premises, (iv) all regulatory orders or fines or all response or interim cleanup actions taken by or proposed to be taken by any government entity or private party concerning Premises;

2. On request, provide copies to State of any and all correspondence, pleadings, and/or reports received by or required of Lessee or issued or written by Lessee or on Lessee’s behalf with respect to the use, presence, transportation or generation of Hazardous Substances related to the Premises; and

c. Lessee shall be fully and completely liable to State, and shall indemnify, defend, and hold harmless State and its agencies, employees, officers, and agents with respect to any and all damages, costs, fees (including attorneys’ fees and costs), penalties (civil and criminal), and cleanup costs assessed against or imposed as a result of Lessee’s use, disposal, transportation, generation and/or sale of Hazardous Substances or that of Lessee’s employees, agents, sublessees, contractors, subcontractors, licensees or invitees, and for any breach of this subsection.

3.11 Condition of Premises at End of Lease. Prior to vacating the Premises, Lessee shall leave the Premises and improvements described in Exhibit 3A of this Lease to which State has elected to claim title in the state of repair and cleanliness required to be maintained by Lessee during the term of this Lease.

3.12 Sublease and Assignment. Lessee shall not sublease the Premises in whole or in part without prior written approval of State. Lessee shall obtain sublessee’s agreement to be bound by the terms and conditions of this Lease and any amended terms. Lessee shall remain fully liable for its obligations under this Lease, including but not limited to payment of rent and other sums due in accordance with the terms of this Lease. State may assign this Lease at State’s option. Lessee shall not assign, hypothecate, mortgage, encumber, transfer, or otherwise alienate this Lease or any interest therein, or engage in any other transaction which has the effect of transferring or affecting the rights of enjoyment of the Premises without prior written approval of State. Each permitted assignee or transferee of Lessee shall assume all obligations under this Lease occurring after the date of assignment, including any amended terms. Lessee shall remain liable for any obligations occurring prior to the date of assignment. Lessee shall be jointly and severally liable with the assignee or transferee for all
obligations under this Lease occurring after the date of assignment with respect to those obligations that exist as of the date of assignment unless released in writing by State. State at its option may release Lessee from all but those terms and conditions of this Lease that survive termination of this Lease. Unless released in writing, Assignor’s obligations shall continue in full force and effect until the Termination Date. State may require reimbursement for any additional administrative costs resulting from the assignment.

State’s approval of a sublease or an assignment shall not constitute a waiver of State’s right to approve or disapprove subsequent subleases or assignments. State’s acceptance of payment or performance shall not constitute consent to any sublease or assignment and State’s approval shall be evidenced only by writing.

3.13 Name Change. If during the term of this Lease Lessee changes its name, Lessee shall provide State with documentation legally supporting the change within sixty (60) days of the effective date of the change.

3.14 Improvements. Lessee shall not place improvements on the Premises without prior written approval of State. Authorized improvements are identified in Exhibit 3A or subsequent Letters of Authorization, which shall be cumulative and shall become addenda to Exhibit 3A. Unauthorized improvements shall be removed by Lessee, by State at Lessee’s expense, or become State property, at State’s option. Lessee shall remove unauthorized improvements within ten (10) business days of being directed to do so by State.

Lessee shall, at its sole cost, repair and maintain all improvements (regardless of ownership) in good order and repair for the safe conduct of activities permitted under this Lease.

Upon expiration or non-default termination of this Lease, Lessee owned improvements may be re-authorized by State through a subsequent agreement, removed by Lessee at its own expense, or sold by Lessee to the subsequent lessee. Unless improvements are re-authorized by State, Lessee shall have sixty (60) days after expiration of this Lease to remove Lessee owned improvements or sell them to the subsequent lessee. Improvements not removed or sold to the subsequent lessee by Lessee within sixty (60) days after expiration or non-default termination of this Lease may be removed by the State at Lessee’s expense. If State terminates this Lease based on Lessee’s default, all improvements on the Premises shall be forfeited and become the property of State, at State’s option, subject only to any previously approved waiver of interest or security interest.

3.15 Surety Bond. At State’s request, Lessee shall obtain a surety bond, cash deposit, certificate of deposit, savings account assignment, performance bond issued by a company acceptable to State, or letter of credit in an amount established by State, to guarantee performance of all obligations under this Lease, including but not limited to payment of liquidated damages as may be required under subsection 3.21 and completion of construction, development, rehabilitation, or removal of any improvements costing in excess of $2,500.
3.16 **Nonwaiver.** Waiver by State of strict performance of any provision of this Lease shall not be a waiver of nor prejudice State’s right to require strict performance of the same provision in the future or of any other provision. The acceptance of performance, rent, or any other sum owing, by State following a breach by Lessee of any provision of this Lease shall not constitute a waiver of any right of State with respect to such breach and State shall be deemed to have waived any right hereunder only if State shall have expressly done so in writing.

3.17 **Attorney Fees.** In the event either party shall institute any proceedings to enforce any term or provision of this Lease, then the prevailing party shall be entitled, in addition to all other awards made in connection with the action, its reasonable fees, costs, and expenses, including attorneys’ fees and costs, actually incurred.

3.18 **Liens.** State may file and maintain during the term of this Lease landlord or crop liens to secure any payment or obligation under this Lease.

3.19 **Liquidated Damages.** Failure to comply with any requirement of Section 2 Grazing Management shall be grounds for liquidated damages and default. Lessee’s failure to comply with Grazing Management requirements will result in substantial injury to State by harming the landscape and disrupting State’s prudent management of the land. State and Lessee agree that the harm caused by noncompliance with Grazing Management requirements are difficult to assess and not readily ascertainable. Therefore, Lessee agrees to pay State as liquidated damages the sum of $500.00 for each instance of noncompliance, provided, however, that liquidated damages for grazing earlier or later than allowed under the grazing schedule shall be $500.00 or the value determined by using the following formula:

\[(AU) \times (NCT) \times (AUM \text{ Fee})\]

Where: 

- **AU** = Animal unit as defined in subsection 2.03
- **NCT** = Non-compliance time expressed as: whole and/or portion of months in non-compliance, dependent on number of days in non-compliance month.
  
  Example: Non-compliance beginning May 16 through June 30; NCT = \(16/31 + 30/30 = 0.52 + 1\) or 1.52 months.

- **AUM Fee** = Animal Unit Month Fee is the value used to determine Lessee’s rent and reflects the charge per animal unit month of grazing. If Lessee’s rent is not based on an AUM Fee, for the purpose of determining liquidated damages, AUM Fee shall mean the State AUM Fee as determined by DNR and in effect at the time of Lessee’s noncompliance.

3.20 **Default.** If Lessee defaults on any requirement of this Lease, whether material or not, State may terminate this Lease after Lessee has been given thirty (30) days’ notice of the default and such default has not been corrected within that time. If Lessee has more than one default during the term of this Lease, whether of the same or different lease requirements and whether the default is material or not, State may terminate this Lease without regard to whether Lessee
cured or cures the defaults within the thirty day cure period. With or without terminating this Lease, State may seek damages for any and all defaults and reenter the Premises and take whatever action may be necessary or advisable to relet, protect, or preserve the Premises. State may store any property it removes from the Premises in a public warehouse or other suitable place or otherwise dispose of the property, at State’s discretion, at the expense and for the account of Lessee. State shall not be responsible for any damages or losses suffered by Lessee as a result of such reentry, removal, storage, or other disposition, and none of this action shall be construed as an election to terminate this Lease unless a written notice of termination is given to Lessee. The remedies provided for in this Lease shall not be exclusive but are in addition to all other remedies available by law.

3.21 Survival. All obligations of Lessee to be performed prior to the expiration or earlier termination of this Lease shall not cease upon the termination or expiration of this Lease, and shall continue as obligations until fully performed. All clauses of this Lease which require performance beyond the termination or expiration date shall survive the termination or expiration date of this Lease. However, upon expiration or earlier termination of this Lease, the rights of Lessee and of all persons, firms, corporations, and entities claiming under Lessee in and to the Premises and all improvements thereon, unless specified otherwise in this Lease, shall cease.

3.22 Force Majeure. Lessee’s failure to comply with or delayed compliance with any obligations under this Lease shall be excused only if due to causes entirely beyond Lessee’s control and without the fault or negligence of Lessee, including riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God. Obligations shall be excused only for the period of delay.

3.23 No Partnership. State is not a partner or joint venturer with Lessee in relation to this Lease or otherwise and shall not be obligated on Lessee’s debts or liabilities.

3.24 Condemnation. If any public authority under the power of eminent domain takes all of the Premises, this Lease will terminate as of the date the public authority, pursuant to the condemnation, takes possession. If any part of the Premises is so taken and, in the opinion of either State or Lessee, it is not economically feasible to continue this Lease in effect, either party may terminate this Lease. Such termination by either party will be made by notice to the other given not later than thirty (30) days after possession is so taken, the termination to be effective as of the latter of thirty (30) days after said notice or the date possession is so taken. If part of the Premises is so taken, and neither State nor Lessee elects to terminate this Lease, or until termination is effective, as the case may be, the rent will be abated in the same proportion as the portion of the Premises so taken bears to the whole of the Premises. All damages awarded for the taking or damaging of all or any part of the Premises, or State-owned improvements thereon, shall belong to and be the property of State, whether made as compensation for diminution in value of the leasehold, for the taking of the fee, or for severance damages, and Lessee hereby assigns to State any and all claims to the award, but nothing herein contained shall be construed as precluding Lessee from asserting any claim Lessee may have against the public authority for disruption or relocation of Lessee’s business on the Premises.
3.25 **Numbering.** Section and subsection numbers, headings, or titles are for convenience only and are not to be construed to limit or to extend the meaning of any part of this Lease.

3.26 **Time of Essence.** Time is expressly declared to be of the essence of this Lease and each and every covenant of Lessee hereunder.

3.27 **Amendments and Alterations.** Amendments and alterations to this Lease shall be in writing and shall be signed by both State and Lessee. Neither State nor Lessee shall be bound by verbal or implied agreements.

3.28 **Entire Agreement.** This written Lease or its successor or replacement contains the entire agreement of the parties hereto with respect to the matters covered hereby, and no other agreement, statement, or promise made by any party hereto, or to any employee, officer or agent of any party hereto, which is not contained herein, shall be binding or valid.

3.29 **Discrimination.** Lessee shall not conduct or suffer any business upon the Premises which unlawfully discriminates against any person on the basis of race, color, creed, religion, sex, age, or mental or physical disability or which otherwise violates applicable civil rights and anti-discrimination requirements, including but not limited to RCW 49.60.

3.30 **Proprietary Information/Public Disclosure.** All materials or information provided to State by Lessee shall become public records within the meaning of the Public Records Act, RCW 42.56, and are subject to disclosure to the public unless an exemption applies.

3.31 **Exhibits.** Exhibits referenced in this Lease, including those which may be added during the term of this Lease, are incorporated by reference and are to be considered terms of this Lease.

3.32 **Notices and Submittals.** Any notice or submittal given under this Lease shall be deemed as received when delivered by hand or five (5) days after deposit in the United States mail with first-class postage affixed and sent to the addresses listed below. Where this Lease authorizes contact by email, the email address listed below shall be used. Changes of address shall immediately be given in accordance with this subsection.

To State:
Where lease provisions require submittal to State or State Land Manager:
Department of Natural Resources
Northeast Region, 225 S Silke Rd., Colville, WA 99114
northeast.region@dnr.wa.gov

To Lessee:
At the address affixed with Lessee’s signature or Lessee’s last known address.
3.33 **Access to Livestock During Wildfire.** State shall make every reasonable effort to accommodate Lessee’s request to retrieve or care for livestock legally on the Premises that are at risk due to wildfire. State may prohibit Lessee and Lessee’s employees or agents from retrieving or caring for livestock legally on the Premises during any fire suppression response if reasonably necessary to prevent interference with a direct, active fire response. Lessee assumes full liability for any damages incurred to Lessee and Lessee’s employees and agents in Lessee’s charge related to Lessee’s and Lessee’s employees’ and agents’ efforts to retrieve or care for livestock during the time of a fire suppression response by the State affecting the Premises. The State of Washington, the Department of Natural Resources, and other political subdivisions of the state shall not be liable for any direct or indirect adverse impacts, including injury or death, resulting from State’s reasonable efforts to accommodate Lessee’s or Lessee’s employees’ or agents’ retrieval or care for animals or Lessee’s or Lessee’s employees or agents accessing the Premises to retrieve or care for livestock during the time of a fire suppression response by State affecting the Premises. State does not guarantee access if restricted by other agencies or jurisdictions involved with fire suppression response.

Dated: ______________________, 20__.  

"[Business Name IN CAPS if needed]"

Dated: ______________________, 20___.  

"[Signatory IN CAPS]", title if needed

Address:  
"[Enter Lessee Address]"  
"[Enter Lessee Address]"

Phone:  
"[Lessee Phone #]"

UBI No:  
"[UBI Number]"

Dated: ______________________, 20___.  

"[Lessee's Name IN CAPS]"

Address:  
"[Enter Lessee Address]"  
"[Enter Lessee Address]"

Phone:  
"[Lessee Phone #]"

UBI No:  
"[UBI Number]"
Lease No. 10-098490

Dated: _______________________, 20__.  

[Lessee's Name IN CAPS]

Address:  

[Enter Lessee Address]

[Enter Lessee Address]

Phone:  

[Lessee Phone #]

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES  

Dated: _______________________, 20__.

KEN MCNAMEE, Northeast Region Manager

Approved as to form  
August 21, 2014  
by Adrienne Smith,  
Assistant Attorney General
NOTARIAL CERTIFICATE
ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY

STATE OF ____________________________
COUNTY OF __________________________

On this day personally appeared before me ____________________________, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that ____________________________ signed the same as ____________________________ free and voluntary act and deed, for the uses and purposes therein mentioned.

DATED: ____________________________
(Seal or Stamp)

NOTARY PUBLIC in and for the State of ____________________________
My appointment expires ____________________________

NOTARIAL CERTIFICATE
ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

STATE OF ____________________________
COUNTY OF __________________________

I certify that I know or have satisfactory evidence that ____________________________ [name(s)] [is/are] the person(s) who appeared before me, and said person(s) acknowledged that [he/she/they] signed this instrument, and on oath stated that [he/she/they] [was/were] authorized to execute this instrument, and acknowledged that [he/she/they] [was/were] the ____________________________ [office or title(s)] of [business name of Lessee] to be the free and voluntary act of such [party/parties] for the uses and purposes mentioned in this instrument.

DATED: ____________________________
(Seal or Stamp)

NOTARY PUBLIC in and for the State of ____________________________
My appointment expires ____________________________
NOTARIAL CERTIFICATE
ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

STATE OF WASHINGTON  )
                  )ss
COUNTY OF STEVENS  )

On this ________ day of ______________________, 20____, personally appeared before me KEN MCNAMEE, to me known to be the Southeast Region Manager of the Department of Natural Resources, State of Washington, who executed the within and foregoing instrument on behalf of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of the State of Washington for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the State of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

____________________________________
(Seal or Stamp)

NOTARY PUBLIC in and for the
State of _____________________________
My appointment expires ________________
### EXHIBIT 2B
Record Keeping Form

<table>
<thead>
<tr>
<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></td>
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</tr>
</tbody>
</table>

Recorder’s Signature: ___________________________  Date: ________________
EXHIBIT 3A
Authorized Improvements

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full interest one and one-quarter mile fence</td>
<td>Within NW1/4SE1/4</td>
</tr>
<tr>
<td>Undivided one-half interest in three quarter mile fence</td>
<td>Along south line</td>
</tr>
</tbody>
</table>

All within Section 36, Township 38 North, Range 27, East

Lessee-owned improvements:

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

Improvements authorized by State:

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