Idaho State Board of Land Commissioners Open Meeting Checklist

Meeting Date: April 15, 2025

Regular Meetings

Date	Action
4/2/2025	Meeting Notice posted in Idaho Department of Lands (IDL) Boise Director's office five (5) or more calendar days before meeting.
4/2/2025	Meeting Notice posted in IDL Coeur d'Alene staff office five (5) or more calendar days before meeting.
4/2/2025	Meeting Notice posted at meeting location five (5) or more calendar days before meeting.
4/2/2025	Meeting Notice posted electronically on <u>IDL website</u> (https://www.idl.idaho.gov) five (5) or more calendar days before meeting.
4/2/2025	Meeting Notice published on <u>Townhall Idaho website</u> (https://townhall.idaho.gov) five (5) or more calendar days before meeting.
4/11/2025	Agenda posted in IDL Boise Director's office forty-eight (48) hours before meeting.
4/11/2025	Agenda posted in IDL Coeur d'Alene staff office forty-eight (48) hours before meeting.
4/11/2025	Agenda posted at meeting location forty-eight (48) hours before meeting.
4/11/2025	Agenda posted electronically on <u>IDL website</u> (https://www.idl.idaho.gov) forty-eight (48) hours before meeting.
4/11/2025	Agenda published on <u>Townhall Idaho website</u> (https://townhall.idaho.gov) forty-eight (48) hours before meeting.
2/27/2025	Revised Land Board annual meeting schedule posted-Boise Director's office, Coeur d'Alene staff office, and <u>IDL website</u> (https://www.idl.idaho.gov).

Certification

Renie Jacobsen

Recording Secretary

April 11, 2025

Date



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board Phil McGrane, Secretary of State Raúl R. Labrador, Attorney General Brandon D Woolf, State Controller Debbie Critchfield, Superintendent of Public Instruction Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING APRIL 2025

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, April 15, 2025 in **the State Capitol**, **Lincoln Auditorium (WW02)**, **Lower Level**, **West Wing**, **700 W**. **Jefferson St**., **Boise**. The meeting is scheduled to begin at 9:00 AM (MT).

Please note meeting location.

The State Board of Land Commissioners will conduct this meeting in person and by virtual means. This meeting is open to the public. No public comment will be taken.

Meeting will be streamed live via IPTV: https://www.idahoptv.org/shows/idahoinsession/

Register to attend the Zoom webinar: https://idl.zoom.us/webinar/register/WN_Tkm3LCwoQ42SnL_XcIQu_Q

Notice Posted: 4/2/2025 Boise; 4/2/2025 Coeur d'Alene

This notice is published pursuant to Idaho Code § 74-204. For additional information regarding Idaho's Open Meeting Law, please see Idaho Code §§ 74-201 through 74-208.

Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702, 208.334.0200

Idaho State Board of Land Commissioners



Brad Little, Governor and President of the Board Phil McGrane, Secretary of State Raúl R. Labrador, Attorney General Brandon D Woolf, State Controller Debbie Critchfield, Superintendent of Public Instruction Dustin T. Miller, Secretary to the Board

Revised Final Agenda

State Board of Land Commissioners Regular Meeting April 15, 2025–9:00 AM (MT) State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho

Please note meeting location.

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Reports

- 1. Department Reports-presented by Dustin Miller, Director
 - A. Timber Sales Revenue—March 2025
 - B. Leases/Permits Transactions and Revenue—March 2025
 - C. Legislative Summary-Final
 - D. Land Bank Aging
- 2. Endowment Fund Investment Board—presented by Chris Anton, EFIB Manager of Investments
 - A. Manager's Report
 - B. Investment Report

Consent—Action Item(s)

- 3. March 12, 2025 Live Auction, Mineral Lease E700060—presented by Jason Laney, Section Manager-Leasing
- 4. Approval of Draft Minutes-March 18, 2025 Regular Meeting

Regular—Action Item(s)

 Gloria Ford Property Disposal (Idaho Department of Fish and Game)—introduction by Zane Lathim, Section Manager-Real Estate; presented by Sal Palazzolo, State Habitat Manager, IDFG

- 6. Energy Lease M600110 (Hornstone Solar)—presented by Jason Laney, Section Manager-Leasing
- 7. Spiked Out Timber Sale: Clearcut Harvest Unit (FY2025 Sales Plan)—presented by David Greenwood, Bureau Chief-Timber Management
- 8. FY2026 Timber Sales Plan—presented by David Greenwood, Bureau Chief-Timber Management
- 9. Clearcuts Over 100 Acres (FY2026 Sales Plan)—presented by David Greenwood, Bureau Chief-Timber Management
- 10. Almost Round Cedar Timber Sale: Clearcut Harvest Unit and Public Comment (FY2026 Sales Plan)—presented by David Greenwood, Bureau Chief-Timber Management
- 11. Land Bank Fund Transfer–Principal and Earned Interest—presented by Bill Haagenson, Deputy Director-Resource Management

Information

- 12. Round Lake Contract—presented by Michele Andersen, Deputy Director-Policy and Administration
- 13. 2026 Grazing Lease Rate—presented by Addie Faust, Program Manager-Natural Resources Leasing
- 14. Fire Strategic Plan-presented by Dustin Miller, Director

Executive Session

None

This agenda is published pursuant to Idaho Code § 74-204. The agenda is subject to change by the Land Board. To arrange auxiliary aides or services for persons with disabilities, please contact Idaho Department of Lands at (208) 334-0200. Accommodation requests for auxiliary aides or services must be made no less than five working days in advance of the meeting. Agenda materials are available on <u>IDL's website</u> at https://www.idl.idaho.gov/land-board/.



🚯 🛛 Idaho Statutes

Idaho Statutes are updated to the website July 1 following the legislative session.

TITLE 74 TRANSPARENT AND ETHICAL GOVERNMENT CHAPTER 2 OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS - WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;

(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;(c) To acquire an interest in real property not owned by a public

agency;

(d) To consider records that are exempt from disclosure as provided in <u>chapter 1, title 74</u>, Idaho Code;

(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;

(g) By the commission of pardons and parole, as provided by law;

(h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;

(i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section $\underline{74-206A}$ (1)(a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this chapter to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

(4) If the governing board of a public school district, charter district, or public charter school has vacancies such that fewer than two-thirds (2/3) of board members have been seated, then the board may enter into executive session on a simple roll call majority vote. History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125; am. 2018, ch. 169, sec. 25, p. 377; am. 2019, ch. 114, sec. 1, p. 439.]

STATE BOARD OF LAND COMMISSIONERS

April 15, 2025

Trust Land Revenue

Timber Sales

During March 2025, the Idaho Department of Lands (IDL) sold six endowment timber sales at auction. Five of the endowment sales had competitive bidding. The net sale value represents a 72% increase over the appraised price. One endowment timber sale did not sell at auction on its second attempt.

				тімв	BER SALE AUCTI	ONS		
Sale Name	Area	Sawlog MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
Chunker	SJ	6,145	0	0	\$663,356.00	\$1,862,151.00	\$303.04	Stimson Lumber Company
Sly Meadows Ton	SJ	3,845	0	0	\$462,249.48	\$750,562.20	\$195.20	Clearwater Paper Corp
Hunt Cedar	PL	4,725	0	0	\$977,618.50	\$1,863,032.50	\$394.29	Stimson Lumber Company
Deep South Ton	PAY	1,515	0	0	\$121,530.12	\$122,816.22	\$81.07	Tamarack Mill, LLC
Lower Benton Cedar	CLW	3,355	0	0	\$1,284,965.00	\$1,284,965.00	\$383.00	Alta Forest Products, LLC
Last Loseth	CLW	5,675	0	0	\$581,981.00	\$1,168,689.00	\$205.94	IFG Timber LLC
Endowment		25,260	0	0	\$4,091,700.10	\$7,052,215.92	\$279.19	

	PROPOSE	D TIMBER SALES FOR	RAUCTIC)N
Sale Name	Volume MBF	Advertised Net Value	Area	Scheduled Auction Date
		North Operations		
Fudge Cedar	1,950		SJ	4/2/2025
Lower Eagle Cedar	7,570	\$3,186,152.00	MICA	4/14/2025
Phone Home Cedar	4,770	\$860,351.50	SJ	4/22/2025
Feline	6,830	\$978,391.50	PL	4/23/2025
Totals	21,120	\$5,491,649.50		
		South Operations		
Lakey Ton	1,990	\$152,510.59	PAY	4/9/2025
McCarter Creek Salvage	800	\$16,700.00	EI	4/10/2025
Cool Hand Lew	9,890	\$1,491,598.00	MC	4/16/2025
Totals	12,680	\$1,660,808.59		

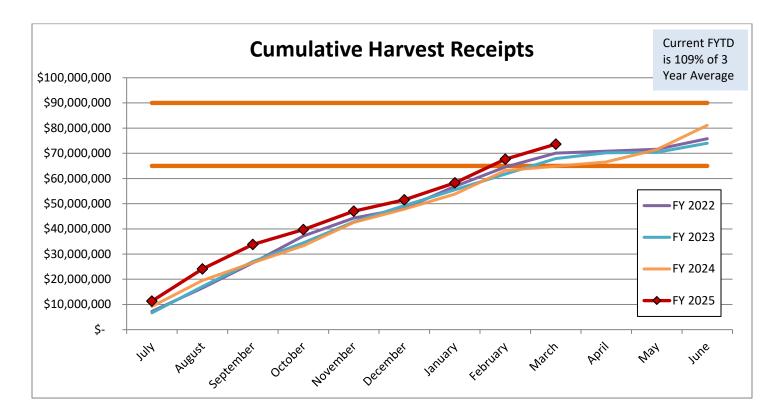
VOLUME U	VOLUME UNDER CONTRACT as of March 31, 2025											
Public School Pooled Total 3 Year Avg.												
Active Contracts			157	155								
Total Residual MBF Equivalent	301,205	163,419	464,624	516,155								
Estimated residual value	\$78,168,772	\$47,326,933	\$125,495,705	\$141,382,415								
Residual Value (\$/MBF)	\$259.52	\$289.60	\$270.10	\$273.91								

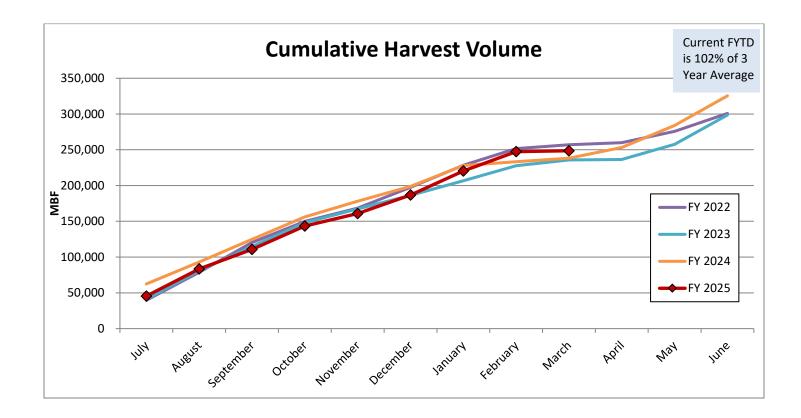
Α

		TIMBE	R HARVEST RECEI	PTS			
	Mai	rch	FY to date	April Projected			
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest		
Public School	\$3,564,470.81	\$303,827.59	\$46,110,243.68	\$306,176.16	\$23,911.50		
Pooled	\$1,902,810.33	\$187,100.23	\$27,529,214.38	\$83,720.03	\$3,760.13		
General Fund	\$ -	\$-	\$4,163.55	\$-	\$ -		
Totals	\$5,467,281.14	\$490,927.82	\$73,643,621.61	\$389,896.19	\$27,671.63		

		STATU	S OF FY2025 T	'IN	IBER SALE	PROGRA	м
		MBF Saw	log			oles	
	Public School	Pooled	All Endowments		Public School	Pooled	All Endowments
Sold as of March 31, 2025	67,045	86,519	153,564		5,754	9,546	15,300
Currently Advertised	33,588	17,367	50,955		8,248	1,792	10,040
In Review	45,162	16,998	62,160		1,065	0	1,065
Did Not Sell*	4,775	0	4,775		0	0	0
Totals	150,570	120,884	271,454		15,067	11,338	26,405
FY2025 Sales Plan			328,000				20,000
Percent to Date			83%				132%

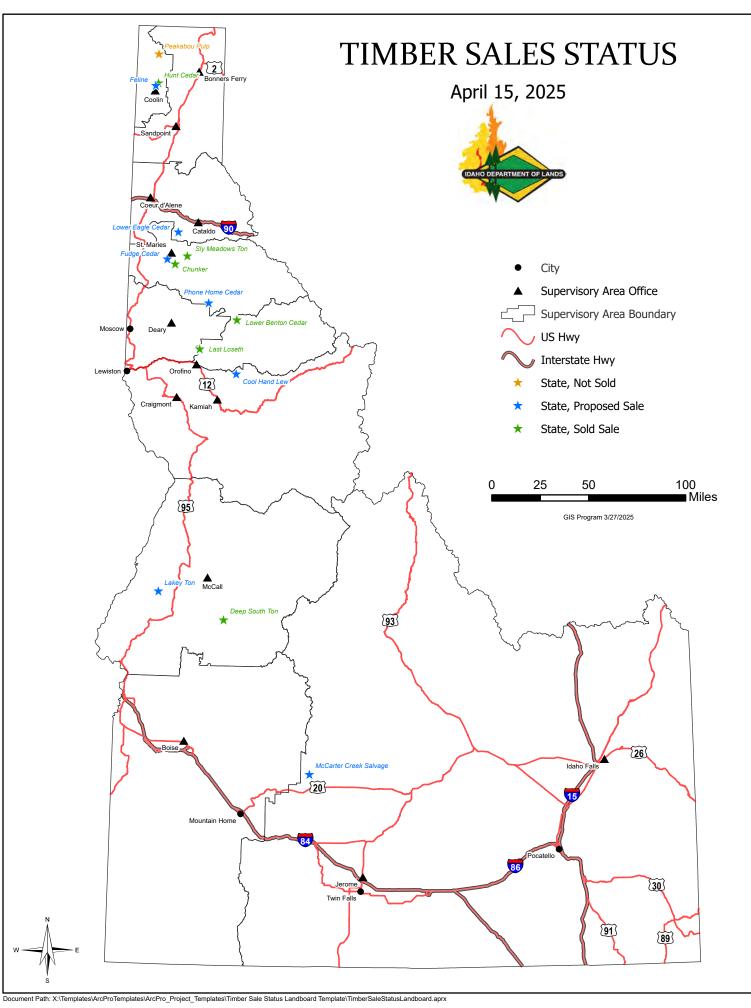
* After three attempts at auction.







March 2025 6-month average price is \$294.63. March 2024 6-month average price was \$236.52.



STATE BOARD OF LAND COMMISSIONERS

April 15, 2025

Endowment Transactions

Leases and Permits

FISCAL YEAR 202	25 – I		ING nroug					NSA	стіо	NS B	ү мо	NTH	
ΑCTIVITY	JUL	AUG	SEP	ост	NOV	DEC	JAN	FEB	MAR	APR	МАҮ	NUL	FYTD
SURFACE													
Agriculture		-	I	I	I	I	-	-	-	I	-	-	0
Assignments	I	-	I	I	I	-	1	-	-	I	-	-	1
Communication Sites	1		I	I	I	1	-	1	-	I	-	-	2
Assignments	1	4	1	1	-	-	-	-	-	-	-	-	4
Grazing	I	3	I	2	1	1	-	-	2	I	-	-	7
Assignments	4	2	11	2	3	-	1	1	2	-	-	-	26
Residential	I	9	1	8	3	6	4	1	-	-	-	-	32
Assignments		2	2	1	-	1	-	-	-	-	-	-	6
COMMERCIAL													
Alternative Energy	I	-	I	I	I	1	2	-	-	I	-	-	2
Industrial		-	1	1	-	-	-	-	-	-	-	-	0
Assignments	I	-	I	I	I	1	1	-	-	I	-	-	1
Military	1	-	1	1	-	-	-	-	-	-	-	-	0
Office/Retail	I	-	I	I	I	1	-	-	-	I	-	-	0
Recreation	I	-	I	1	I	1	-	-	-	I	-	-	1
Assignments	1	-	-	-	-	-	-	-	-	-	-	-	1
OTHER													
Conservation	-	-	-	-	-	-	-	-	-	-	-	-	0
Geothermal	-	-	-	-	-	-	-	-	-	-	-	-	0
Minerals	2		-	2	-	1	-	-	2	-	-	-	7
Assignments	-	-	-	-	-	-	4	-	-	-	-	-	4
Non-Comm Recreation		-	-	-	-	-	-	-	-	-	-	-	0
Oil & Gas	1	-	-	-	-	-	-	-	-	-	-	-	0
PERMITS													
Land Use Permits	9	11	10	7	2	7	11	11	4	-	-	-	72
TOTAL INSTRUMENTS	17	31	24	23	8	15	24	14	10	0	0	0	166

Real Estate

FISCAL YEAR 2025 – REAL ESTATE TRANSACTIONS BY MONTH through March 31, 2025													
JUL JUN MAY													
Deeds Acquired	-	1	-	-	-	-	-	1	-	-	-	-	2
Deeds Granted	-	-	-	4	8	-	-	-	-	-	-	-	12
Deeds Granted-Surplus	-	1	-	2	-	-	-	-	-	-	-	-	3
Easements Acquired		-	-	1	-	1	-	1	-	-	-	-	3
Easements Granted	-	-	-	-	1	-	1	-	-	-	-	-	2
Notes :	-	-		-	-		-			-			

TRUST LAND MANAGEMENT DIVISION

FY2025 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED

through March 31, 2025

	VENUE YTD 0F 03.31.2025		REVENUE XPECTED BY 93.31.2025*		REVENUE EXPECTED BY 06.30.2025
SURFACE					
AGRICULTURE	\$ 456,988		\$ 628,710		\$ 678,710
COMMUNICATION SITES	\$ 1,054,154		\$ 1,075,000		\$ 1,100,000
GRAZING	\$ 220,213		\$ 326,000		\$ 2,089,000
RESIDENTIAL LEASES	\$ 1,331,475		\$ 1,321,000		\$ 1,557,115
COMMERCIAL					
COMMERCIAL ENERGY RESOURCES	\$ 59,879		\$ 117,340		\$ 117,340
COMMERCIAL INDUSTRIAL	\$ 255,789		\$ 115,000		\$ 130,000
COMMERCIAL MILITARY FACILITIES	\$ 111,775		\$ 145,000		\$ 150,000
COMMERCIAL OFFICE/RETAIL LEASES	\$ 746,871		\$ 860,000		\$ 950,000
COMMERCIAL RECREATION	\$ 875,809		\$ 913,000		\$ 1,120,000
OTHER					
CONSERVATION LEASES	\$ 99,911		\$ 73,295		\$ 73,595
GEOTHERMAL	\$ -		\$ 5,006		\$ 5,006
MINERAL LEASES	\$ 262,045		\$ 110,494		\$ 110,494
OIL AND GAS LEASES	\$ 3,885		\$ 2,989	Γ	\$ 3,029
Sub Total	\$ 5,478,795		\$ 5,692,835		\$ 8,084,289
REAL ESTATE SERVICES (ER)	\$ -	**			
Grand Total - Earnings Reserve	\$ 5,478,795				

PERMANENT FUND REVENUE

MINERALS (PF)

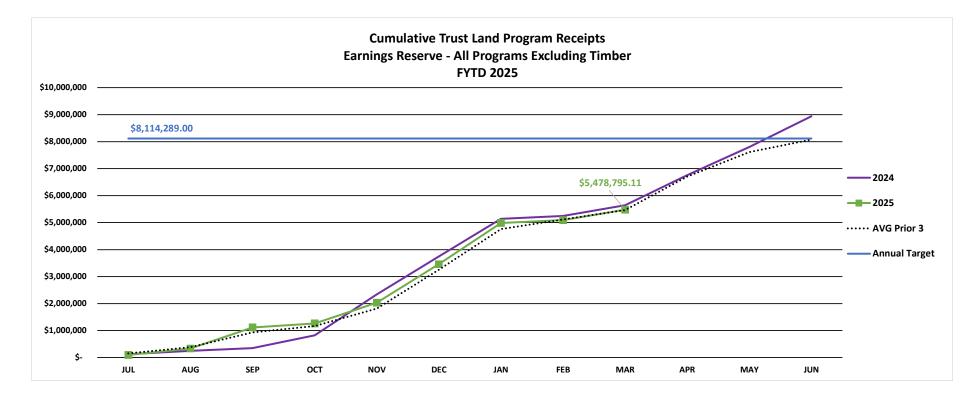
*These figures are based on historic timing of revenue/billing as well as estimates of upcoming lease and permit revenue.

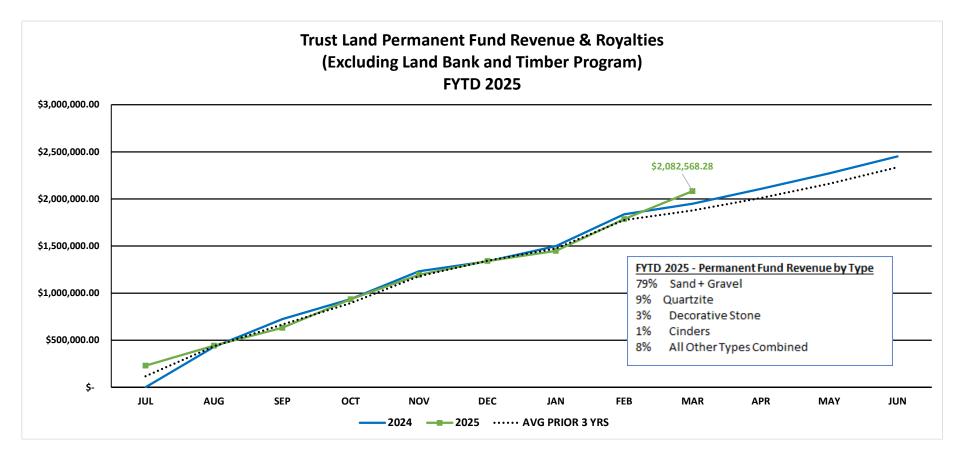
2,082,568 ***

\$

** This category is not included in the annual forecast.

***This category is not included in the annual forecast and represents minerals revenue to the permanent fund.





STATE BOARD OF LAND COMMISSIONERS April 15, 2025 2025 Legislative Summary

Status of 2025 legislation monitored by the Idaho Department of Lands (IDL).

View Pending Rules: https://adminrules.idaho.gov/legislative_books/2025/pending/25S_ResEnv.pdf

View Pending Legislation:

https://legislature.idaho.gov/sessioninfo/2025/legislation/minidata/

IDL Pending Rules

Docket No. 20-0313-2401 (p.15)—Administration of Cottage Site Leases on State Lands

Docket No. 20-0314-2401 (p.18)—Rules Governing Grazing, Farming, and Conservation Leases

Docket No. 20-0315-2401 (p.31)—Rules Governing Geothermal Leasing on Idaho State Lands

Docket No. 20-0316-2401 (p.48)—Rules Governing Oil and Gas Leasing on Idaho State Lands

Docket No. 20-0401-2301 (p.65)—Rules Pertaining to Forest Fire Protection

Docket No. 20-0402-2301 (p.76)—Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Laws

Docket No. 20-0702-2401 (p.92)—Rules Governing Conservation of Oil and Natural Gas in the State of Idaho

IDL Legislation

Budget

<u>H0248 APPROPRIATIONS-NATURAL RESOURCES</u>—Relates to the maintenance appropriation to Natural Resources for fiscal year 2026.

Status LAW.

H0371 APPROPRIATIONS-ENDOWMENT FUND INVESTMENT BOARD—Relates to the appropriation to the Endowment Fund Investment Board for fiscal year 2026. Status LAW.

<u>H0444 APPROPRIATIONS-DEPARTMENT OF LANDS</u>—Relates to the appropriation to the Department of Lands for fiscal years 2025 and 2026.

Status LAW.

Rules

<u>HR015 RULE APPROVAL-HOUSE RESOURCES AND CONSERVATION COMMITTEE</u>— All pending rules of the Idaho Department of Lands have been reviewed and approved by the HRES Committee, with the exception of IDAPA 20.03.14, Rules Governing Grazing, Farming, and Conservation Leases, Docket No. 20-0314-2401, Section 050., Subsection 02., only, which was not approved.

Status ADOPTED.

<u>SR111 RULE APPROVAL-SENATE RESOURCES AND ENVIRONMENT COMMITTEE</u>— All pending rules of the Idaho Department of Lands have been reviewed and approved by the SRES Committee, with the exception of IDAPA 20.03.14, Rules Governing Grazing, Farming, and Conservation Leases, Docket No. 20-0314-2401, Section 050., Subsection 02., only, which was not approved.

Status ADOPTED.

<u>SCR112 RULE REJECTION-STATE GRAZING LEASES</u>—The Legislature resolves that the final rule contained in IDAPA 20.03.14, Section 050., Subsection 02., only, relating to Rules Governing Grazing, Farming, and Conservation Leases, is hereby rejected and declared null, void, and of no force and effect on and after July 1, 2025.

Status ADOPTED.

Other Legislation

Idaho Administrative Procedure Act

H0009a IDAHO ADMINISTRATIVE PROCEDURE ACT—Amends, repeals, and adds to existing law to revise the procedures for the conducting of contested cases.

Status LAW.

H0014 IDAHO CODE CLEANUP—Adds to existing law to establish the Idaho Code Cleanup Act.

Status LAW.

H0036 IDAHO ADMINISTRATIVE PROCEDURE ACT—Adds to existing law to establish provisions regarding the issuance of a subpoena in a contested case.

Status LAW.

Idaho Oil and Gas Conservation Commission

<u>S1146 OIL AND GAS</u>—Amends existing law to revise a provision regarding the Oil and Gas Conservation Commission.

Status LAW.

Mines/Mining

H0226 MINES AND MINING—Amends and adds to existing law to provide for adjustment of mine license tax allocations, expenditures of reclamation funds, voluntary contributions, establishment of an advisory committee, responsibilities of the department of lands, and the setting of reclamation priorities.

Status LAW.

Miscellaneous

H0172 OPEN MEETINGS LAW—Amends existing law to establish provisions regarding multiple agenda items on an agenda.

Status LAW.

<u>H0215 REPORTS TO THE LEGISLATURE</u>—Amends, repeals, and adds to existing law to provide for reports to the Legislature to be submitted electronically and to remove obsolete provisions regarding reporting requirements.

Status LAW.

<u>H0222 STATE WEBSITES</u>—Adds to existing law to require state websites to contain certain rule and policy documents and a certain statement.

Status LAW.

<u>H0253a PUBLIC RECORDS</u>—Amends existing law to provide additional time to respond to requests for public records from nonresidents and to allow a different fee schedule to fulfill nonresident requests.

Status LAW.

<u>H0268 STATE EMPLOYEES</u>—Amends existing law to provide that executive employees of the state of Idaho shall not be classified employees.

Status LAW.

<u>H0389 UNCONTROLLED FIRES</u>—Amends and adds to existing law to provide that a fire burning out of control on federal land in Idaho is a nuisance and cost recovery actions related to such fires are subject to a statute of limitations after ten years, and to allow the governor to direct state resources to suppress fires on federal land.

Status LAW.

<u>HCR003 NATURAL RESOURCE ISSUES STUDY</u>—States findings of the Legislature and authorizes the Legislative Council to appoint a committee to undertake and complete a study of natural resource issues.

Status ADOPTED.

<u>S1183 WILDFIRE STANDARD OF CARE ACT</u>—Adds to existing law to establish the Wildfire Standard of Care Act.

Status LAW.

	-	Current			oal Ba	lance By Qua		Receipted - As o			1			
FY Quarter IN	Ρι	iblic School	P	Agriculture College				ate Hospital South	University of Idaho		AII	Endowments	FY Quarte EXPIRES	
2021-01	\$	1,639,920	\$	-	\$	-	\$	-	\$	-	\$	1,639,920	2026-01	
2021-02	\$	6,595,000	\$	-	\$	-	\$	-	\$	-	\$	6,595,000	2026-02	
2021-03	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	2026-03	
2021-04	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	2026-04	
2022-01	\$	1,500,720	\$	-	\$	-	\$	-	\$	-	\$	1,500,720	2027-01	
2022-02	\$	10,140,720	\$	-	\$	-	\$	-	\$	-	\$	10,140,720	2027-02	
2022-03	\$	9,890,500	\$	-	\$	-	\$	-	\$	-	\$	9,890,500	2027-03	
2022-04	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	2027-04	
2023-01	\$	6,125,000	\$	-	\$	-	\$	-	\$	-	\$	6,125,000	2028-01	
2023-02	\$	9,848,000	\$	-	\$	-	\$	432,187	\$	-	\$	10,280,187	2028-02	
2023-03	\$	9,800,000	\$	-	\$	-	\$	-	\$	-	\$	9,800,000	2028-03	
2023-04	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	2028-04	
2024-01	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	2029-01	
2024-02	\$	6,006,000	\$	-	\$	-	\$	-	\$	-	\$	6,006,000	2029-02	
2024-03	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	2029-03	
2024-04	\$	2,099,820	\$	-	\$	-	\$	-	\$	-	\$	2,099,820	2029-04	
2025-01	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	2030-01	
2025-02	\$	10,249,720	\$	-	\$	450,000	\$	5,563,000	\$	-	\$	16,262,720	2030-02	
2025-03	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	2030-03	
FOTAL PRINCIPAL REMAINING	\$	73,895,400	\$	-	\$	450,000	\$	5,995,187	\$	-	\$	80,340,587		

LAND BANK CASH BALANCE \$ 77,311,936 (with Interest)	\$	1,221,580	\$	468,628	\$	6,104,019	\$	-	\$	85,106,164	
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Thomas J. Wilford :: ChairmanJerry F. AldapeMary Pat ThompsonRobert M. DonaldsonChuck WinderJoseph ForneyKenny WrotenIrving LittmanBrian Yeargain

Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through March 31, 2025

Month: -2.7% Fiscal year: 3.3%

Financial markets were volatile in March as the prospect of significant tariffs loomed and consumer confidence and spending started to show signs of strain. It appears that the biggest increase in U.S. tariffs since the enactment of Smoot-Hawley in 1930 will go into effect on Wednesday, April 2nd on what President Trump has dubbed "Liberation Day." Consumers are concerned that the tariffs will be passed along in the form of higher prices. Consumer expectations for inflation jumped to a 32-year high and this fear is beginning to adversely impact consumer confidence and spending. Large retailers like Walmart, Home Depot, Lowe's, Target, Best Buy and others have provided guidance that same store sales are slowing.

Status of endowment fund reserves

Distributions for FY2025 and FY2026 are well secured.

Significant actions of the Endowment Fund Investment Board None.

Compliance/legal issues, areas of concern

Material deviations from Investment Policy: None.

Material legal issues: None.

Changes in board membership or agency staffing: None.

Upcoming issues/events

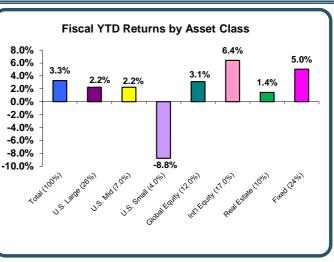
Board Meeting - May 20, 2025

INVESTMENT BOARD

Preliminary Report (Land Grant I	Fund)					Ma	rch 31, 2025		
				N	lonth	<u>F</u> `	<u>/TD</u>		
Beginning Value of Fund				3,419,3	350,797	\$ 3,254	,002,699		
Distributions to Beneficiarie	es			(8,6	601,800)	(77	(77,666,200)		
Land Revenue net of IDL E	Expenses			8,9	913,768	51	,069,524		
Change in Market Value ne	et of Investmen	ises	(92,6	634,440)	99	,622,302			
Current Value of Fund	\$ 3,327,0	028,325	\$ 3,327	,028,325					
	Current	Calendar	Fiscal	One	Three	Five	Ten		
<u>Gross Returns</u>	Month	<u>Y-T-D</u>	<u>Y-T-D</u>	Year	Year	Year	Year		
Total Fund	-2.7%	0.0%	3.3%	4.0%	4.2%	11.0%	7.3%		
Total Fund Benchmark*	-2.6%	-0.3%	4.1%	5.7%	4.6%	10.4%	7.1%		
Total Fixed	-0.1%	2.8%	5.0%	5.1%	0.6%	0.8%	1.7%		
BBG U.S. Agg. (Ag)	0.0%	2.8%	4.8%	4.9%	0.5%	0.0%	1.6%		
Total Equity	-4.0%	-1.1%	2.8%	4.0%	6.5%	16.1%	9.8%		
56% R3 25.8% Ax 18.2% AC	-4.0%	-1.6%	4.3%	7.0%	7.1%	15.8%	9.6%		
Domestic Equity	-6.0%	-5.3%	1.0%	2.4%	6.7%	17.5%	11.1%		
Russell 3000 (R3)	-5.8%	-4.7%	3.9%	7.2%	8.2%	18.2%	11.8%		
Global Equity	-3.0%	0.5%	3.1%	4.9%	6.7%	1 5.0%	8.9%		
MSCI ACWI (AC)	-4.0%	-1.3%	4.2%	7.2%	6.9%	15.2%	8.8%		
Int'l. Equity	-0.9%	7.2%	6.4%	6.4%	6.1%	13.9%	7.5%		
MSCI ACWI ex-US (Ax)	-0.2%	5.2%	5.1%	6.1%	4.5%	10.9%	5.0%		
Real Estate	0.0%	0.9%	1.4%	0.9%	-2.8%	1.9%			
NCRIEF ODCE Index		0.9%	0.3%	-2.3%	-3.1%	1.9%			

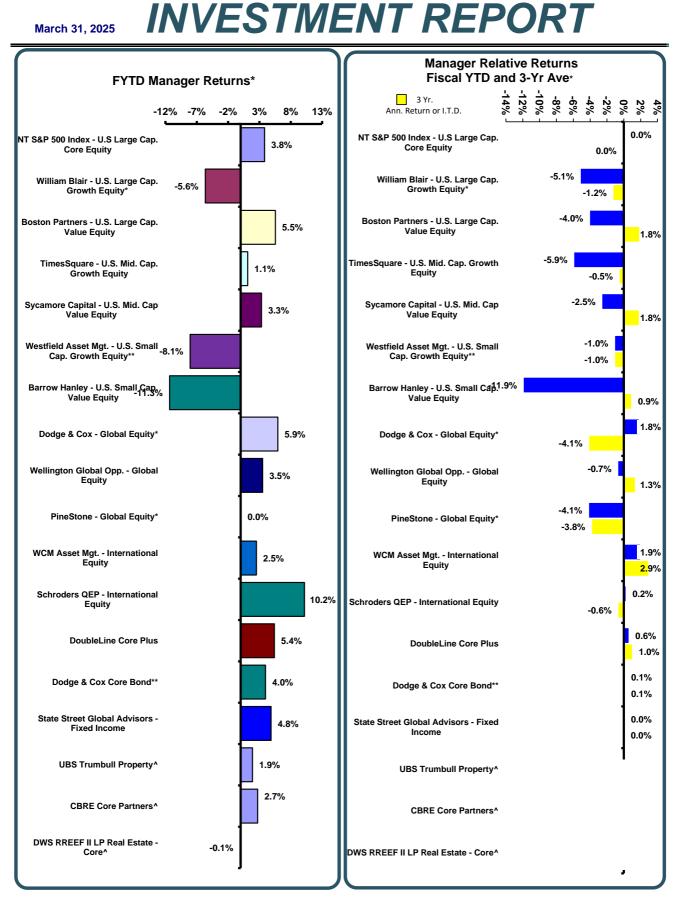
* Benchmark:37% Russell 3000 17% ACWI ex-US 12% AC 24% BB Agg. 10% OD

	Mkt Value Allocation				
Domestic Equity	\$ 1,172.5	35.2%			
Large Cap	826.5	24.8%			
Mid Cap	227.7	6.8%			
Small Cap	118.3	3.6%			
Global Equity	407.8	12.3%			
Int'l Equity	582.6	17.5%			
Fixed Income	796.8	23.9%			
Real Estate	351.2	10.6%			
Cash	15.7	<u>0.5%</u>			
Total Fund	\$ 3,327.0	<u>100.0%</u>			



Endowment Fund Staff Comments:

Financial markets were volatile in March as the prospect of significant tariffs loomed and consumer confidence and spending started to show signs of strain. It appears that the biggest increase in U.S. tariffs since the enactment of Smoot-Hawley in 1930 will go into effect on Wednesday, April 2nd on what President Trump has dubbed "Liberation Day." Consumers are concerned that the tariffs will be passed along in the form of higher prices. Consumer expectations for inflation jumped to a 32-year high and this fear is beginning to adversely impact consumer confidence and spending. Large retailers like Walmart, Home Depot, Lowe's, Target, Best Buy and others have provided guidance that same store sales are slowing.



** Westfield Started 7/19/24, Dodge & Cox 2/1/25

^ Most recent valuation. * I-T-D if no FYTD or 3-yr. history

STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Consent Agenda

Subject

Mineral Lease Live Auction—March 12, 2025

Question Presented

Shall the Land Board direct the Department to award a mineral lease to the high bidder at the live auction?

Background

The Idaho Department of Lands (Department) received an application for a basalt mineral lease on a 320-acre parcel of Public School endowment land located approximately 20 miles north-northeast of Shoshone in Blaine County. Site maps are included as Attachment 1.

Pursuant to Idaho statute and Department procedure, the public auction was advertised and held to determine the high bidder for the lease. Auction participants were required to register for the live auction one week prior to the auction date. Department staff conducted the live auction.

Discussion

For the purpose of securing a single lessee for the mineral lease, a live auction was held on March 12, 2025, at the Department's Eastern Area field office in Jerome. There were two auction participants: Sluder Construction, Inc. and Premier, LLC. Sluder Construction submitted the successful premium bid of \$11,500 for mineral lease E700060. The lease includes a 10-year term for the extraction of basalt, including annual rent of \$960 (\$3 per acre); a minimum annual royalty payment of \$2,000; and a royalty rate of \$7/short ton. Attachment 2 summarizes the results of the live auction.

Idaho Code § 58-310(4) provides that the State Board of Land Commissioners (Land Board) has the right to reject any bid made at a live auction where fraud or collusion are present, or for any reason, all within the sole discretion of the Land Board. The Department completed the lease auction process in accordance with existing statute and procedures and did not observe any indication of fraud or collusion related to this process.

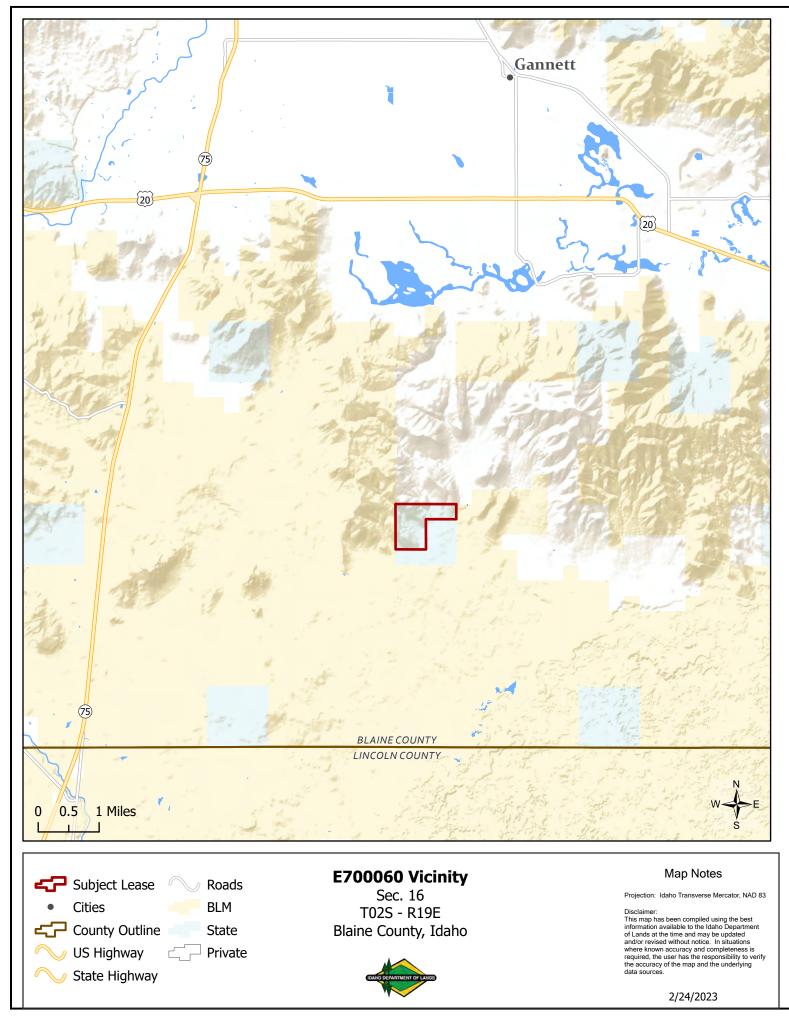
Recommendation

Direct the Department to award mineral lease E700060 to Sluder Construction, Inc., the high bidder at the auction.

Board Action

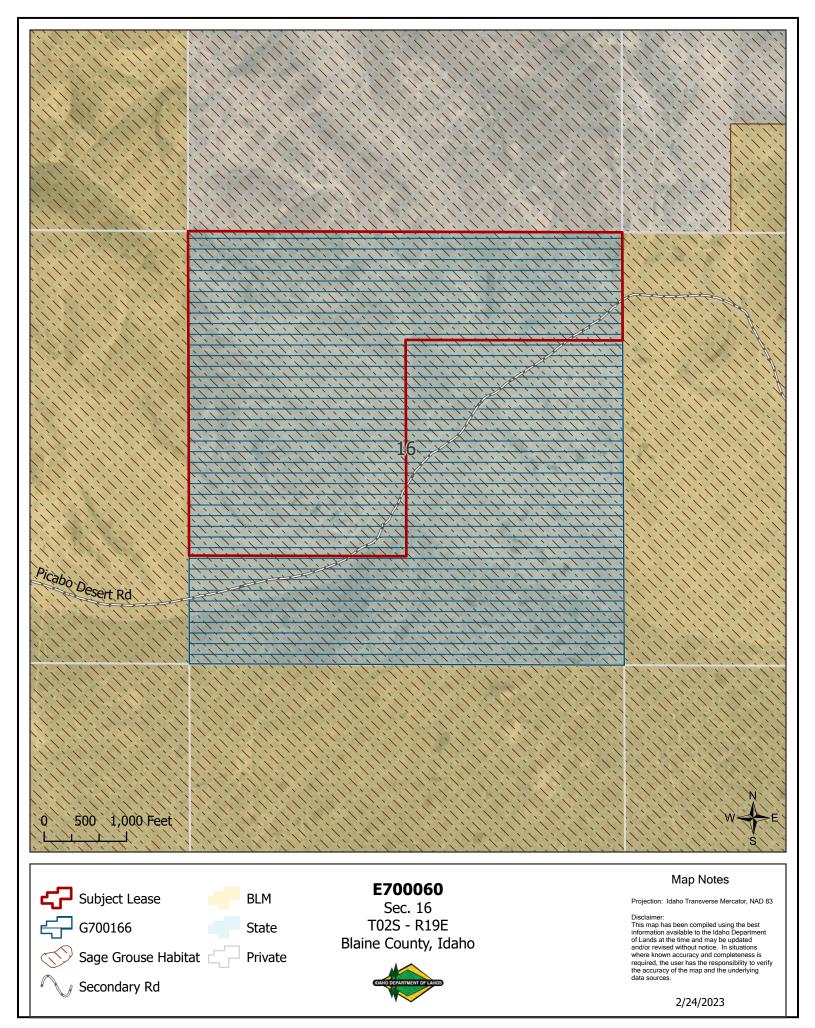
Attachments

- 1. Site Maps
- 2. Summary of Auction Results



Document Path: C:\Users\jnarducci\Documents\ArcGIS\Projects\E700060\E700060.aprx

ATTACHMENT 1.1



ATTACHMENT 1.2

Summary of March 12,	2025 Mineral Lease Live Auction
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Supervisory Area	Lease Number	Endowment	Lease Term (Years)	Acres	Commodity	# of Participants	# of Bids	High Bid Amount	High Bidder
Jerome Field Office Eastern Area	E700060	PS	10	320	basalt	2	16	\$11,500	Sluder Construction, Inc.

Idaho State Board of Land Commissioners



Brad Little, Governor and President of the Board Phil McGrane, Secretary of State Raúl R. Labrador, Attorney General Brandon D Woolf, State Controller Debbie Critchfield, Superintendent of Public Instruction Dustin T. Miller, Secretary to the Board

Be it remembered that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.

Draft Minutes

State Board of Land Commissioners Regular Meeting March 18, 2025

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, March 18, 2025 at the Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise, Idaho, and via webinar. The meeting began at 9:00 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little Honorable Secretary of State Phil McGrane Honorable Attorney General Raúl Labrador Honorable Superintendent of Public Instruction Debbie Critchfield

Four Land Board members were present at the physical location. State Controller Brandon Woolf was attending a national conference for state controllers.

Reports

- 1. Department Reports-presented by Bill Haagenson, Deputy Director
 - A. Timber Sales Revenue—February 2025
 - B. Leases/Permits Transactions and Revenue—February 2025
 - C. Legislative Summary

Discussion: None.

- 2. Endowment Fund Investment Board—presented by Chris Halvorson, EFIB Investment Officer
 - A. Manager's Report
 - B. Investment Report

Discussion: Mr. Halvorson stated the month of February was volatile; financial markets were up and down having to do with tariffs and consumer confidence. Mr. Halvorson reported that throughout the volatility, the Endowment Fund ended February down about 0.1%, with a fiscal year-to-date return around 6.2%. Volatility continued in March; month to date the fund is down 1.5%, and fiscal year-to-date return is 4.6%. Mr. Halvorson mentioned a couple of factors affecting the market. The

fear of recession surfaced again; there was a lot of talk on trade and tariffs and negotiations. Consumer confidence was weakened by all the news going on in the market. Spending was off a little; labor markets were challenged with news in job cuts. A large effect was related to the race for AI [artificial intelligence]. A Chinese company was in the news touting a cheaper solution to the AI need for expensive chips and power. That led to lower stock prices, particularly tech stocks linked to AI. Mr. Halvorson commented that the general lack of steady direction in the economy, and uncertainty, was bad for stocks. This instability will remain until clarity and certainty come back in the markets. Mr. Halvorson communicated some good news; international stocks have been outperforming, partially because of an industrial rebuild in Europe and more military spending in certain countries. Real estate has been a bright spot; the fund had a couple of good quarters with positive numbers in real estate. Mr. Halvorson noted that the Investment Board hired local investment manager Clearwater Advisors to manage a portion of the investments for the State Insurance Fund; some members may be familiar with that firm. Governor Little asked if it was fixed income management; Mr. Halvorson replied yes.

Consent—Action Item(s)

3. Timber License Plate Fund—presented by Jennifer Okerlund Frederickson, Idaho Forest Products Commission

Discussion: Superintendent Critchfield complimented the valuable tour put together for teachers that offers education about sustainable forest. Superintendent Critchfield shared that she took part in a prior tour, and it was very well received; those who participated absolutely loved it. Ms. Okerlund-Frederickson thanked Superintendent Critchfield for making time to participate and mentioned that tour leaders and teachers really enjoyed having her there.

Recommendation: Direct the Department to proceed with the recommended educational projects developed jointly with the Idaho Forest Products Commission.

4. Approval of Draft Minutes-February 18, 2025 Regular Meeting

Consent Agenda Board Action: A motion was made by Superintendent Critchfield that the Land Board approve the Consent Agenda. Secretary of State McGrane seconded the motion. The motion carried on a vote of 4-0.

Regular—Action Item(s)

 Modernizing Wildland Fire Operations Facilities: Seek Concurrent Resolution presented by Michele Andersen, Deputy Director-Policy and Administration; and Derrick Reeves, Fleet and Facilities Manager

Discussion:

Governor Little asked if the Department is going to ask for a concurrent resolution this session. Ms. Andersen remarked the Department hoped to have this conversation earlier in the session; the legislature is trying to wrap up and the probability for this year is pretty slim. The Land Board's approval to move forward positions the Department to start that leg work and be ready for the next session. Superintendent Critchfield clarified that if the Board agrees to moving forward on the resolution and there is an opening to get it done this year, the Department could try, following the natural timeline. Ms. Andersen said the Department is trying to be prepared for when the opportunity presents itself.

Secretary of State McGrane reflected that it could be a year or ten months from now before the Department would seek the concurrent resolution and questioned if the Board needs to pursue it at this moment. Is this the highest priority? Secretary of State McGrane recognized the facilities need attention and asked, with respect to fire response, how this ranks in terms of funding and spending. Does it warrant more conversation rather than approval at this point in time. Superintendent Critchfield asserted that she has no problem approving the resolution if this kicks off a process of investigation and more conversation, which is how she reads it. It does not tie the Board's hands into anything. Superintendent Critchfield indicated if it helps the Department have more information when the subject comes back to the Board, and facilitates a fuller discussion, she is fine with the timing even if it is a little longer getting to the legislature. Secretary of State McGrane noted he does not have any heartburn that this will cause harm. He inquired about other approaches beyond the ISBA that have been explored in connection with funding. Deputy Director Andersen stated other alternatives as presented last month could be explored. In order to better understand what that process would look like with ISBA, the Department needs a concurrent resolution to have those discussions; it does not preclude pursuing a different option as well. The Department identified this \$45-50 million need; that could very well change due to other needs. The Department is trying to give the Board an estimation based on current knowledge and deliberations, recognizing that it will firm up with better detail down the road. Mr. Haagenson added that the Department plans to bring the latest version of its fire strategic plan to the Land Board next month and engage with Board members on the direction for the fire program.

Governor Little recapped the plan to ask the legislature to pass a concurrent resolution, borrow \$40 million from bankers and then start paying them back. Somewhere the money must come to pay the loan back. Governor Little emphasized that he is not comfortable starting the process of borrowing \$40-50 million. The Land Board requires more comfort on the dire need for it. The Board wants details of building a new fire site at all the older fire sites and not on endowment land. There might be places where an ideal building comes up for a fraction of what it would cost to build new. Governor Little guessed the legislature would be very, very reluctant to borrow \$40 million because every other agency wants to do the same thing; where does it stop. Governor Little suggested that staff fine tune the request on a facility by facility priority standpoint. These fire facilities have to be in certain places to optimize response time: where the facilities would be built, what all would be put with them, where the Department might cooperate with a rural fire department, all needs to be considered. Land Board members need a higher comfort before asking the legislature to loan \$45 million that has to be paid back. The Department would basically be asking for a continuous appropriation to make those payments, and the legislature is not excited about doing continuous appropriations.

Recommendation: Authorize the Department to seek a Concurrent Resolution from the Legislature allowing the Department to work with the ISBA to develop site-specific agreements with the ISBA to provide financing to construct or upgrade fire operations facilities at select locations across the state.

Board Action: A motion was made by Secretary of State McGrane that the Land Board hold the proposal at the call of the Chair. The Department will present a revised Fire Strategic Plan at the April 15th Land Board meeting, and the conversation will continue. The motion carried on a vote of 4-0.

Information

None

Executive Session

None

There being no further business before the Land Board, at 9:28 a.m. a motion to adjourn was made by Superintendent Critchfield. The motion carried on a vote of 4-0.

STATE BOARD OF LAND COMMISSIONERS April 15, 2025 Regular Agenda

Subject

Request to complete transfer of surplus property formerly owned by the Idaho Fish and Game Department to the United States Forest Service

Question Presented

Shall the State Board of Land Commissioners (Land Board) authorize the Idaho Department of Lands (Department) to transfer ownership rights for the Idaho Fish and Game Department (IDFG) property known as the former Gloria Ford property to the United States Forest Service (USFS)?

Background

The Gloria Ford Property (Property) consists of approximately 140 acres of land with improvements, located in Boise County, near the town of Garden Valley (map, Attachment 1). The Property is irregular in shape, with access from multiple points along the Banks-Lowman Highway, which runs through the Property. The improvements to the Property include a residential building, several small outbuildings, and a driveway. The residence belonged to the late Gloria Ford, who held a life estate on the property for full use of these improvements until the time of her death in 2000. The structures have since fallen into disrepair, and a large landslide has inundated the area surrounding the improvements and buried any evidence of a septic system.

IDFG acquired the Property in 1984, with the intention of using it to protect wintering mule deer and elk. The purchase was made prior to the construction of the Banks-Lowman Highway which at the time was planned to be located on the south side of the Payette River. Subsequently, the Banks-Lowman Highway was constructed on the north side of the Payette River, bisecting the Property and severely limiting its utility as wildlife habitat. In 1991, through an agreement with the Federal Highway Administration and the United States Forest Service, IDFG was paid the appraised value of the property as mitigation for the impact of highway construction on wildlife habitat, and in turn IDFG agreed to transfer ownership of the Property to the USFS. IDFG drafted and recorded a State Warranty Deed (Attachment 2) to transfer title to the USFS, and the USFS began managing the property.

Discussion

When the United States Office of General Counsel (OGC) reviewed the transaction in the process of filing the Final Title Opinion, the OGC recognized the fact that IDFG itself did not have authority to dispose of State Lands, that authority resides with the Land Board. For this reason, the OGC declined to sign the Final Title Opinion, leaving the transfer of ownership incomplete on the federal level, even though the State Deed has been on record in Boise County since February of 1992.

In order to rectify the situation and complete the legal transfer of ownership of the Property to the USFS, it will first be necessary for title to the Property to be transferred by IDFG to the Land Board via State Deed. The Land Board will then execute and record another State Deed, transferring ownership of the property from the Land Board to the USFS. Draft State Deeds are included as Attachments 3 and 4.

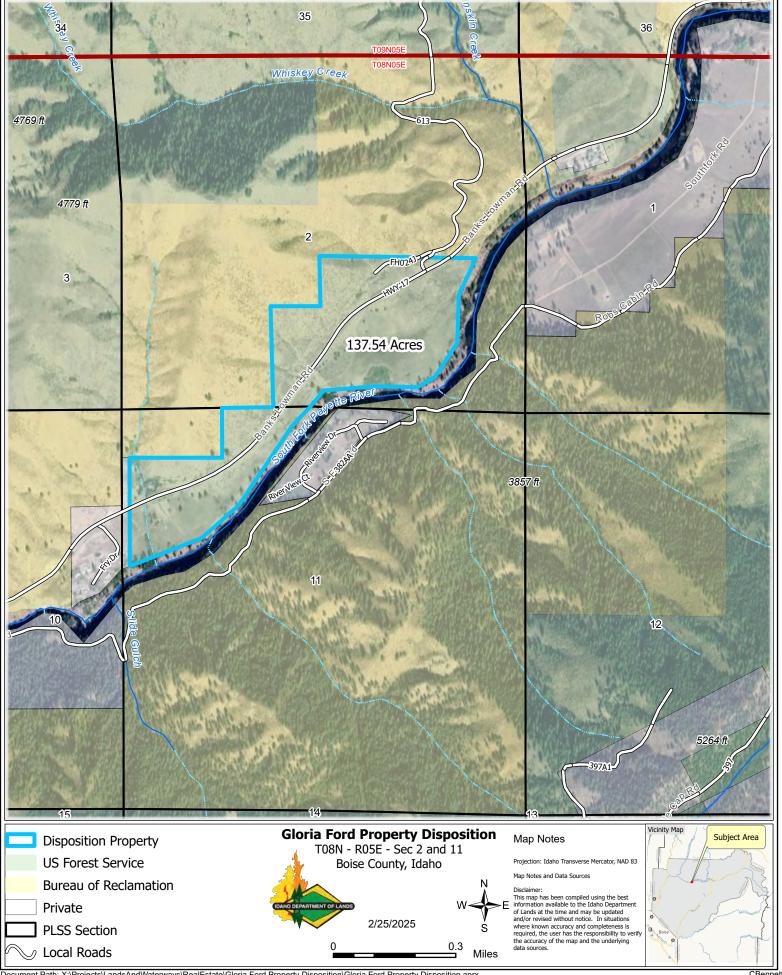
Recommendation

Direct the Department to transfer ownership of the Property from the Idaho Department of Fish and Game to the Land Board, then transfer ownership of the Property from the Land Board to the United States Forest Service.

Board Action

Attachments

- 1. Map
- 2. Memorandum of Understanding and State Deed, IDFG to USFS, 1991
- 3. State Deed-IDFG to Land Board
- 4. State Deed-Land Board to USFS



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ATTACHMENT 1

MEMORANDUM OF UNDERSTANDING BETWEEN IDAHO DEPARTMENT OF FISH AND GAME AND USDA-FOREST SERVICE-BOISE NATIONAL FOREST

This Memorandum of Understanding, is entered into by and between the IDAHO DEPARTMENT OF FISH AND GAME (hereinafter the DEPARTMENT), and the UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE, through the Forest Supervisor, Boise National Forest, (hereinafter called the FOREST SERVICE).

A. Whereas, the DEPARTMENT has been created under the laws of the State of Idaho to provide an adequate and flexible system of control, propagation, protection, regulation, management, or the use of all fish and wildlife in Idaho; and

B. Whereas, the FOREST SERVICE is authorized by Acts of Congress and by regulations issued by the Secretary of Agriculture to regulate the occupancy and use of the National Forest; to maintain within the National Forest adequate habitat conditions for fish and wildlife and for securing proper use of the habitat compatible with other uses of land under its administration; and

C. Whereas, it is the mutual desire of the DEPARTMENT and the FOREST SERVICE to work in harmony for the common purpose of planning and implementing a mitigation program for wildlife resource along Highway 24 and specifically the the property purchased by the Department from Gloria Ford, (hereinafter PROPERTY), as part of the DEPARTMENT'S and FOREST SERVICE'S joint efforts to protect, conserve and manage the fish and wildlife resources and habitats of the State of Idaho within the Boise National Forest.

The DEPARTMENT agrees to:

A. Transfer title and ownership of the PROPERTY amounting to 140 acres to the FOREST SERVICE.

B. Share technical expertise, labor, and equipment for wildlife habitat development and maintenance on the PROPERTY.

C. Locate specific big game feeding and goose nesting sites on the PROPERTY.

D. Operate big game feeding sites on the PROPERTY as determined to be necessary by the DEPARTMENT.

The FOREST SERVICE agrees to:

A. Manage the PROPERTY in compliance with the 1990 approved Land and Resource Management Plan for the Boise National Forest, emphasizing big game range protection and enhancement.

B. Manage access and minimize disturbance to wildlife ranges on the PROPERTY through the use of physical barriers, signing and enforcement of travel restrictions.

C. Continue noxious weed control in the Garden Valley Basin area as well as the PROPERTY.

ATTACHMENT 2

1

• D, * Prohibit any recreasional developments as well as peational vehicular access on the PROPERTY, such as campgrounds, boat launces, recreational trails, and roadside rest areas and scenic overlooks and control access used for mining.

E. Exclude livestock grazing from the PROPERTY.

The DEPARTMENT and the FOREST SERVICE mutually agree to:

A. Develop a wildlife mitigation plan that addresses the mitigation measures specified in the Final Supplemental Environmental Impact Statement for the Banks-Lowman Highway 24.

B. Apply measures to reduce the likelihood of vehicle collisions with big game along Highway 24. These measures may include special signing, "Swareflex" reflectors, and screening with trees and brush.

C. Restore, enhance, and improve wildlife habitat on the PROPERTY such that it will support more wildlife than it presently accommodates. This will be accomplished by developing a habitat improvement plan for the PROPERTY that identifies areas for improvement based on wildlife needs for food, cover, and water. A gravity irrigation system using water from Danskin Creek is planned for development on a portion of the PROPERTY. This irrigation project requires that water be diverted from Danskin Creek in accordance with existing water rights under decree 65-9073, priority date 4-1-27 for 1.03 c.f.s. and that these water rights are not encroached upon.

D. Locate and maintain big game feeding sites.

E. Eliminate motorized vehicle access through guard rail or post and cable fencing or other physical barriers to limit travel across the PROPERTY except by management personnel.

F. Work cooperatively to manage the PROPERTY primarily for the protection and enhancement of wildlife resources in perpetuity.

G. That nothing in the Memorandum of Understanding shall be construed as obligating the DEPARTMENT in the expenditure of funds or for the future payment of money in excess of appropriations authorized by law.

H. That nothing in this Memorandum of Understanding shall be construed as obligating the FOREST SERVICE or the United States Government in the expenditure of funds or for the future payments of money in excess of appropriations authorized by law.

I. That amendments or supplements to this Memorandum of Understanding may be proposed by either party, and shall become effective upon approval by the other.

J. In carrying out the terms of the Memorandum of Understanding, there shall be no discrimination against any person because of race, religion, color, sex, physical ability, or national origin.

K. That this Memorandum of Understanding shall become effective when signed by both parties, and shall continue in force until terminated by either party after thirty (30) days' notice in writing to the other party of his intentions to do so.

In witness whereof, the arties hereto have executed the Understanding as of the last date written below:

Memorandum of

Jerry M. Conley, ed Idaho Fish and Game Department

<u>4-2291</u> Date

April 8, 1991 Date

Roberta A. Moltzen, Forest Supervisor Boise National Forest

STATE OF IDAHO WARRANTY DEED

Deed No.

This indenture made this // day of October, 1991, between THE STATE OF IDAHO, IDAHO DEPARTMENT OF FISH AND GAME, Grantor and the UNITED STATES OF AMERICA. Grantee.

In accordance with Section 36-104, Idaho Code, the STATE OF IDAHO, IDAHO DEPARTMENT OF FISH AND GAME does bargain, sell, convey, and confirm unto the UNITED STATES OF AMERICA and its assigns forever, the following described real property in the COUNTY OF BOISE, STATE OF IDAHO.

Twp. 81	V Ra.	5E	B.M.
---------	-------	----	------

о. 8N., Hg. 5E., В.М.	Acres
Sec. 2: Lots 9, 12, and 13, S1/2NW1/4SE1/4	86.70
Sec. 11: Lot 3, Lot 6 less the westerly 100 feet of Lot 6.	55.45

containing 142.15 acres, more or less. Acquiring agency is the Forest Service, Department of Agriculture.

SUBJECT TO:

1. All lands listed above are subject to a prior reservation to the United States of America for rights-ofway over and across said lands for ditches and canals constructed by authority of the United States as directed and required by the Act of Congress approved August 30, 1890 (26 Stat. 391; 43 U. S. C. Sec.945).

2. Highway right-of-way granted by William J. Hopkins, widower, to United States of America, by instrument recorded May 1, 1935, in Book 47 of deeds at Page 506, records of Boise County, Idaho.

3. Highway right-of-way granted by William J. Hopkins, widower, to United States of America, by instrument recorded June 7, 1938, in Book 48 of deeds at Page 497, records of Boise County, Idaho.

4. Highway right-of-way granted by William J. Hopkins, widower, to United States of America, by instrument recorded April 8, 1944, in Book 50 of deeds at Page 499, records of Boise County, Idaho.

5. Power line easement as granted by A.D. Rane and Beatrice Rane, his wife to Idaho Power Company, a corporation, by instrument recorded, in Book 12 of Miscellaneous at Page 433, records of Boise County, Idaho.

6. Power line easement as granted by A.D. Rane and Beatrice Rane, his wife to Idaho Power Company, a corporation, by instrument recorded February 4, 1954, in Book 12 of Miscellaneous at Page 437, records of Boise County, Idaho.

7. Power line easement as granted by Gloria Smith, a widow to Idaho Power Company, a corporation, by instrument recorded July 21, 1970, as Instrument No. 75416, records of Boise County, Idaho.

Deed No. Page 2 of 3

8. Reservation in Warranty Deed recorded February 7, 1984, as Instrument No. 112199, records of Boise County, Idaho, as follows:

Reserving therefrom, a life estate unto Gloria Smith Ford, for the full use, control and possession of the portion of the property described as the house which has been occupied by Gloria Smith Ford since November, 1951, together with the yard, and outbuildings in the yard, access to the house by use of the driveway adjacent to the yard and use of the water from Hopkins Creek for domestic purposes, all during Gloria Smith Ford's natural life.

Together with all and singular the tenements, hereditaments, improvements, and appurtenances thereunto belonging, or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents issues, and profits thereof.

TO HAVE AND TO HOLD all and singular the above mentioned and described premises, together with the appurtenances, unto the said Grantee and to its successors and assigns forever, and the said Grantors and it assigns, the said premises in the quiet and peaceable possession of the said Grantee, its successors and assigns against the Grantors and its assigns and against all and every person and persons whosever lawfully claimed or to claim the same, shall and will WARRANT and do by these presents forever DEFEND.

And the said Grantors for itself, its executors and administrators, does covenant and agree to and with said Grantee, and its assigns, that it is lawfully seized in fee of the aforegranted premises; that the same are free from all encumbrances; that it has a good right to sell and convey the same to the said Grantee, aforesaid and that they, the Grantors warrant and will forever defend the before-granted land and premises against the right, title, interest, or claim of all and every person whomsoever.

The acquiring agency is the U.S. Department of Agriculture, Forest Service.

IN WITNESS WHEREOF, I, JERRY M. CONLEY, the DIRECTOR of the IDAHO DEPARTMENT OF FISH AND GAME have hereunto signed my name and the Seal of the Department of Fish and Game to be hereunto affixed this ______ day of _______, 1991



JERRY M. OONLEY, Director Idaho Department of Fish and Game

Deed No. Page 3 of 3

STATE OF IDAHO)) SS COUNTY OF ADA)

On this llth day of October, in the year 1991, before me, a Notary Public in and for said State, personally appeared Jerry Mallet, known to me to be the Acting Director of the Idaho Department of Fish and Game, State of Idaho, who executed said instrument and acknowledged to me that such Department of the State of Idaho executed the same.

aher

Dorothy J. Baker Notary Public Residing in Emmett, Idaho My Commission Expires October 31, 1991 Recording Requested By and When Recorded Return to:

STATE OF IDAHO, IDAHO DEPARTMENT OF LANDS, 300 North 6th Street, Suite 103 Boise, Idaho 83720-0050

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

STATE OF IDAHO DEED

DEED NO. AD538

THIS STATE DEED ("Deed") is made this _____ day of ______, 2025, by and between the STATE OF IDAHO, FISH & GAME COMMISSION and DEPARTMENT OF FISH & GAME, agencies of the State of Idaho, whose mailing address is P.O. Box 25, Boise, ID 83707 (hereinafter referred to as "Grantor"), and the STATE BOARD OF LAND COMMISSIONERS, whose mailing address is P.O. Box 83720, Boise, Idaho 83720-0050 (hereinafter referred to as "Grantee").

WITNESSETH: That Grantor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby transfer, quitclaim, sell, convey and release unto Grantee all of Grantor's right, title and interest in and to the following described real property (the "**Property**") situated in Boise County, State of Idaho, to-wit:

[See Exhibit "A", attached hereto]

SUBJECT TO

- Reservations in U.S. Patent Record Homestead dated July 19, 1918, by and between the United States of America, Grantor, and William J. Hopkins, Grantee. Said Patent No. 639846 was recorded as Instrument No. 31883 in Book 7 of Patents on Page 103 of the official records in Boise County, Idaho.
- 2. Right of Way Deed dated February 7, 1935, by and between William J. Hopkins, Grantor, and the United States of America, Grantee. Said deed provides for the 66 ft wide right of way to ingress over by the public as a public highway; and for constructing, repairing, and patrolling said right of way. Recorded as Instrument No. 41210 on May 1, 1935, in Book 47 of Deeds, page 506 of the official records of Boise County, Idaho.
- **3.** Right of Way Deed dated February 7, 1935, by and between William J. Hopkins, Grantor, and the United States of America, Grantee. Said deed provides for the 66 ft wide right of way to ingress over by the public as a public highway; and for constructing, repairing, and patrolling said right of way. Recorded as Instrument No. 44912 on June 7, 1938, in Book 48 of Deeds, page 497 of the official records of Boise County, Idaho.

- 4. Right of Way Deed dated February 7, 1935, by and between William J. Hopkins, Grantor, and the United States of America, Grantee. Said deed provides for the 66 ft wide right of way to ingress over by the public as a public highway; and for constructing, repairing, and patrolling said right of way. Recorded as Instrument No. 51107 on April 8, 1944, in Book 50 of Deeds, page 499 of the official records of Boise County, Idaho
- 5. Power Line Easement dated September 3, 1952, by and between A. D. and Beatrice Rane, Grantors, and the Idaho Power Company, a corporation, Grantee. Said easement is for the erection and continued operation, maintenance, repair, alteration, inspection, and replacement of electric transmission, distribution, and telephone lines with the right ingress and egress. Recorded as Instrument No. 60047 on February 4, 1954, in Book 12 of Miscellaneous, page 433 of the official records of Boise County, Idaho.
- 6. Power Line Easement dated July 10, 1951, by and between A. D. and Beatrice Rane, Grantors, and the Idaho Power Company, a corporation, Grantee. Said easement is for the erection and continued operation, maintenance, repair, alteration, inspection, and replacement of electric transmission, distribution, and telephone lines with the right ingress and egress. Recorded as Instrument No. 60051 on February 4, 1954, in Book 12 of Miscellaneous, page 437 of the official records of Boise County, Idaho.
- 7. Decree Settling Final Account and Decree of Final Distribution filed June 28, 1958, in the Probate Court of Boise County, State of Idaho. The said decree settles the estate of Hugh H. Smith, where all properties are inherited by Gloria Smith, the petitioner. The decree also speaks to an unrecorded contract of sale covering the said property under the terms of which Gladys Wayne the purchaser. Recorded as Instrument No. 64256 on July 29, 1958, in Book 55 of Deeds, page 456 of the official records of Boise County, Idaho.
- 8. Power Line Easement dated July 1, 1970, by and between Gloria Smith, Grantor, and the Idaho Power Company, a corporation, Grantee. Said easement is for the erection and continued operation, maintenance, repair, alteration, inspection, and replacement of electric transmission, distribution, and telephone lines with the right ingress and egress. Recorded as Instrument No. 75416 on July 21, 1970, in Book 13 of Miscellaneous, page 637 of the official records of Boise County, Idaho.
- 9. Real Estate Sales Contract, by and between Gloria Smith Ford, Deborah Jean Smith Sall, and Kathy Lynne Smith, Sellers, and the State of Idaho, Department of Fish and Game, Buyer. Sellers may reserve a life estate in the property unto Gloria Smith Ford, for the full use and control of the house, 1 acre yard, outbuildings, driveway access adjacent to the yard, and domestic water use from Hopkins Creek, for which has been occupied by Gloria Smith Ford since November 1951, all during Gloria Smith Ford's natural life. The said Contract also has Indemnification language between the seller and the buyer and was recorded as Instrument No. 110437, on August 29, 1983, in Book 23, Page 185 of the official records of Boise County, Idaho.
- 10. Highway Easement Deed dated September 1, 1992, by and between the United States of America, Department of Transportation, Federal Highway Administration, Grantor, and Boise County, State of Idaho, Grantee. The said easement is for the right-of-way of a highway over certain land owned by the United States under the jurisdiction of the Department of Agriculture,

Forest Service, located in the State of Idaho. The said easement was recorded as Instrument No. 145930 on December 7, 1992, of the official records of Boise County, Idaho.

11. Re-Recorded to correct sheets 5 & 10 of Exhibit "A" of the Highway Easement Deed dated September 1, 1992, by and between the United States of America, Department of Transportation, Federal Highway Administration, Grantor, and Boise County, State of Idaho, Grantee. The said easement is for the right-of-way of a highway over certain land owned by the United States under the jurisdiction of the Department of Agriculture, Forest Service, located in the State of Idaho. The said easement was recorded as Instrument No. 145930 on December 7, 1992, of the official records of Boise County, Idaho. The easement deed was rerecorded as Instrument No. 150738 on February 25, 1994, of the official records of Boise County, Idaho.

TOGETHER WITH:

- **1.** The tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining.
- 2. All minerals.

RESERVING THEREFROM a right of way for ditches constructed by authority of the United States as identified in Idaho Code § 58-604.

THE PROPERTY IS CONVEYED "AS IS", with no representation or warranty of any kind as to the fitness of the Property for any particular purpose.

TO HAVE AND TO HOLD, all and singular, the Property unto the said Grantee and its successors and assigns forever.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Grantor has executed this instrument as set forth below.

GRANTOR:

STATE OF IDAHO, FISH & GAME COMMISSION AND DEPARTMENT OF FISH & GAME

Dated:

JIM FREDERICKS, Secretary and Director

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On this ______day of ______, 2025, before me, a Notary Public in and for said county and state, personally appeared **JIM FREDERICKS**, known to me to be the Secretary of the **Idaho Fish & Game Commission** and Director of the **Idaho Department of Fish & Game**, agencies of the State of Idaho, that executed the said instrument and acknowledged to me that the Idaho Fish & Game Commission and Department of Fish & Game executed same.

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

(SEAL)

NOTARY PUBLIC for Idaho	
Residing at	, Idaho
My Commission expires:	

EXHIBIT A

The following described real property situated in Township 8 North, Range 5 East, B.M., Boise County, Idaho:

Lots 9, 12 and 13; and the S1/2NW1/4SE1/4 of Section 2; and

Lot 3, and Lot 6 less the westerly 100 feet of said Lot 6, in Section 11.

Containing 142.15 acres, more or less.

Recording Requested By and When Recorded Return to:

STATE OF IDAHO, IDAHO DEPARTMENT OF LANDS, 300 North 6th Street, Suite 103 Boise, Idaho 83720-0050

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

STATE OF IDAHO DEED

DEED NO. D14410

THIS STATE DEED ("Deed") is made this _____ day of ______, 2025, by and between the STATE BOARD OF LAND COMMISSIONERS, whose mailing address is P.O. Box 83720, Boise, Idaho 83720-0050 (hereinafter referred to as "Grantor"), and the UNITED STATES OF AMERICA and its assigns (the acquiring agency is the United States Department of Agriculture, Forest Service), whose mailing address is _______ (hereinafter referred to as "Grantee").

WITNESSETH: That Grantor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby quitclaim, transfer, sell, convey and release unto Grantee all of Grantor's right, title and interest in and to the following described real property (the "**Property**") situated in Boise County, State of Idaho, to-wit:

[See Exhibit "A", attached hereto]

SUBJECT TO

- Reservations in U.S. Patent Record Homestead dated July 19, 1918, by and between the United States of America, Grantor, and William J. Hopkins, Grantee. Said Patent No. 639846 was recorded as Instrument No. 31883 in Book 7 of Patents on Page 103 of the official records in Boise County, Idaho.
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said right of way. Recorded as Instrument No. 51107 on April 8, 1944, in Book 50 of Deeds, page 499 of the official records of Boise County, Idaho

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- 8. Power Line Easement dated July 1, 1970, by and between Gloria Smith, Grantor, and the Idaho Power Company, a corporation, Grantee. Said easement is for the erection and continued operation, maintenance, repair, alteration, inspection, and replacement of electric transmission, distribution, and telephone lines with the right ingress and egress. Recorded as Instrument No. 75416 on July 21, 1970, in Book 13 of Miscellaneous, page 637 of the official records of Boise County, Idaho.
- 9. Real Estate Sales Contract, by and between Gloria Smith Ford, Deborah Jean Smith Sall, and Kathy Lynne Smith, Sellers, and the State of Idaho, Department of Fish and Game, Buyer. Sellers may reserve a life estate in the property unto Gloria Smith Ford, for the full use and control of the house, 1 acre yard, outbuildings, driveway access adjacent to the yard, and domestic water use from Hopkins Creek, for which has been occupied by Gloria Smith Ford since November 1951, all during Gloria Smith Ford's natural life. The said Contract also has Indemnification language between the seller and the buyer and was recorded as Instrument No. 110437, on August 29, 1983, in Book 23, Page 185 of the official records of Boise County, Idaho.
- 10. Highway Easement Deed dated September 1, 1992, by and between the United States of America, Department of Transportation, Federal Highway Administration, Grantor, and Boise County, State of Idaho, Grantee. The said easement is for the right-of-way of a highway over certain land owned by the United States under the jurisdiction of the Department of Agriculture, Forest Service, located in the State of Idaho. The said easement was recorded as Instrument No. 145930 on December 7, 1992, of the official records of Boise County, Idaho.

11. Re-Recorded to correct sheets 5 & 10 of Exhibit "A" of the Highway Easement Deed dated September 1, 1992, by and between the United States of America, Department of Transportation, Federal Highway Administration, Grantor, and Boise County, State of Idaho, Grantee. The said easement is for the right-of-way of a highway over certain land owned by the United States under the jurisdiction of the Department of Agriculture, Forest Service, located in the State of Idaho. The said easement was recorded as Instrument No. 145930 on December 7, 1992, of the official records of Boise County, Idaho. The easement deed was rerecorded as Instrument No. 150738 on February 25, 1994, of the official records of Boise County, Idaho.

TOGETHER WITH the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining.

RESERVING THEREFROM:

- 1. A right of way for ditches constructed by authority of the United States as identified in Idaho Code § 58-604.
- 2. All minerals as identified in Idaho Code § 47-701.

THE PROPERTY IS CONVEYED "AS IS", with no water rights being conveyed and no representation or warranty of any kind as to the fitness of the Property for any particular purpose.

TO HAVE AND TO HOLD, all and singular, the Property unto the said Grantee and its successors and assigns forever.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Grantor has executed this instrument as set forth below.

STATE BOARD OF LAND COMMISSIONERS

President of the State Board of Land Commissioners and Governor of the State of Idaho

Countersigned:

Secretary of State of Idaho

Director of the Idaho Department of Lands

STATE OF IDAHO))ss. COUNTY OF ADA)

On this _____day of ______, 2025, before me, a Notary Public in and for said State, personally appeared BRAD LITTLE, as the President of the State Board of Land Commissioners and Governor of the State of Idaho, that executed the within instrument, and acknowledged to me that he executed the same as said President and Governor, and that the State Board of Land Commissioners and the State of Idaho executed the same.

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

(seal)

Notary Public for State of Idaho My Commission Expires:

STATE OF IDAHO

))ss.

)

On this <u>day of</u>, 2025, before me, a Notary Public in and for said State, personally appeared PHIL MCGRANE, as Secretary of State of Idaho, that executed the within instrument, and acknowledged to me that he executed the within instrument as said Secretary of State and that the State Board of Land Commissioners and the State of Idaho executed the same.

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

(seal)

Notary Public for State of Idaho My Commission Expires: _____ STATE OF IDAHO))ss. COUNTY OF ADA)

On this _____day of ______, 2025, before me, a Notary Public in and for said State, personally appeared DUSTIN T. MILLER, the Director of the Idaho Department of Lands and Secretary of the State Board of Land Commissioners, and acknowledged to me that he executed the within instrument as said Director and Secretary, and that the State Board of Land Commissioners and the State of Idaho executed the same.

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

(seal)

Notary Public for State of Idaho My Commission Expires:

EXHIBIT A

The following described real property situated in Township 8 North, Range 5 East, B.M., Boise County, Idaho:

Lots 9, 12 and 13; and the S1/2NW1/4SE1/4 of Section 2; and

Lot 3, and Lot 6 less the westerly 100 feet of said Lot 6, in Section 11.

Containing 142.15 acres, more or less.

STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Regular Agenda

Subject

Initial Approval of Energy Lease M600110 (Hornstone Solar)

Question Presented

Shall the Land Board provide initial approval of the Hornstone Solar Lease M600110?

Background

Per the State Board of Land Commissioners' (Land Board) Energy Leasing Policy established in June 2024, proposed leases require Land Board approval before advertising. Prior to implementation of the policy, the Orchard Request for Proposals (RFP) was advertised and a proponent selected. Lease negotiations have concluded, and the Idaho Department of Lands (Department) is seeking to advertise and finalize lease M600110.

Discussion

In 2023, prior to establishment of the Energy Leasing Policy, the Department advertised an RFP opportunity to lease the "Orchard Block" for energy development. The Orchard Block is approximately 5,470 acres of marginal grazing land, roughly 14 miles southeast of Boise; see maps in Attachments 1 and 2. The RFP received significant interest, with three energy developers responding. After evaluation of qualifications, revenue potential, and overall strength of the proposals, the proposal for a 250MW solar facility from D.E. Shaw Renewable Investments (DESRI) was selected. The Department has finished lease negotiations with DESRI (Attachment 3). Next steps are to finalize and advertise the lease and seek final Land Board approval. DESRI is in the process of securing their interconnection agreement and permitting with Ada County. The lease size is approximately 5,233 acres. Currently, the Orchard Block contains grazing lease GR60000653, with 1,049 AUMs. This project is estimated to impact about 636 of those AUMs, representing an anticipated revenue loss from grazing of \$5,000. In contrast, annual revenue from the Hornstone Solar Lease is expected to be around \$3-5 million, once in full production.

Hornstone Solar Lease–Quick Stats

Developer	DESRI (D.E. Shaw Renewable Investments)
Location	Ada County, Orchard Block (14 miles SE of Boise)
Туре	Solar (Photovoltaics)
Acres	Approximately 5,000

Estimated Annual Revenue

Phase 1 (Development)	\$156,000, with annual escalation, w/
	commencement fee of \$52,000.
Phase 2 (Construction)	\$375,000, with annual escalation.
Phase 3 (Production)	\$3-5 million, with annual escalation
Phase 4 (Decommissioning)	\$3-5 million, with annual escalation

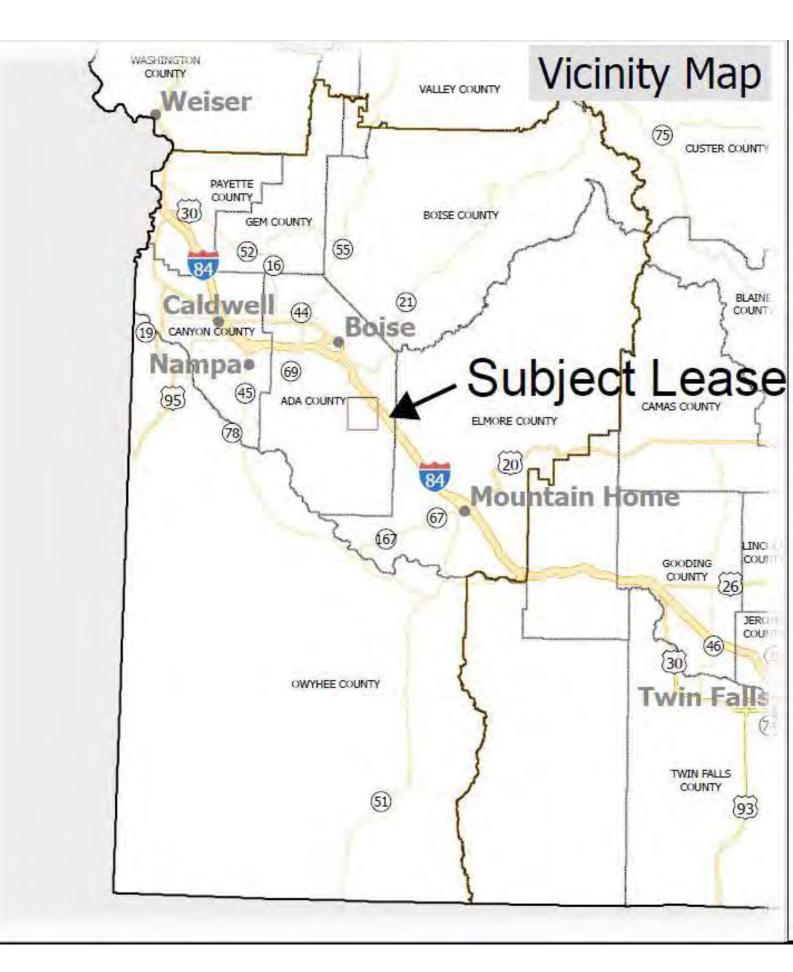
Recommendation

Direct the Department to finalize and advertise lease number M600110.

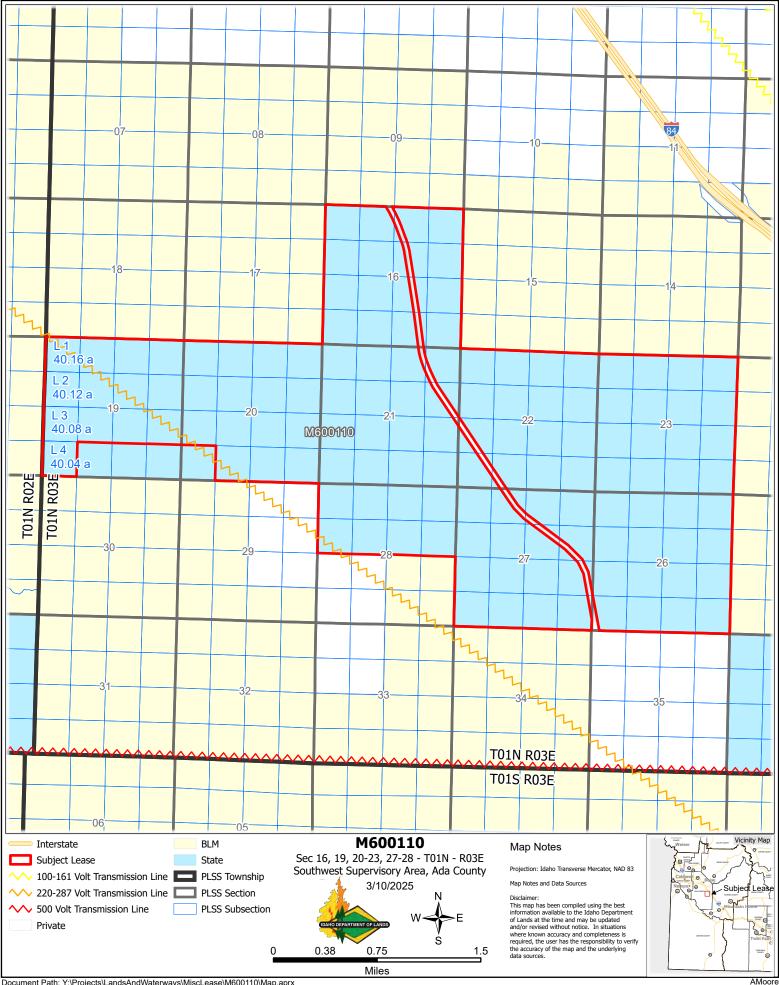
Board Action

Attachments

- 1. Vicinity Map
- 2. Lease Map
- 3. Draft Lease M600110



ATTACHMENT 1



Document Path: Y:\Projects\LandsAndWaterways\MiscLease\M600110\Map.aprx

ATTACHMENT 2



STATE OF IDAHO COMMERCIAL LEASE NO. M600110 SOLAR ENERGY LEASE

<u>Lessor</u> :	STATE OF IDAHO, State Board of Land Commissioners c/o State of Idaho, Department of Lands 300 N. 6 th Street Boise, ID 83720-0050 Phone No.: (208) 334-0200 Facsimile No.: (208) 334-5342 or (208) 334-3698 Email: CommercialProgram@idl.idaho.gov
<u>Lessee</u> :	JS Solar, L.L.C. c/o General Counsel 575 5 th Avenue, 24 th Floor New York, NY 10017 Phone No.: 908-514-7096 Facsimile No.: Email: <u>DESRI-Notices@deshaw.com</u>
Leased Premises:	See legal description and map attached as <u>Attachments A and B</u> , respectively.
Existing Conditions:	Lease is subject to existing conditions identified in <u>Attachment D</u> .
Lease Term:	[Up to 49 years], as more fully described in Article 3.
<u>Annual Rent, including</u> Potential Royalt <u>y</u> :	Consists of Phase 1 Rent; Phase 2 Rent; Phase 3 Rent, including potential Royalty; and Phase 4 Rent, as more fully described in <u>Article 5</u> , herein.
Additional Payments:	Any additional payments are more fully described in Article 5, herein.
Required Security:	Phase 1: N/A Phases 2 through 4 as described in <u>Article 8</u> , herein.
Commercial General Liability Insurance:	Combined single limit per occurrence, not less than \$3,000,000; Each annual aggregate limit shall not be less than \$3,000,000; as more fully described in <u>Article 9</u> .
Index:	Summary Commercial Lease No. M600110 Provisions Signature Pages Attachment A – Legal Description of Leased Premises Attachment B – Site Maps Attachment C – Sage Grouse and Slickspot Peppergrass Conservation Measures Attachment D – Existing Leases and Other Activities

*This Summary Page of Lease Provisions ("Summary") is for convenience and ease of review only. The information stated in the Summary is intended to be accurate and consistent with the contract terms set forth in the following Lease. In the event any information stated in the Summary is inconsistent with the Lease, the Lease will control.

STATE OF IDAHO COMMERCIAL LEASE FOR HORNSTONE SOLAR AND STORAGE PROJECT LEASE No. M600110

This Lease No. **M600110** ("Lease"), is dated as of the last signature of the Parties ("Execution Date"), and effective as of the ______day of ______, 2025 ("Effective Date"), and is made by and between the IDAHO STATE BOARD OF LAND COMMISSIONERS, whose administrative agency is the IDAHO DEPARTMENT OF LANDS ("Lessor"); and JS Solar, L.L.C., a limited liability company duly organized under the laws of Delaware, and authorized to do business in the State of Idaho ("Lessee"). Lessor and Lessee are collectively referred to herein as the "Parties" and individually as a "Party".

In consideration of the Parties' covenants, the conditions contained in this Lease, and Lessee's payments of Rents and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 - DEFINITIONS

1. **Definitions.** Definitions in Title 58, Chapter 3, Idaho Code must be applied to and govern words and phrases used in this Lease. Where words and phrases are specifically defined within this Lease and not in statute, such words and phrases will be given the identified and defined meaning throughout this Lease.

1.1 The term "a**cross**" means into, on, over, across, along, above, and below the Leased Premises.

1.2 **"Affiliated Party**" means a subsidiary, parent company, or any other entity that Lessee, or an owner of Lessee, has a financial interest in, by an ownership interest of ten percent (10%) or more.

1.3 **"Board**" means the Idaho State Board of Land Commissioners or its designee, including IDL.

1.4 **"Collection Facilities**" means overhead and underground electrical distribution, collection systems, and cabling.

1.5 **"Construction Plan**" shall have the meaning and application as provided in <u>Sections 4.2</u> and 6.3.

1.6 **"Decommissioning and Reclamation Plan**" shall have the meaning and application as provided in <u>Sections 4.4 and 6.2</u>.

1.7 "Default Rate" means the legal rate of interest under Idaho Code § 28-22-104(1).

1.8 **"Due Diligence Period**" shall have the meaning provided in <u>Section 2.4.1</u>.

1.9 **"Effective Date**" shall have the meaning stated in the Preamble.

1.10 **"Electrical Power Production**" means the generation or storage of electricity using the Energy Facilities.

1.11 **"Execution Date**" means the date of the last signature of the Parties.

1.12 **"Government Approvals**" means any authorization, approval, consent, waiver, exception, license, filing, registration, ruling, permit, tariff, certification, exemption, and any other action, omission, or requirement, including an environmental impact assessment or archeological study, for, by, or with any government authority relating to Lessee's activities pursuant to this Lease, including the construction, use, operation, placement, monitoring, replacement, removal, or decommissioning of the Renewable Energy

Facilities and Improvements, or Lessee's execution or delivery of electricity from the Renewable Energy Facilities to the transmission grid.

1.13 "Gross Annual Revenue" means the aggregate total revenue in money and the value of any other consideration actually received by Lessee, a sub-lessee, or Affiliated Party during a calendar year from any of the following: i) the sale, to any purchaser or Affiliated Party, of electrical energy generated by Renewable Energy Facilities on the Leased Premises; ii) the sale of credits of any kind to any purchaser or Affiliated Party, including green tags, renewable energy credits or certificates, tradable renewable certificates, greenhouse gas reduction credits, and renewable energy credits; iii) revenues resulting from Lessee's installation of low voltage ride through equipment; iv) payments received from any purchaser that are based on curtailed energy rather than sold energy; v) the gross proceeds or other cash benefits received in connection with, under, or derived from any legal agreement, contract, compromise, settlement, judgment, or arrangement for or relating to the sale, use, or other disposition of electricity generated or capable of being generated from the Leased Premises; and vi) proceeds from Lessee's business interruption insurance required under Section 9.1 of this Lease, where such proceeds represent lost income from the production or conversion of electrical energy on the Leased Premises. Gross Annual Revenue shall not include the following: i) any proceeds received from the sale, lease, financing, or other disposition of any Renewable Energy Facilities or Improvements; or ii) production tax credits, investment tax credits, and any other tax credits arising from this Lease. If Lessee provides or sells electrical energy generated by Renewable Energy Facilities on the Leased Premises to Lessee for internal uses (recognizing that electrical energy used to operate the Renewable Energy Facilities is not an internal use), or to a subsidiary, or Affiliated Party, the revenue, for the purposes of calculating Gross Annual Revenue, shall be calculated to include the lesser of the actual sale price; or the published rate applicable to the Project, as approved and published by the Idaho Public Utilities Commission, or other governing public utilities commission, during the relevant Lease Year in which such Phase 3 Rent is due. All costs of any type must be borne by Lessee. and no cost, including integration charges, imbalance charges, or transmission tariffs will reduce the Gross Annual Revenue or any Rents due to Lessor, directly or indirectly.

1.14 **"Hazardous Materials and Waste Management Plan**" and **"HMWMP**" shall have the meaning as provided in <u>Article 13</u>.

1.15 **"Hazardous Substance**" and **"Hazardous Substances**" mean any chemicals, materials, substances, pollutants or contaminants, including petroleum, crude oil, petroleum wastes, motor fuels and lubricants, radioactive materials, hazardous wastes, toxic substances, asbestos, PCBs, lead paint, or any other material similarly defined or listed as hazardous, toxic, dangerous, or a similar term, in all applicable Environmental Laws, as identified in <u>Section 2.2.7</u> and <u>Article 13</u>.

1.16 **"IDL**" means the Idaho Department of Lands.

1.17 **"Improvements**" means all Solar Panels, Collection Facilities, Renewable Energy Facilities, other buildings or structures, roads and access driveways, signage or advertising structures, and any other change to the Leased Premises necessary for Lessee to construct, install, use, operate, monitor, maintain, repair, replace, relocate, reconstruct, or remove Renewable Energy Facilities.

1.18 **"Including**" and "**includes**" mean including, but not limited to.

1.19 **"Lease Year**" means the period of time between midnight on the Effective Date or the anniversary of the Effective Date, and the moment immediately preceding midnight on the day before the next anniversary of the Effective Date.

1.20 **"Nameplate Capacity"** means the maximum rated output of each Solar Panel, expressed in megawatts ("**MW**") and assigned by the manufacturer of each Solar Panel, regardless of whether or not the Solar Panel is operating. Solar Panel Output shall be measured in MW Direct Current ("**MW**_{dc}").

1.21 **"Mortgage**" or "**Leasehold Mortgage**" mean either, or both, a leasehold mortgage or a security interest in personal property, as permitted under <u>Article 10</u>.

1.22 "Phase 1 Report" shall have the meaning provided in <u>Section 2.4.1.B</u>.

1.23 **"Production Area**" means any portion of the Leased Premises associated with the Renewable Energy Facilities specified in the Construction Plan, described in <u>Section 6.3</u>, as directly engaged in Electrical Power Production.

1.24 **"Project**" means the Hornstone Solar and Storage Project to be located in Ada County, Idaho.

1.25 **"Prorate" "prorated**" and **"proration**" mean apportionment of any specific amount paid based upon the percentage of the Lease Year remaining before the next anniversary of the Effective Date, or the partial acreage utilized pursuant to <u>Sections 5.6.3 or 5.6.4</u>.

1.26 **"Renewable Energy**" refers to the definitions of Solar Energy as defined herein.

1.27 **"Renewable Energy Facilities**" refers to Solar Energy Facilities as defined herein.

1.28 **"Renewable Energy Purposes**" refers to Lessee's Solar Energy Purposes as defined herein.

1.29 **"Rent**" and "**Rents**" mean all of the amounts to be paid by Lessee to Lessor, individually and collectively, in accordance with <u>Article 5</u>.

1.30 **Research and Analysis Plan**" shall have the meaning provided in <u>Sections 4.1 and 6.2</u>.

1.31 "Royalty" and "Royalties" mean Lessor's share of all Gross Annual Revenue from the Leased Premises, free of any and all of Lessee's costs, either direct or indirect, and in accordance with <u>Article 5</u>.

1.32 **"State**" means the State of Idaho and its departments, boards, commissions, agencies and employees.

1.33 **"Solar Energy**" means conversion of radiant light and heat from the sun into electrical energy, or electricity, by the Solar Energy Facilities.

1.34 **"Solar Energy Facilities**" means improvements owned, controlled, operated, or managed in connection with or to facilitate Electrical Power Production, including: (i) solar electric power generation facilities; (ii) power collection facilities, including distribution and collection lines, wires and cables, conduit, footings, foundations, vaults, junction boxes, switching facilities, transformers, and above-ground transformers; (iii) control, communications and radio relay systems and telecommunications equipment, including fiber, wires, cables, conduit and poles; (iv) roads, culverts and erosion control facilities; (v) utility installations; (vi) laydown areas, crane pads and staging areas reasonably necessary for the installation and maintenance of the solar generation facilities; (vii) signs; (viii) fences, gates and other safety and protection facilities; and (ix) other improvements, facilities, appliances, machinery and equipment in any way related to or associated with converting solar energy into electrical energy and transmitting the same.

1.35 **"Solar Energy Purposes**" means Lessee's acts under this Lease to determine the feasibility of converting solar energy to electrical energy or electricity; constructing, installing, using, replacing, relocating, maintaining, updating, and removing Solar Energy Facilities and other Improvements; creating, collecting, and transmitting electrical energy converted from Solar Energy on the Leased Premises; and administrative purposes necessarily related to the foregoing activities.

1.36 **"Solar Panel(s)"** means any and all solar-powered electric generating facilities, including but not limited to modules, inverters, cables, foundations, panels, mounting units and all necessary ancillary improvements and equipment providing support or otherwise associated therewith; and photovoltaic and concentrating solar power generating equipment or such other solar-powered generating equipment

needed to capture and convert solar radiation to produce electrical energy or electricity.

1.37 **"Supporting Area**" means any portion of the Leased Premises specified in the Construction Plan, required by <u>Article 6</u>, as supporting Lessee's activities on the Leased Premises, but not any portion of the Leased Premises identified as a Production Area in the Construction Plan.

1.38 **"Use Agreement(s)**" means (i) any power purchase agreement or any contract to sell electrical energy converted from Solar Energy from the Leased Premises to an electric utility, power system operator, or third party; (ii) any agreement for the distribution of Solar Energy from the Leased Premises through a federal power marketing agency, or to a utility regulated by a state agency; and (iii) any agreement or plan to use the Solar Energy on the Leased Premises for internal purposes of Lessee or an Affiliated Party.

1.39 **"Unreasonably interfere**" means an action or decision that will impair the ability to operate the Renewable Energy Facilities or will result in the loss of generation capacity of the Renewable Energy Facilities.

ARTICLE 2 - LEASED PREMISES; GRANTS; RESERVATIONS

2.1. Lessor's Grant of Rights to Lessee.

2.1.1. <u>Grant</u>. Lessor hereby grants to Lessee the exclusive right and privilege to engage in or direct development activities and use the surface and subsurface of specific lands located in Ada County, State of Idaho, containing 5,233 acres, more or less, and more particularly described in <u>Attachment A</u> ("Leased Premises"), together with the rights and privileges for the use and occupancy, as provided for or limited in <u>Sections 2.1 and 2.2</u> of this Lease.

A. Supplemental Legal Description. Lessee may provide Lessor with a supplemental description of the Leased Premises with a metes and bounds description of the Leased Premises prepared by Lessee's surveyor. Following Lessor's review of the supplemental description, the Parties will include it as part of <u>Attachment A</u> without requiring a written modification of this Lease pursuant to <u>Section 15.12</u>. Following Lessor's review of the supplemental description, Lessee may record a notice of said description with the real property records of Bingham County. Lessee will promptly provide Lessor a copy of any such recorded document.

B. *Exclusivity*. By Lessor's grant of the, above, exclusive right and privilege, Lessee holds the rights and opportunities to convert, maintain, and capture the solar energy and solar resources across the Leased Premises, all to the exclusion of any person other than Lessee, and Lessee's successors or assignees. Lessee's exclusivity will not be construed as precluding Lessor's grant of other, non-Renewable Energy leases and uses that do not conflict or interfere with Lessee's rights under this Lease.

C. *Grants to Other Users.* Lessor shall not permit any activities on the Leased Premises that will unreasonably interfere with Lessee's authorized uses of the Leased Premises, as stated in this Lease.

2.1.2. <u>Conditions of Grant</u>. Lessor's grant is made subject to Lessor's reservations set forth in <u>Section 2.3</u>, below, and the following conditions:

A. Lessee agrees to take the Leased Premises as is, and subject to all existing encumbrances or conditions affecting the Leased Premises, including those listed on <u>Attachment D</u>, and any other easements, leases, permits, licenses, and prior encumbrance or other contract from Lessor, of any kind whatsoever.

B. Lessee agrees to take the Leased Premises subject to any geological deficiencies

or limitations that a survey, physical inspection, or exploration might show; and all conditions, restrictions, and limitations appearing of public record.

C. Lessee's performance of and compliance with all the terms and conditions contained in this Lease.

D. Lessee's compliance with and performance of all Environmental Laws and other applicable Government Approvals relating to, or imposing liability or standards of conduct, presently in effect or that may be promulgated or amended in the future, concerning the Renewable Energy Purposes, all Improvements, and any resulting or related Hazardous Substances.

2.1.3. <u>Title; No Warranty</u>.

A. Lessee acknowledges that Lessor does not warrant title to the Leased Premises for the Renewable Energy that may be discovered there. This Lease is issued only under such title as the State may have as of the Effective Date or as may be subsequently acquired. Lessee shall be solely responsible for satisfying itself with respect to the ownership of the Leased Premises. If Lessor is subsequently divested of said title, no liability shall be incurred by Lessor by virtue of this Lease for any loss or damage to Lessee. Nor shall any claim for refund of any bonus bid, Rent, or Royalty paid to Lessor be made by Lessee, its successors or assignees.

B. Lessee acknowledges that neither Lessor, nor any agent or representative of Lessor or of the State, has made any representation or warranty whatsoever, express or implied, with respect to the title, merchantability, or fitness of the Leased Premises for any particular purpose or use, including specifically the use for which this Lease is granted. Lessee accepts the Leased Premises in its "as is" condition. In entering this Lease, Lessee relies solely upon Lessee's own inspection of, and due diligence regarding, the Leased Premises.

C. The provisions of this Section 2.1.3 will survive the termination of this Lease.

2.1.4. <u>Lessee's Costs</u>. Lessee acknowledges that all costs, of any kind, to develop, construct, operate on, decommission, and reclaim the Leased Premises related to Lessee's intended uses are the responsibility of Lessee. Lessor will not financially contribute to Lessee's costs for any reason.

2.2. Lessee's Use of the Leased Premises.

2.2.1. <u>Permitted Uses</u>. Lessee is entitled to use and occupy so much of the Leased Premises as may be required for all purposes reasonably incident to Renewable Energy Purposes, subject to Lessor's reservations in <u>Section 2.3</u>, including the following:

A. Determining the feasibility of Solar Energy and power generation on the Leased Premises, including studies of solar radiation, meteorological data and geotechnical and environmental studies, including: extracting soil samples; performing avian, flora and fauna, endangered species, and habitat studies; performing archaeological studies; performing studies of jurisdictional waters; performing aerial mapping; performing field and ALTA surveys; and other related activities, studies or testing as Lessee reasonably determines are necessary, useful, or appropriate, and whether performed by Lessee or a third party authorized by Lessee.

B. Constructing, installing, using, replacing, relocating, reconstructing, removing from time to time, monitoring, maintaining, repairing, operating, decommissioning, and reclamation of Improvements, Production Areas, and Supporting Areas.

C. Converting Solar Energy into electrical energy and collecting, storing and transmitting the electrical energy so converting; and deriving all revenues, profits, and benefits therefrom, subject to payment of Rents to Lessor.

D. The right of ingress and egress for the Leased Premises over State-owned land at all times during the Lease Term. Issuance by Lessor to Lessee of any necessary use permit for any road not owned by the State, but for which Lessor holds an easement.

E. Capturing, using, and converting the unobstructed and open solar resources across the Leased Premises. By the grant of this permitted use, Lessor shall not permit any other use of the Leased Premises that may result in construction of any obstruction to the open and unobstructed access to sunlight, solar radiation, light, air or heat over and across the entire Leased Premises, including but not limited to the construction of any structures, or the growth of non-naturally occurring foliage. Lessor acknowledges and agrees that access to sunlight is essential to the value to Lessee of the rights granted in this Lease and is a material inducement to Lessee in entering into this Lease. If Lessor becomes aware of any potential activity on the Leased Premises or any adjacent property that could diminish the access to sunlight at the Leased Premises, Lessor shall use its best efforts to timely advise Lessee of such information and to reasonably cooperate with Lessee in taking measures to preserve the levels of sunlight at the Leased Premises which exist as of the date of this Lease. Lessee shall be entitled to seek all remedies available at law and in equity, including but not limited to, specific performance, to compel compliance with this section.

F. The installation, use, repair, replacement, and removal of underground and aboveground wires and cables used for the transmission of electrical energy or for communication purposes for the Project. The installation, use, repair, replacement, and removal of all necessary appliances and fixtures for use in connection with said wires and cables; this clause applies to both the Project-related and non-Project-related transmission facilities.

G. Permitting the Solar Panels located on the Leased Premises to create or emit onto the Leased Premises any audio, visual, view, light, shadow, noise, vibration, air turbulence, wake, flicker, electromagnetic, radio, or other effect of any kind or nature whatsoever resulting, directly or indirectly, from the Renewable Energy Facilities, the Project, or any development activities.

2.2.2. <u>Not Self-Executing</u>. These use and occupancy rights are not self-executing. Lessee must inform Lessor of upcoming development activities prior to beginning work on any Improvements, Production Areas, or Supporting Areas.

2.2.3. <u>Dwelling Rights</u>. Lessee may not establish any permanent residence, dwelling, or place of abode of any type, on the Leased Premises without the express prior permission from Lessor in a separate written contract that will govern any such additional use of the Leased Premises. For purposes of this Lease provision, a permanent residence is any structure that any person will use for shelter, sleep, or to keep personal property for a timeframe of three (3) months or longer, irrespective of occasional absences.

2.2.4 <u>Reserved</u>.

2.2.5. <u>Ownership of Improvements; Exception</u>. Throughout the Lease Term, and separate from any option of Lessor, Lessor shall have no ownership or other interest in any Improvements, other than previously constructed roads and appurtenances thereto. Lessee may remove any or all such Improvements, but not roads or appurtenances thereto, at any time in accordance with the terms of this Lease, including <u>Sections 2.3.4 and 7.2</u>.

2.2.6. No Waste or Nuisance.

A. Lessee shall not use the Leased Premises in any manner that would constitute waste or create a nuisance; nor shall Lessee allow any of the same to be committed on the Leased Premises.

B. Lessee shall not excavate or remove material, including sand, gravel, or other aggregate, from the Leased Premises, nor deposit material upon the Leased Premises other than as is necessary for the construction of Renewable Energy Facilities and Improvements according to the

Construction Plan required in <u>Section 6.3</u>. The natural characteristics of the Leased Premises, including the topographical, hydrological, and natural drainage must be considered and preserved to the greatest extent possible when Lessor determines that such consideration and preservation is in the best interest of the Leased Premises. Excavation or deposit of material for construction of Renewable Energy Facilities or Improvements on the Leased Premises must be limited to excavation or deposit at the location of the Renewable Energy Facilities or Improvements, and only such excavation or deposit necessary to prepare the location for placing the Renewable Energy Facilities or Improvements thereon will be allowed. Only clean, non-contaminated, natural fill materials, free of weed seed, may be brought onto the Leased Premises. Lessee must address disposition of material excavated from the Leased Premises in the Construction Plan.

2.2.7. Compliance with Environmental Laws and Government Approvals.

A. Lessee shall, at all times, comply with the following environmental laws and any other Government Approvals relating to or imposing liability or standards of conduct concerning Hazardous Substances (collectively "**Environmental Laws**") presently in effect or that may be passed or amended in the future, which now or at any time in the future may be applicable to the Project:

- i. Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq.;
- ii. Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.*;
- iii. Clean Air Act, 42 U.S.C. § 7401, et seq.;
- iv. Federal Water Pollution Control Act (Clean Water Act of 1977), 33 U.S.C. § 1251, et seq.;
- v. Federal Insecticide, Fungicide, and Rodenticide Act (Federal Pesticide Act of 1978), 7 U.S.C. § 136, *et seq.*;
- vi. Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.;
- vii. Safe Drinking Water Act, 42 U.S.C. § 300f, et seq.; and
- viii. Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.

B. Lessee shall, at all times, comply with all other applicable Government Approvals relating to or imposing liability or standards of conduct for the Project, the Leased Premises or any part thereof, or to any adjoining waterways, roads, sidewalks, streets, or walkways to the extent applicable to Lessee or Lessee's activities, or to any material use or condition of the Leased Premises or any part thereof.

C. In accordance with Idaho Code § 58-307(4), Lessee and Lessor will consult with the county commissioners of Bingham County before the Effective Date regarding local planning and zoning ordinances, to assist Lessee's uses of the Leased Premises, subject of this Lease, to be consistent with the local planning and zoning ordinances insofar as is reasonable and practicable.

2.2.8. <u>Use of Leased Premises Mineral Deposits</u>. Lessee shall not extract for use off the Leased Premises, or for use on the Leased Premises other than to backfill excavated locations, any minerals from the Leased Premises, including sand, gravel, or other aggregate without first entering into a separate written contract, including a royalty schedule, which will govern such additional use of resources from the Leased Premises. Mineral extraction operations and reclamation may be included in the Construction Plan required in <u>Section 6.3</u>, or may be specified through a separate reclamation plan.

2.3. Lessor's Reservation of Rights. Lessor expressly reserves and excepts the following rights from this Lease:

2.3.1. <u>Right of Entry</u>. Lessor retains the right to enter upon the Leased Premises at any time during the Lease Term for any purpose. Lessor retains the right to inspect the Leased Premises, including any Production Area, Supporting Area, or Improvements upon reasonable notice to Lessee and Lessor must be accompanied by an authorized agent of Lessee within any fenced solar energy facility areas¹.

2.3.2. <u>Resources and Fee Title</u>. Lessor retains all rights to all water, timber, oil and gas, minerals, solar, geothermal, easements and rights-of-way, and fee title to the Leased Premises. Notwithstanding the foregoing, Lessee has the right to use sand, gravel, or other aggregate located on the Leased Premises in accordance with <u>Section 2.2.8</u>. Any new leases or renewals and or extensions of existing leases, options to lease, seismic operations, or any other agreement made by Lessor with a third party regarding the Leased Premises (including any of the foregoing related to water, oil, gas or other minerals) shall contain language that states that such third party shall not disturb, interfere with, preclude, or destroy Lessee's rights hereunder.

2.3.3. <u>Grant of Easements, Licenses, Permits, Leases, and Other Leased Premises Interests</u>. Subject to the prohibition on Lessor to permit obstructions, Lessor retains the right to grant and issue easements, licenses, permits, leases, and any other property interest across the Leased Premises, provided said easements, licenses, permits, and leases do not unreasonably interfere with Lessee's use pursuant to this Lease, or with the permitted Improvements installed, maintained, or operated by Lessee upon the Leased Premises. Lessor must notify and consult with Lessee before, in Lessor's discretion, granting or issuing any new easement, license, permit, or lease on the Leased Premises.

A. It shall be Lessee's duty to "fence out" or otherwise preclude entrance to any Production Area, Supporting Area, or Improvements that either Party reasonably determines is necessary to preclude access by other users. Any fence or other method of preclusion must first be approved by Lessor, which approval shall not be unreasonably withheld, or delayed.

B. Subject to <u>Article 5</u> and <u>Section 6.1</u> of this Lease, Lessor shall retain the right to use that portion of the Leased Premises not occupied by Renewable Energy Facilities or unoccupied air space needed for the generation of Renewable Energy as provided in this Lease, for any other use, including farming, grazing, timber harvesting, hunting, conservation, recreational activities, mineral development, or other similar purposes; and Lessor shall be entitled to use any private road constructed by Lessee on the Leased Premises and located outside of fenced solar energy facility areas for access to the balance of the Leased Premises; provided, however, that Lessor's activities on the Leased Premises shall not unreasonably interfere with: (i) the development, construction, maintenance, or operation of the Renewable Energy Facilities; (ii) the capture, use, storage or conversion of solar resources; (iii); or (iv) the open and unobstructed access to sunlight across the Leased Premises, as reasonably determined by Lessee.

2.3.4. <u>Ownership of Roads and Appurtenances</u>. Upon termination of this Lease for any reason, all interests of Lessee in all roads and appurtenances shall terminate and Lessor will be the sole owner of all roads and appurtenances thereto constructed by or for Lessee across the Leased Premises; provided however, that if Lessor determines, in its sole discretion, that any road or appurtenance thereto constructed by Lessee should be removed and the land reclaimed, then Lessee must remove any such roads and appurtenances, and reclaim the land pursuant to the Decommissioning and Reclamation Plan, or as directed by Lessor.

2.3.5. <u>Changes in Use for the Protection of Health and Safety</u>. Lessor retains the right to require changes to Lessee's Construction Plan for the protection of public health and safety, or preservation of the Leased Premises or its environmental characteristics in areas of environmental concern.

2.3.6. <u>Reservation of Water Rights and Use</u>. Lessor reserves as its sole property any and all water from any source arising on, or placed in beneficial use on, the Leased Premises and to hold all water rights for any beneficial use that may develop as a result of this Lease. However, Lessee shall have use of such water, if approved in the Construction Plan, during the term of this Lease and without cost.

2.3.7. <u>Right of Ingress and Egress</u>. Lessor reserves the right of access, and ingress and egress across the Leased Premises including by way of any existing road or any road constructed by or for Lessee during the Lease Term. Use of any such road by Lessor or its agent must not unreasonably interfere with Lessee's activities with regard to the Leased Premises.

2.3.8. Intentionally Deleted.

2.3.9. Intentionally Deleted.

2.3.10. Sale or Exchange of Leased Premises.

A. Lessor may sell or exchange title in all or any portion of the Leased Premises during the Lease Term. In the event of such sale or exchange, this Lease shall not terminate. Lessor shall assign to the purchaser all of Lessor's rights, title, interests, and obligations under this Lease. Lessor's assignee shall assume full performance of Lessor's obligations for the remaining duration of the Lease Term, and any that survive termination of this Lease.

B. If Lessor sells or exchanges title in less than the entire Leased Premises, and such portion, or portions, are not material to Lessee's Renewable Energy Purposes, the Parties may agree to modify this Lease and remove such portion, or portions, from the Leased Premises; thereby, precluding the need of assignment to the purchaser.

C. Lessor will notify Lessee that the Leased Premises is being considered for disposition at least one hundred eighty (180) calendar days in advance of any auction or any exchange closing.

2.3.11. <u>Public Use</u>. Lessee must allow the general public the right to use the Leased Premises located outside of fenced solar energy facility areas for any lawful use authorized by the Board for lands owned by the State, except for any such use which is incompatible with Lessee's uses under this Lease. However, nothing in this Lease authorizes or purports to authorize trespass on private lands to reach State-owned lands. Lessee shall not restrict public use of State lands authorized by the Board without prior written approval of Lessor. Nothing in this Lease shall be deemed a limitation on Lessor's authority to control public use of the Leased Premises where such use is authorized by the Board. This Lease is not an exclusive control lease as described under Idaho Code § 36-1603(b).

2.3.12. <u>Harvest of Seed</u>. Lessor reserves the right to harvest seed from plants on the Leased Premises. Lessor shall coordinate the harvesting activities with Lessee at the earliest reasonable time to minimize impacts on Lessee's operations.

2.3.13. <u>Rights Not Expressly Granted</u>. Lessor reserves all rights and privileges of every kind and nature, except as specifically granted in this Lease.

2.4. Lessee's Due Diligence.

2.4.1. <u>Due Diligence Period</u>. Lessee shall have a period of one hundred and eighty (180) calendar days after the Execution Date ("**Due Diligence Period**") to complete the due diligence items described below in this <u>Subsection 2.4.1</u>. The Parties hereby agree that the Due Diligence Period may be extended for up to twelve (12) months if Lessee is actively working on obtaining the items in <u>Subsection 2.4.1</u> and needs additional time to complete such items. During such period Lessee shall obtain and review, or waive its right to obtain and review, the following:

A. A survey of the Leased Premises prepared by a licensed land surveyor satisfactory to Lessee ("**Survey**"). Lessor shall receive a copy of any Survey prepared by Lessee, or on its behalf. Lessee shall pay the cost of the Survey.

B. A Phase I environmental site assessment of the Leased Premises (the "**Phase 1 Report**"). Lessor shall receive a copy of any Phase 1 Report prepared by or on behalf of Lessee. The cost of the Phase 1 Report shall be paid by Lessee.

2.4.2. <u>Right of Review and Termination</u>. Prior to the expiration of the Due Diligence Period, and subject to <u>Section 2.1.3</u>, Lessee shall give Lessor written notice of any objection of Lessee to any matter

disclosed by the Survey, or the Phase 1 Report to which Lessee objects ("**Disapproved Matters**"). If Lessee does not object to a matter disclosed within the Due Diligence Period, such matter shall be deemed to have been approved by Lessee. If Lessee gives notice of objection as to any such matter within the Due Diligence Period, Lessor shall have the option, but not any obligation, to cure the Disapproved Matters. If Lessor elects to cure the Disapproved Matters, Lessor will take reasonable actions to attempt to eliminate, cure, or otherwise remediate the Disapproved Matters, at Lessor's cost, within ninety (90) calendar days ("**Cure Period**"). Notice of Lessor's election to attempt to cure shall be given to Lessee within fifteen (15) calendar days following receipt of Lessee's notice of objection. If Lessor does not eliminate, cure, or otherwise remediate such Disapproved Matters within the Cure Period, Lessee's sole and exclusive remedies shall be to i) terminate this Lease by giving written notice to Lessor on or before thirty (30) days after expiration of the Cure Period; ii) attempt to remedy such Disapproved Matters itself; or iii) waive any such Disapproved Matters and proceed. If Lessee does not elect to terminate on or before thirty (30) days after expiration of the Cure Period, Lessee shall be deemed to have elected to waive any uncured Disapproved Matters, and this Lease shall continue in full force and effect.

2.4.3. <u>Limitation on Activities</u>. Until the end of the Due Diligence Period, Lessee's actions on the Leased Premises shall be limited to those necessary to complete Lessee's due diligence items and as allowed in <u>Section 4.1</u>.

ARTICLE 3 – TERMS OF LEASE; TERMINATION

3.1. Term of Lease. Subject to the other provisions of this Lease, the term of this Lease shall be for a period of forty-eight (48) years and six (6) months, beginning on the Effective Date and ending at 11:59 p.m. on December 31, 2071 ("Lease Term").

3.2. New Lease. If Lessee has fully complied with the terms and conditions of this Lease, and is not in default, then Lessee may apply for a new lease by filing an application with Lessor prior to April 30 of the year in which the Lease Term ends, in accordance with Idaho Code § 58-307(8). Lessee understands that the terms and conditions of any new lease are in Lessor's sole discretion and may be materially different than the terms and conditions of this Lease. A new lease is subject to the auction requirement of Article IX, § 8 of the Idaho Constitution and the conflict auction provisions of Title 58, Chapter 3, Idaho Code, and any applicable rules promulgated thereunder. Lessor will value the creditable Improvements prior to any conflict auction for a new lease in accordance with any then-existing applicable statute or rule. If Lessee is not the successful lessee of a new lease, then Lessee shall, prior to the termination of this Lease, vacate the Leased Premises, and Lessee shall be paid the value of the approved Lessee-owned Improvements by the successful new lessee.

3.3. Use of Phases. The Lease Term will be separated into phases, more particularly described in <u>Article 4</u>. The phases may vary in time or occur simultaneously for different portions of the Leased Premises, as is more particularly described in the Construction Plan required under <u>Section 6.3</u>. If different phases occur simultaneously, Rent shall be apportioned as set forth in <u>Section 5.7</u>.

3.4. Maximum Phase Term. The timeframe of any phase must not exceed the applicable period(s) set forth in <u>Article 4</u>.

3.5. Termination.

3.5.1. <u>Termination by Lessee.</u>

A. During Phase 1 of this Lease, as described in Sections 4.1 and 6.2, and provided Lessee is not then in default, Lessee may terminate this Lease by giving Lessor sixty (60) calendar days' prior written notice of termination. Lessee shall restore the Leased Premises as close as reasonably practical to its natural contour and vegetative state, as existed immediately preceding Lessee's activity on the Leased Premises and pursuant to the Decommissioning and Reclamation Plan.

B. During Phase 2 of this Lease, as described in Sections 4.2 and 6.3, and provided Lessee is not then in default, Lessee may terminate this Lease by giving Lessor ninety (90) calendar days' prior written notice of termination. Lessee shall complete all obligations under the Decommissioning and Reclamation Plan; termination will not be deemed complete until such obligations are fulfilled.

C. During Phase 3 of this Lease, as described in Sections 4.3 and 6.4, and provided Lessee is not then in default, Lessee may terminate this Lease by giving Lessor one hundred eighty (180) calendar days' prior written notice of termination. Lessee shall complete all obligations under the Decommissioning and Reclamation Plan; termination will not be deemed complete until such obligations are fulfilled.

D. Upon termination during any phase, Lessee's actions on the Leased Premises shall be limited to those necessary for completion of its obligations under the Decommissioning and Reclamation Plan.

E. If different phases are occurring simultaneously, then the termination provisions applicable to the most advanced phase shall apply and must be completed by Lessee.

3.5.2. <u>No Refund of Rents</u>. Under no circumstances will Lessor refund to Lessee any amount or portion of Rent in the event of Lessee's termination during any phase.

3.5.3. <u>Termination by Lessor for Lessee's Default and Failure to Cure</u>.

A. *Events of Default*. Lessor will provide Lessee with a written notice of default in the event any of the following events of default occur ("**Notice of Default**"). Lessee shall be in default of this Lease if any one or more of the following occurs:

- i. Lessee fails to pay Lessor the applicable, annual Phase Rent amount when due;
- ii. Lessee fails to pay any other Rents in accordance with <u>Article 5</u>, performance security in accordance with <u>Article 8</u>, or other payment or amount to Lessor when due;
- iii. Lessee fails to pay, or contest in compliance with <u>Section 11.2</u>, any tax assessment, or other government fee when due;
- iv. Lessee fails to complete a phase prior to the conclusion of its maximum period, as more particularly described in <u>Article 4</u>, without the prior written approval of Lessor;
- v. Lessee fails to observe or perform any other obligation, covenant, condition, or undertaking set forth in this Lease;
- vi. Lessee fails to obtain any Government Approvals necessary for activities during, and upon completion of, any phase described in <u>Article 4</u>;
- vii. Lessee violates any applicable Environmental Laws or Government Approvals;
- viii. Lessee makes an assignment or other transfer for the benefit of its creditors in anticipation of or preparation for commencing a proceeding in bankruptcy;
- ix. Lessee becomes insolvent, or proceedings in bankruptcy or for liquidation, reorganization, or rearrangement of Lessee's affairs are instituted by or against Lessee;
- x. A receiver or trustee is appointed for all or substantially all of Lessee's business or assets;

- xi. A trustee is appointed for Lessee after a petition has been filed for Lessee's reorganization under the United States Bankruptcy Code, or if this Lease has been rejected under § 365 of the United States Bankruptcy Code;
- xii. Lessee makes an assignment, sublease, novation, or other transfer of this lease in any manner contrary to <u>Article 10 or Article 14</u>; or
- xiii. Lessee allows or causes a lien or encumbrance of any kind to be placed, filed, or recorded against the Leased Premises in any manner contrary to <u>Article 12</u>.

B. *Duty to Cure*. Lessee shall cure every default set forth in the Notice of Default within the following timeframes:

- i. In the event of Lessee's failure to pay any amount due to Lessor, such as the events of default at Subsection 3.4.2.A.i and ii above, Lessee shall cure any such default, including payment of any and all late charges and interest, within thirty (30) calendar days from the date of the Notice of Default.
- ii. In the event of bankruptcy or receivership, that is the result of an action brought against Lessee and without Lessee's concurrence, Lessee shall have ninety (90) calendar days from the commencement of the proceeding, to have the same dismissed and any receiver or trustee appointed therein discharged.
- iii. In the event of Lessee's violation of, or failure to obtain, any Government Approvals necessary for any activity during any phase of this lease, Lessee shall have ninety (90) calendar days from the date of the Notice of Default to demonstrate that such Government Approvals have been obtained, are not necessary, or to seek such Government Approvals. If such Government Approvals are necessary for Lessee's activities and are not obtained, then Lessor shall have the right, without limitation, to require Lessee to cease activities related to the satisfaction of Lessor, in its reasonable direction.
- iv. Except as otherwise stated in this Lease, Lessee shall cure every default set forth in the Notice of Default within sixty (60) calendar days from the date of the Notice of Default. If Lessee has, within the cure period, diligently and in good faith worked to correct the default, then Lessor shall extend the cure period for a length of time that Lessor believes to be reasonably necessary to complete the cure. Any such extension will be contingent upon Lessee's continued diligence toward a cure throughout the cure period.
- v. All cure periods shall run concurrently and not consecutively.

C. Failure to Cure. In the event of any default by Lessee, which is not cured within the applicable cure period, if any, and subject to the terms of <u>Article 10</u>, Lessor may terminate this Lease; may enforce any or all violations against Lessee; may seek resolution by judicial action or otherwise; and may seek any single, combination of, or any and all remedies available at law or in equity. Lessor's pursuit of any particular right or remedy for a failure to cure, and any resulting breach of this Lease, shall not, in and of itself, constitute a waiver or relinquishment of any other claim or remedy against Lessee. Lessor may, in its sole discretion, pursue any, all, or none of the following:

i. Terminate this Lease and re-enter upon all or any part of the Leased Premises, either with or without process of law, Lessee hereby waiving any demand for possession, and remove Lessee and any persons or property from the Leased Premises, with all such costs becoming the sole obligation of Lessee;

- ii. Re-lease the whole, or any part or parts of the Leased Premises, either in the name of Lessor or otherwise, for less than or the balance of the Lease Term, and grant concessions or charge a higher Rent than that in this Lease.
- iii. Remit payment on any tax, assessment, or other government fee due by Lessee. In that event, Lessee shall, upon Lessor's demand repay to Lessor the amounts so paid, reasonable attorney fees and all other court costs, and any other expenses incurred because of or in connection with such payments, together with interest at the Default Rate until paid in full;
- iv. Pursue judicial action to collect from Lessee damages incurred by or resulting to Lessor from Lessee's failure to observe and perform any term, condition, covenant, duty, or obligation of this Lease;
- v. Allow the Lease to remain in full force and effect while enforcing any or all of Lessor's rights and remedies; or
- vi. Remove any or all of Lessee's property or Improvements and store the same at Lessee's expense or require Lessee to remove the same.

D. Liability for Damages. The failure of Lessor to re-lease the Leased Premises or any part or parts of it shall not release or affect Lessee's obligations under this Lease or liability for damages. In computing such damages, there shall be added to the amount due any expenses incurred by Lessor in connection with re-leasing, including legal expenses, reasonable attorney fees, brokerage fees, advertising costs, cost to keep the Leased Premises or Improvements in good order, or for preparing the Leased Premises or Improvements for re-leasing. Any such costs shall be considered and included as Rents to be paid by Lessee. Any judicial action brought to collect the amount of the deficiency for any period shall not prejudice in any way the rights of Lessor to collect the deficiency for any subsequent period by a similar proceeding. Lessor, in putting the Leased Premises in good order or preparing the same for releasing may, at Lessor's option, make such alterations, repairs, or replacements to the Leased Premises or Improvements as Lessor, in Lessor's sole discretion, considers advisable and necessary for the purpose of re-leasing the Leased Premises. The making of such alterations, repairs, or replacements shall not operate or be construed to release Lessee from liability pursuant to this Lease. Lessor shall in no event be liable in any way whatsoever for failure to re-lease the Leased Premises; or in the event that the Leased Premises are re-leased, for failure to collect the Rent due by Lessee under such re-lease contract; and in no event shall Lessee be entitled to receive any excess, if any, of such net Rents collected over the sums payable by Lessee to Lessor. In the event of a breach or threatened breach by Lessee of any of the covenants or provisions of this Lease, Lessor shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings, and other remedies were not herein provided for. The mention in this Lease of any particular remedy shall not preclude Lessor from any other remedy, in law or in equity. Lessee hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event Lessee is evicted or dispossessed for any cause, or in the event Lessor obtains possession of the Leased Premises, by reason of a default and failure by Lessee to cure any of the covenants and conditions of this Lease, or otherwise.

3.5.4. <u>Surrender by Lessee Upon Termination</u>. Upon termination of this Lease for any reason, Lessee must quietly and peaceably surrender possession of the Leased Premises to Lessor. Within ninety (90) calendar days of termination, unless otherwise set forth in <u>Section 6.4.3</u>, Lessee must remove from the Leased Premises all materials, tools and machines, and other Improvements, with the exception of any roads or appurtenances that Lessor determines will remain. Anything subject to removal, but not removed, will be deemed abandoned and, at Lessor's option, will be deemed transferred to, and shall become, the property of the State by operation of law without any further action required by Lessor, subject to the rights of Lessee or Lenders to any salvage value of the Solar Energy Facilities; or Lessor may require Lessee to remove it; or Lessor may cause the same to be removed at Lessee's sole cost and expense.

3.5.5. <u>Reclamation of Leased Premises</u>. Prior to or upon termination of this Lease, Lessee shall complete reclamation of the Leased Premises in accordance with the provisions of this Lease, including <u>Article 4</u>, and the Decommissioning and Reclamation Plan accepted by Lessor as provided in <u>Article 6</u>.

3.5.6. <u>Holding Over</u>. If Lessee, or any successor-in-interest, should remain in possession of the Leased Premises after termination of this Lease, for any reason, such holding over shall be construed as a tenancy from month-to-month, subject to all the covenants, terms, provisions and obligations of this Lease, except that the reasonable rent, due on the first day of each month of the holdover period, shall be two times the monthly rent payable immediately preceding the first day of the holdover, or as limiting Lessor's remedies at law or in equity against Lessee. If the Leased Premises are not surrendered at the end of the Lease Term, Lessee shall indemnify Lessor for, from, and against any loss or liability resulting from the delay by Lessee in so surrendering the Leased Premises, including any claims made by any succeeding lessee based on such delay.

3.6. Lessee's Continuing Obligations. All obligations of Lessee and any surety of Lessee pursuant to this Lease, which accrue during the Lease Term, or which accrue upon the termination of this Lease, shall survive the termination of this Lease.

3.7. All Rights Return to Lessor. Upon termination of this Lease for any reason, all rights granted to Lessee will return to Lessor.

ARTICLE 4 – LEASE PHASES

4.1. Phase 1 – Research and Analysis.

4.1.1. <u>Term of Phase 1</u>. Phase 1 will begin on the Execution Date, will run simultaneously with the Due Diligence Period, and will continue for up to forty-eight (48) months from the Effective Date, except as provided in <u>Section 4.1.3</u>.

4.1.2. <u>Phase 1 Activity</u>. During Phase 1, Lessee shall engage in the activities and submit all the requirements set forth in this <u>Subsection 4.1.2</u>. All such activities shall be described in the Research and Analysis Plan, more particularly described in <u>Section 6.2</u>, to be developed by Lessee and provided to Lessor before Lessee commences any surface-disturbing Phase 1 activities. All such activities and requirements shall be conducted at Lessee's sole cost and expense.

A. Lessee shall conduct all studies necessary for the development of Renewable Energy Facilities on the Leased Premises. These studies may occur off the Leased Premises in the same general geographic location if the studies can be reasonably extrapolated to the Leased Premises.

B. Lessee may complete the title report and the Phase 1 Report and must conduct any other environmental studies required to obtain Government Approvals for subsequent phases, including, if required, avian interaction and migration pattern studies.

C. Lessee shall obtain all required Government Approvals for subsequent phases, and shall submit to Lessor an Opinion Letter, prepared and signed by a law firm that includes attorneys admitted to practice and in good standing in the state of Idaho ("**Opinion Letter**"), providing a legal opinion regarding and including the following: whether all Government Approvals necessary for Lessee's commencement of Phase 2 have been obtained; whether the operation of the Renewable Energy Facilities are legally and validly permitted by issuance of requisite Government Approvals; whether the Renewable Energy Facilities are held in the name of Lessee or Lessee's anticipated assignee; and whether Lessee is in substantial compliance with all requisite Government Approvals as of the date of the Opinion Letter. Copies of all reviewed or referenced Government Approvals must be enclosed with the Opinion Letter.

D. Lessee shall provide to Lessor evidence of any and all, but at least one existing Use Agreement that is valid and enforceable by Lessee, which may be in redacted form consistent with Title 74, Chapter 1, Idaho Code. Lessor's acceptance of a partial copy or a redacted copy of a Use Agreement, does not limit Lessor's ability to request and be provided with a full and unredacted copy, subject to confirmation that all confidential provisions in the Use Agreement, as designated by Lessee pursuant to <u>Section 15.2</u>, will remain confidential and not be publicly disclosed, except as required by the Idaho Public Records Act, Title 74, Chapter 1, Idaho Code, as set forth in <u>Section 15.2</u>, or any subpoena or court order.

E. Lessee shall provide to Lessor the Construction Plan and proof of the related requisite security, as more particularly described in <u>Section 6.3</u>.

F. Lessee shall provide to Lessor the Decommissioning and Reclamation Plan and proof of the related requisite security, as more particularly described in <u>Section 6.4</u>.

G. Lessee shall provide to Lessor the Hazardous Materials and Waste Management Plan, more particularly described in <u>Section 13.1</u>. Included in the HMWMP shall be a list of hazardous materials used or stored on the Leased Premises. Material Safety Data Sheets ("**MSDS**") for all hazardous materials used or stored on the Leased Premises shall be provided to Lessor upon request.

H. Within thirty (30) calendar days of Lessor's receipt of the Opinion Letter, or any plan, or other document required to be provided by Lessee, Lessor may request additional information from Lessee, or provide written comments and recommendations, or provide in writing required changes to any plan. The Parties will discuss Lessor's recommended or required changes at either Party's request.

4.1.3. <u>Conclusion of Phase 1</u>. Phase 1 shall conclude at the earlier of the following circumstances: i) thirty-one (31) calendar days following Lessor's receipt of the Opinion Letter and all required plans and other documents; or ii) if, after receipt of the Opinion Letter and all required plans and other documents, Lessor has no recommendations or required changes and provides written notice of the same to Lessee.

4.1.4. <u>Maximum Phase 1 Length</u>. Unless extended by the Parties in writing, Phase 1 of this Lease shall not extend longer than forty-eight (48) months from the Effective Date. Lessee must submit the written request for extension to Lessor at least thirty (30) calendar days prior to the end of Phase 1.

4.2. Phase 2 – Construction.

4.2.1. <u>Term of Phase 2</u>. Phase 2 will begin at the conclusion of Phase 1 and will continue for up to thirty-six (36) months from the conclusion of Phase 1, except as provided in <u>Section 4.2.5</u>.

4.2.2. <u>Phase 2 Activities</u>. During Phase 2, Lessee shall engage in and complete construction of the Renewable Energy Facilities and related Improvements on the Leased Premises, as more particularly described in the Construction Plan. All Phase 2 activities and requirements shall be conducted at Lessee's sole cost and expense.

4.2.3. <u>Conclusion of Phase 2</u>. Phase 2 of this Lease shall conclude upon the completion of all of the following:

A. Lessor's acknowledgement of receipt, which will be timely provided, of complete and correct copies of all easements, or other types of access or right-of-way agreements, held by Lessee, or made for Lessee's benefit, relating to all connecting lines and pipelines, transmission lines, substations, and other facilities outside the Leased Premises that are necessary to operate and maintain the Renewable Energy Facilities, or to carry out the Renewable Energy Purposes.

B. Lessor's acknowledgement of receipt, which will be timely provided, of "as built" drawings showing the exact location of all constructed Renewable Energy Facilities and other

Improvements on the Leased Premises.

C. Lessor's acknowledgement of receipt, which will be timely provided, of all additional or amended Use Agreements that are valid and enforceable by Lessee, entered into after Lessee's disclosure under <u>Subsection 4.1.2.D</u>, which may be in redacted form consistent with Title 74, Chapter 1, Idaho Code. Lessor's acceptance of a redacted copy of a Use Agreement, does not limit Lessor's ability to request and be provided with a full and unredacted copy, subject to confirmation that all confidential provisions in the Use Agreements, as designated by Lessee pursuant to <u>Section 15.2</u>, will remain confidential and not be publicly disclosed, except as required by the Idaho Public Records Act, Title 74, Chapter 1, Idaho Code, as further set forth in <u>Section 15.2</u>, or any subpoena or court order.

D. Any changes to the Construction Plan, HMWMP, or the Decommissioning and Reclamation Plan must be submitted by Lessee during the review period pursuant to <u>Section 6.5</u>. Lessor will evaluate the proposed changes pursuant to <u>Section 4.3.3</u>, to determine whether the changes will be considered a material modification. Within thirty (30) calendar days of Lessor's receipt of any such changes, Lessor may request additional information from Lessee, or provide written comments and recommendations, or provide in writing additional required changes to any such plan. The Parties will discuss Lessor's reasonable recommended or required changes at either Party's request. If the Parties cannot agree on any term or condition, Lessor may terminate the Lease in its sole discretion pursuant to <u>Section 3.5.3</u>, provided however, such termination shall not be unreasonable.

4.2.4. <u>Partial Transition to Phase 3</u>. Lessee may submit the items required in <u>Subsection 4.2.3</u> for the conclusion of Phase 2 for individual Renewable Energy Facilities, or groupings of Renewable Energy Facilities; provided, that conclusion of Phase 2 for such individual or groupings of Renewable Energy Facilities is consistent with all related Use Agreements.

4.2.5. <u>Maximum Phase 2 Length</u>. Unless extended by Lessor in writing, Phase 2 of this Lease shall not extend longer than thirty-six (36) months from the commencement of Phase 2. Lessee must submit the written request for extension to Lessor at least thirty (30) calendar days prior to the end of the thirty-six-month period.

4.3. Phase 3 - Operation.

4.3.1. <u>Term of Phase 3</u>. Phase 3 will begin upon the whole conclusion, or partial transition from Phase 2, and may continue for the remainder of the Lease Term, except as otherwise provided in <u>Section</u> 4.3.5.

4.3.2. <u>Phase 3 Activities</u>. During Phase 3, Lessee shall engage in Renewable Energy Purposes and Electrical Power Production from Renewable Energy converted on the Leased Premises for utilization and sale pursuant to all applicable Use Agreements. All such activities and requirements shall be conducted at Lessee's sole cost and expense. Within thirty (30) calendar days of its execution or issuance, Lessee will provide Lessor a complete and correct copy of every new or amended Use Agreement that is valid and enforceable by Lessee, which may be in redacted form consistent with Title 74, Chapter 1, Idaho Code. Lessor's acceptance of a redacted copy of a Use Agreement does not limit Lessor's ability to request and be provided with a full and unredacted copy, subject to confirmation that all confidential provisions in the Use Agreement, as designated by Lessee pursuant to <u>Section 15.2</u>, will remain confidential and not be publicly disclosed, except as required by the Idaho Public Records Act, Title 74, Chapter 1, Idaho Code, as further set forth in <u>Section 15.2</u>, or any subpoena or court order.

4.3.3. <u>Material Modifications to Improvements in Phase 3</u>.

A. Lessee must submit to Lessor any proposed material modifications to any Improvements, and changes to the Construction Plan, HMWMP, or the Decommissioning and Reclamation Plan that Lessee deems necessary during Phase 3. Within thirty (30) calendar days of Lessor's receipt of any such proposed modifications or changes, Lessor may request additional information from Lessee, or provide written comments and recommendations, or provide in writing additional required changes to any such proposal. The Parties will discuss Lessor's recommended or required changes at either Party's request.

B. Lessee shall submit a revised Construction Plan to Lessor prior to modifying any of the Improvements. Modifications to any Improvements shall not remove the Production Areas subject to such modifications from the requirements of this Lease, including the payment of Rent, applicable to Phase 3. Lessee shall provide Lessor with complete and correct updated drawings showing all modifications to the Renewable Energy Facilities and Improvements on the Leased Premises as such modifications are completed.

C. For purposes of this <u>Section 4.3</u>, "**material modifications**" means any of the following circumstances: i) an increase or decrease in the Project's Nameplate Capacity by fifteen percent (15%) or more; ii) addition or removal of any permanent Improvement; iii) a significant change in the location of any permanent Improvement; or iv) a change that results in an increase of decommissioning and reclamation costs by fifteen percent (15%) or more.

4.3.4. <u>Conclusion of Phase 3</u>. Phase 3 of this Lease shall conclude upon the occurrence of either or both, of the following:

A. Written notice of termination of this Lease by either Party, and as more particularly set forth in <u>Section 3.5</u>, subject to and in accordance with the provisions of <u>Article 10</u>.

B. At the end of the Lease Term, and conclusion of an auction of the new lease as described in <u>Section 3.2</u>.

4.3.5. <u>Maximum Phase 3 Length</u>. Unless extended by Lessor in writing and based upon the anticipated execution of a new lease with Lessee as described in <u>Section 3.2</u>, Phase 3 of this Lease shall not extend longer than the end of the Lease Term.

4.4. Phase 4 - Decommissioning and Reclamation.

4.4.1. <u>Term of Phase 4</u>. Phase 4 will begin upon Lessor's written confirmation that all Phase 3 requirements have been fulfilled to Lessor's satisfaction, or upon an earlier termination as more particularly described in <u>Section 3.5</u>. Lessee's obligations relative to the Decommissioning and Reclamation Plan shall survive the termination of this Lease.

4.4.2. <u>Conclusion of Phase 4</u>. Phase 4 shall conclude upon Lessor's written confirmation that all Phase 4 requirements have been fulfilled to Lessor's satisfaction; such confirmation shall not be unreasonably withheld or delayed.

4.5. Transition of Supporting Areas. Supporting Areas shall be transitioned into Phase 2 and Phase 3 concurrently with the first Production Area transitioning to such phase. Supporting Areas shall be transitioned into Phase 4 concurrent with the last Production Area transitioning to such phase. A Production Area may not be transitioned or converted to a Supporting Area without the prior written permission of Lessor, which shall not be unreasonably withheld or delayed.

4.6. Annual Activities Report. Throughout the Lease Term, and before the last business day of each Lease Year, Lessee must provide to Lessor a report of all Renewable Energy Purposes activities that occurred on the Leased Premises during that Lease Year.

4.7. Subcontractors. At least fifteen (15) calendar days prior to any contractor or subcontractor entering upon the Leased Premises, Lessee must provide to Lessor a list of all contractors and subcontractors that will be present on the Leased Premises, including any subcontractor that may be assigned to manage or oversee the day-to-day operations at the Leased Premises. Lessee must obtain Lessor's prior written approval of contractors and subcontractors assigned to manage or oversee the day-to-day operations, which approval will not be unreasonably withheld or delayed.

4.8. Key Employees. As soon as practicable after initiating each phase, Lessee must provide a list of key employees assigned to oversee as many of the following responsibilities as apply for all operations on the Leased Premises, including the following: resource assessment and energy projections; financing; design, engineering, procurement, and construction specifications; interconnection and substation design; environmental assessments; community liaison; permits and related approvals; regulatory compliance; construction; commissioning potential; decommissioning and reclamation; risk management; insurance; bonding; operations; and maintenance. Lessee must update this list of key employees at the start of each new phase and notify Lessor of all changes to any key employees within ten (10) business days of the change. Lessee must provide at least one point of contact in the event of an emergency who will be available twenty-four (24) hours a day, three hundred sixty-five (365) days a year.

ARTICLE 5 - ANNUAL RENT; ROYALTY; ADDITIONAL PAYMENTS

5.1. Effective Date Fee. Within thirty (30) days of the Execution Date, Lessee shall pay Lessor Fifty-Two Thousand dollars (\$52,000) (the "Execution Date Fee"). The Execution Date Fee shall be non-refundable.

5.2. Phase 1 Rent.

5.2.1. Throughout Phase 1, Lessee shall pay an annual rental amount equal to Forty Dollars (\$40.00) per acre, multiplied by the total acreage of the Leased Premises as set forth in <u>Attachment A</u> ("**Phase 1 Rent**"), with the first such annual rent payment being due and payable in advance on or before the Effective Date. Beginning in the second Phase 1 year and continuing each year thereafter for the remainder of the Lease Term, as may be applicable, the Phase 1 Rent shall increase at a rate of three percent (3%) annually. Each annual Phase 1 Rent amount shall be paid to Lessor, in advance, on or before each subsequent anniversary of the Effective Date.

5.2.2. In no event shall any Phase 1 Rent be less than Forty Dollars (\$40.00) per acre, times the total acreage of the Leased Premises as set forth in <u>Attachment B</u>.

5.2.3. Under no condition will Lessee receive any refund of any portion of Phase 1 Rent during Phase 1.

5.3. Phase 2 Rent.

5.3.1 During Phase 2, Lessee shall pay annual rental amounts equal to Two-hundred and Fifty Dollars (\$250.00) per acre OR One Thousand Five Hundred Dollars (\$1,500.00) times the total MWdc of expected solar Nameplate Capacity to be installed on the Leased Premises ("**Phase 2 Rent**") as presented to Lessor in the Construction Plan. Beginning in the second Phase 2 year, the Phase 2 Rent shall increase annually at a rate of three percent (3%). Each annual Phase 2 Rent amount shall be paid to Lessor, in advance, on or before each subsequent anniversary of the Effective Date.

5.3.2. At no time during the Lease Term will Phase 2 Rent be less than the most recent, full Lease Year amount of Phase 1 Rent, with a 3% annual increase. If applicable, the difference between Phase 2 Rent paid and the applicable Phase 1 Rent will be paid to Lessor within thirty (30) calendar days of the end of each Lease Year during Phase 2.

5.3.3. Lessee shall not receive any refund of Phase 2 Rent at termination of this Lease. If Lessee proceeds to Phase 3 prior to the expiration of a full Lease Year, Lessee shall be entitled to a credit in the amount of the prorated portion of that Lease Year's Phase 2 Rent, which will be applied by Lessor toward the first payment of Phase 3 Rent. Lessee shall not be entitled to proration of any applicable Phase 1 Rent.

5.4. Phase 3 Rent.

5.4.1. During Phase 3, Lessee shall pay to Lessor, in advance, an amount equal to the greatest of the amounts set forth below ("**Phase 3 Rent**"):

- (a) For Solar Facilities, a minimum annual rent equal to One Thousand Dollars (\$1,000) per acre of Leased Premises upon which solar equipment or any other improvements are located ("Land Fee"), which shall increase annually at the rate of three percent (3%); or
- (b) An annual per megawatt fee equal to Six Thousand Dollars (\$6,000) per megawatt of installed Nameplate Capacity on the Leased Premises ("**Renewable Capacity Fee**"), which fee shall increase annually at a rate of three percent (3%); or
- (c) The following percentage of Gross Annual Revenue for the applicable Lease Years during Phase 3 from the sale of Renewable Energy generated by the Solar Panels located on the Leased Premises ("**Royalty**"):

Years 1 to 10:	4%
Years 11 to 20:	4.5%
Years 21 to 30:	5%
Years 31 to 49:	5.5%

If applicable, the difference between the Land Fee or Renewable Capacity Fee paid and the Royalty will be paid to Lessor within thirty (30) calendar days of the end of each Lease Year during Phase 3.

5.4.2. At no time during the Lease Term will Phase 3 Rent be less than the most recent, full Lease Year amount of Phase 1 Rent, with a three percent (3%) annual increase. If applicable, the difference between Phase 3 Rent paid and the applicable Phase 1 Rent will be paid to Lessor within thirty (30) calendar days of the end of each Lease Year during Phase 3.

5.4.3. In the event the installed MW capacity of any Solar Panel increases during the Lease Term as a result of any repowering effort, the Renewable Capacity Fee shall likewise increase by substituting the increased installed Solar Panel MW capacity for the former Nameplate Capacity. The Phase 3 Rent shall be prorated for partial years.

5.4.4. The Phase 3 Rent shall be paid each year, in advance, on or before the anniversary of the Effective Date. The Royalty for each such year shall be paid in arrears, if, to the extent, and in the amount that the Royalty is greater than the Renewable Capacity Fee.

5.4.5. During Phase 3, and no earlier than April 15th of each year, Lessee shall provide to Lessor a signed statement setting forth the amount of Gross Annual Revenue received by Lessee during such Lease Year, and the applicable Royalty calculation. Every Royalty payment shall be paid within thirty (30) calendar days following each anniversary of the Effective Date; provided however, that if Phase 3 initially begins on a date other than the anniversary of the Effective Date, Rent for the initial period shall be prorated.

5.4.6. Phase 3 Rent shall not be prorated if Lessee proceeds to Phase 4 prior to the expiration of a full Lease Year, and Lessee shall not be entitled to a credit against Phase 4 Rent or a refund of any Phase 4 Rent paid for such Lease Year.

5.4.7. Each payment to Lessor under this <u>Section 5.4</u> will include a summary of the method of calculation of the payment, including the applicable percentage of Gross Annual Revenue for the applicable Lease Year.

5.4.8. When requested by Lessor, Lessee shall submit to Lessor quarterly net metering reports during Phase 3 for verification of Electrical Power Production. If Lessor requires a different format for, and other information to be included in, the content of the net metering report, Lessor will provide those requirements to Lessee.

5.4.9. Lessor shall not be entitled to any form of tax benefits, payments or credits derived from any federal, state or local tax credit or incentive program, including the federal production tax credit or federal investment tax credit.

5.5. Phase 4 Rent.

5.5.1. During Phase 4, Lessee shall pay the Renewable Capacity Fee, as last paid during Phase 3, in advance annually, on each anniversary of the Effective Date ("**Phase 4 Rent**").

5.5.2. At no time during the Lease Term will Phase 4 Rent be less than the most recent, full Lease Year amount of Phase 1 Rent, with a three percent (3%) annual increase. If applicable, the difference between Phase 4 Rent paid and the applicable Phase 1 Rent will be paid to Lessor within thirty (30) days of the end of each Lease Year during Phase 4.

5.5.3. Phase 4 Rent shall be prorated if Lessee completes Phase 4 prior to the expiration of a full Lease Year, and Lessee shall be entitled to a refund of prorated Phase 4 Rent paid for such year, and not subject to <u>Section 3.5.2</u>. Completion of Phase 4, for the purpose of such proration, shall occur on the date of Lessor's written confirmation that all Phase 4 requirements have been fulfilled to Lessor's satisfaction; such confirmation shall not be unreasonably withheld, , or delayed.

5.6. Intentionally Deleted.

5.7. Apportionment of Rent During Simultaneous Phases. If different phases are occurring simultaneously, then all Rent applicable to the most advanced phase shall apply.

Lessee's Records. Lessee shall keep full, complete, and proper books, records and accounts of 5.8. Gross Annual Revenue according to generally accepted accounting principles as would be normally examined and required to be kept by an independent accountant when performing an audit of Lessee's business to verify the accuracy of Lessee's statements of Gross Annual Revenue. All such books, records, and accounts shall be kept for a period of at least seven (7) years following the end of each Lease Year. Within three (3) years after the end of any Lease Year, Lessor, its agents and employees, upon at least seven (7) business days' prior written notice, may examine and inspect all of the books and records relating to the Leased Premises, including relevant income tax returns, for the purpose of investigating and verifying the accuracy of any prior statement of Gross Annual Revenue. During the Lease Term, Lessee may mark any records provided under this section as trade secrets, proprietary information, or by such other designation as Lessee believes applicable to exempt such documents from public disclosure pursuant to the Idaho Public Records Law (Idaho Code §§ 74-101 through 74-126), and Lessor shall treat the information as confidential as set forth in Section 15.2. If the results of the audit show that Lessee's statement or statements of Gross Annual Revenue for any period has been understated, then, within ten (10) business days of the receipt of notice of the determination of such deficiency, Lessee shall pay any applicable deficiency to Lessor, together with interest thereon at the Default Rate, from the date such payment should originally have been made until the date actually paid in full; provided however, this provision for payment of a deficiency shall not be deemed a waiver of any default remedies available to Lessor as a result of such deficiency. If the results of the audit show that Gross Annual Revenue for the audit period have been understated by five percent (5%) or more, Lessee shall also pay Lessor the cost of the audit.

5.9. Late Payment Charges; Notice. In the event any Rent payment or other financial obligation due by Lessee to Lessor under this Lease are not paid in full when due, Lessee shall also pay: 1) interest accruing thereon at the statutory rate of interest (12% per annum) as provided by law until payment is made in full; and 2) a late charge which shall accrue in full as of the first day of each and every calendar month of any such delinquency, until payment is made in full, in the amount of Twenty-Five Dollars (\$25.00) or an amount equal to one percent (1%) of the unpaid principal obligation(s), whichever is greater. All payments shall be applied first to the payment of accrued interest and to accrued late charges, and then to the reduction of unpaid principal. There shall be no compounding of accrued interest or late charges. The Parties acknowledge and agree that the late charge described herein is a reasonable attempt to estimate

and to compensate Lessor for higher administration costs associated with administering late payments and is not intended as a penalty. By assessing interest and late charges, Lessor does not waive any right to declare a breach, or to pursue any right or remedy available to Lessor by reason of such breach available at law or in equity, after the expiration of any applicable notice or cure period.

5.10. Most Favored Nation.

5.10.1. Lessee represents that, as of the Execution Date, the terms of Rent contained in <u>Sections</u> 5.2, 5.3 and 5.4 of this Lease are as favorable as, or more favorable than, other then-existing leases with any landowners whose property constitutes a portion of the Project (each a "**Project Lease**"). Lessee further represents and warrants that Lessee shall not renegotiate any Project Lease or negotiate any new lease within the Project that contains more favorable payment terms than the Rent contained in this Lease unless Lessee discloses and offers such payment terms to Lessor. If Lessor accepts such payment terms, the Parties shall enter into an amendment to this Lease adopting such as amended Rent terms.

5.10.2. If Lessee executes additional Project Leases, and if any Project Lease contains Phase 3 Rent amounts, whether or not called Phase 3 Rent, that are more favorable than those contained in <u>Section</u> <u>5.4</u> of this Lease, then Lessee shall offer to Lessor to amend <u>Article 5</u> of this Lease to match such more-favorable Phase 3 Rent amounts contained in such Project Lease (as applicable, a "**Rent Increase**"). Lessor shall not be entitled to receive a Rent Increase if Lessor fails or refuses to execute a Rent Increase amendment, which will be negotiated by the Parties, within ninety (90) calendar days after Lessee delivers written notice of the requisite Rent Increase; provided however, that the Rent Increase agreement shall not add any new provision to or modify any provision of this Lease other than those related to Phase 3 Rent.

5.10.3. Lessee shall be under no obligation to disclose any confidential information from a Project Lease, including any financial provisions or rent amounts, *provided however*, subject to the receipt of consent to disclose by Lessee from the lessors under the Project Leases, Lessor shall have the right, at any time during the Lease Term, to request and receive a written summary of Project Lease financial provisions for such Phase 3 Rents, whether or not called Phase 3 Rents, which summary shall be verified or notarized as providing correct and complete information. Lessor reserves the right to adjust the Phase 3 Rent rates under this Lease to reflect any greater rates paid by Lessee on any other Project Lease. Such adjustments may occur upon ninety (90) calendar days' written notice to Lessee.

5.10.4. Sections 5.10.1 and 5.10.2 of this Agreement shall only apply to Project property subject to a lease with the Lessee which contains solar arrays and shall not apply to any property subject to a lease with the Lessee which shall solely be used for other purposes including, but not limited to battery storage, interconnection facilities, and project substations.

ARTICLE 6 – PLANS

6.1. Plans Generally. Lessee shall provide a Research and Analysis Plan, the Construction Plan, a Decommissioning and Reclamation Plan, and the HMWMP, as more particularly set forth, below, and in accordance with <u>Article 4</u> and <u>Article 13</u>. The Construction Plan, HMWMP, and the Decommissioning and Reclamation Plan may be submitted as a single plan with the information required by this Lease, or as separate plans. All plans must be submitted to Lessor for approval in which such approval shall not be unreasonably delayed or withheld. Lessor may terminate the Lease if any term or condition of any plan required by this Lease, or any subsequent modification or addendum to this Lease, cannot be agreed upon. Such failure will be an event of default under this Lease and Lessor may terminate the Lease pursuant to <u>Section 3.5.3</u>

6.1.1. <u>Information in All Plans</u>. All plans must provide information or data on all items that are necessary or useful in effectuating and managing the Renewable Energy Purposes, including the following:

A. A statement describing the proposed measures Lessee will take for the protection of the environment, including the prevention or control of fires; soil loss and erosion; pollution of surface and

ground waters; damage to wildlife and other natural resources; air and noise pollution; and hazards to public health and safety during any activities under this Lease.

B. All pertinent information and data required to support the plan of operations for the utilization of Renewable Energy.

6.1.2. <u>Schedule of Activities</u>. Each plan must include a detailed schedule of known and anticipated activities, organized in a practical and understandable format. The schedule must include critical path and major milestones with sufficient detail to assess the Project's progress. Updates to the schedule must be provided to Lessor on a quarterly basis. Lessor's review or approval of such plans will be in accordance with <u>Article 4</u>.

6.1.3. <u>Lease Governs</u>. Notwithstanding Lessor's receipt or approval of any plan, the terms and conditions of any required plan shall not be inconsistent with, alter, or amend any of the terms and conditions of this Lease without the Parties modifying this Lease, as provided in <u>Section 15.12</u>. In the event of any inconsistency between any plan and this Lease, the terms and conditions of this Lease shall govern.

6.2. Research and Analysis Plan. The Research and Analysis Plan shall describe all due diligence and exploratory activities, as described below, that have been conducted as of the date of the plan, or will be conducted on the Leased Premises during Phase 1; and that are necessary to complete or obtain all studies, surveys, reports, and Government Approvals required for commencement of construction under Phase 2 of this Lease.

6.2.1. <u>Exploratory Activities</u>. The type, location, and schedule of all exploratory activities which have or will occur on the Leased Premises, including soil testing, surveys, and solar resource assessment activities, and all reports and studies including seismic, environmental and aviary studies.

6.2.2. <u>Requirements for Development and Production</u>. Lessee must include a list of all information, data, and Government Approvals that Lessee knows or anticipates will be required to support Lessee's Construction Plan, HMWMP, and Decommissioning and Reclamation Plan.

6.3. Construction Plan. The Construction Plan shall describe all Renewable Energy Facilities and Improvements to be constructed on the Leased Premises, and all activities to be conducted on the Leased Premises. The Construction Plan shall include the following components:

6.3.1. <u>Facilities and Improvements</u>. Maps and other information sufficient to locate the proposed locations and specifications of all Renewable Energy Facilities and Improvements on the Leased Premises. Information concerning Renewable Energy Facilities shall include numbers, type, size, manufacturer, model, and foundation design of any surface area that may be disturbed with the placement of proposed Renewable Energy Facilities and Improvements. Information concerning the construction of roads on the Leased Premises shall identify all gates, culverts, and road construction materials, including those materials, if any, proposed to be acquired from the Leased Premises in accordance with <u>Section 2.2.8</u>. Information concerning the construction of pipes, pipelines, transmission lines, and any other items to be placed above or below the surface of the Leased Premises, if applicable, shall identify where any such items are to be installed on the surface or buried and how they cross existing or planned roads.

6.3.2. <u>Areas of Exclusive Lessee Use</u>. The portion(s) of the Leased Premises that Lessee proposes to hold for its exclusive use and to exclude the public and other lessees of Lessor from accessing. Lessee shall describe the basis for excluding the public and other lessees of Lessor from such portions of the Leased Premises.

6.3.3. <u>Construction Schedule</u>. The schedule of construction and development on the Leased Premises. If Lessee anticipates partial transitions of the Leased Premises to phases of this Lease, the Construction Plan shall set forth the portions of the Leased Premises to be transitioned separately; the Electrical Power Production projected for each phase; the planned schedule for the partial transitions; and the contingencies and factors that determine the timing of each transition. Lessee shall further include a pictorial and

numerical apportionment of the Leased Premises into Production Areas, including those to be transitioned separately, and Supporting Areas.

6.3.4. <u>Government Approvals</u>. A complete and accurate list of all Government Approvals that are known or reasonably believed to be necessary for the commencement of construction under Phase 2 and for operation under Phase 3, including the Opinion Letter required pursuant to <u>Section 4.1.2.C</u>. In the event that additional Government Approvals, necessary for the commencement of construction under Phase 2 or operation under Phase 3, come to the attention of either Party, that Party shall immediately notify the other Party in writing and the Construction Plan shall be amended accordingly by Lessee.

6.3.5. <u>Vegetation and Soil Management</u>. A description of the means whereby Lessee will maintain the natural vegetation, control erosion, and control noxious weeds on the Leased Premises. The description shall also include the means whereby Lessee will ensure that Lessee's activities on the Leased Premises do not adversely impact the waters on or adjoining the Leased Premises. The description shall also address any overburden or stockpile areas for material excavated from the Leased Premises.

6.3.6. <u>Surveys</u>. A list of all environmental, biological, habitat, and cultural resources survey data, including archeological and historic surveys, concerning the Leased Premises conducted by or on behalf of Lessee. Lessee shall provide copies of such surveys to Lessor. The surveys submitted to Lessor must include the study protocol, survey locations, and complete results.

6.3.7. <u>Operations Requirements</u>. A description of Electrical Power Production operations that conforms to the best practices and engineering principles in use in the industry. Operations shall be conducted in such manner as to protect the natural resources on the Leased Premises, and to result in the maximum ultimate recovery of Renewable Energy with a minimum of waste.

6.3.8. <u>Security Requirements</u>. An estimate of the dollar amounts required for Construction Security, Operating Security, and Decommissioning and Reclamation Security under <u>Article 8</u>.

6.3.9. <u>Administrative Information</u>. The names and mailing addresses of Lessee's primary Construction Plan supervisors and operators; the names and mailing addresses of any company providing project services to Lessee, and the names of each company's contact person; and any other contract operators who will be involved in the construction on the Leased Premises.

6.4. Decommissioning and Reclamation Plan. The Decommissioning and Reclamation Plan shall set forth the means whereby Lessee shall restore the Leased Premises to its prior, natural contour and vegetative state following the construction or modification of Renewable Energy Facilities and Improvements, and upon termination of this Lease and removal of all Improvements.

6.4.1. <u>Prerequisite to Construction</u>. No construction of any Renewable Energy Facilities or Improvements, no alteration of the Leased Premises, nor any change in such construction or alteration plans may occur until Lessor has accepted, in writing, the Decommissioning and Reclamation Plan. Lessor shall complete its review of the Decommissioning and Reclamation Plan and issue an approval or request additional information or revisions, within sixty (60) days of receipt from Lessee. If Lessor fails to issue an approval or request additional information or revisions within sixty (60) days of receipt from Lessor may select a third-party expert to review the Decommissioning and Reclamation Plan for recommendations regarding the adequacy, feasibility, projected cost, and implementation of the Decommissioning and Reclamation Plan and any updates thereto during the term of the Lease. Any and all reasonable costs associated with the third-party review shall be paid by Lessee. Lessor approval shall be subject to receipt and review of third-party report.

6.4.2. <u>Information Required</u>. The Decommissioning and Reclamation Plan shall describe the method and manner for decommissioning all Renewable Energy Facilities and Improvements, and reclamation of all planned construction, and known alterations, of any Improvements on the Leased Premises. The Decommissioning and Reclamation Plan shall include a complete and accurate list of all Government Approvals that are known or reasonably believed to be necessary for the activities under such plan; which

must also be addressed by the Opinion Letter. In the event that additional Government Approvals necessary for the activities under the Decommissioning and Reclamation Plan come to the attention of either Party, that Party shall immediately notify the other Party in writing and the Decommissioning and Reclamation Plan shall be amended accordingly by Lessee.

6.4.3. <u>Minimum Reclamation Required</u>. Both before and after submission of the Decommissioning and Reclamation Plan to Lessor, Lessee agrees to the following minimum restoration measures following construction, modification, decommissioning, or removal of the Renewable Energy Facilities and Improvements, and upon termination of this Lease:

Disturbed areas will be contoured to closely match a pre-disturbance state;

Rock base and geo-technical material will be excavated from all roads and removed from the Leased Premises. Roads will then be ripped, covered with a minimum 12 inches of topsoil, and revegetated;

Foundations will be removed to a depth of a minimum of 48 inches and backfilled with topsoil to a natural contour, and revegetated;

Revegetation measures will utilize a seed mix approved by Lessor. Revegetation will not be considered complete until establishment of perennial vegetative cover; and

Lessee posts the Decommissioning and Reclamation Security in a form acceptable to the Lessor.

6.4.4. <u>Disposal of Waste</u>. The Decommissioning and Reclamation Plan shall address the disposal of any known or identified Hazardous Substances that may be stored or located on the Leased Premises at the termination of this Lease.

6.5. Plan Reviews. In Lessor's discretion, during Phases 1 and 2, all plans must undergo an annual operating review during which time Lessee shall disclose to Lessor any construction or alteration of the Leased Premises planned by Lessee during the upcoming year. At any time during Phases 1, 2 or 3, Lessor may present reasonable modifications to any previously approved plan to ensure that the plan, and the corresponding amount of Lessee's security, adequately addresses such planned construction or alteration. In any event, Lessor may review any plan required under this Lease on an annual basis and present reasonable modifications to any such plan which may be reasonably necessary to protect the Leased Premises or the Renewable Energy resources, including taking into account the nature and extent of Lessee's use or alteration of the Leased Premises and the work reasonably necessary to restore the Leased Premises to its natural, pre-lease, state. If the Parties cannot agree on any reasonable term or condition of any plan, then such failure will be an event of default under this Lease and Lessor may terminate the Lease in its sole discretion, pursuant to <u>Section 3.5.3</u>.

6.5.1. A third-party expert, selected by the Department, may review, and offer recommendations regarding the adequacy, feasibility, projected cost, and implementation of the Decommissioning and Reclamation Plan and any updates thereto during the term of the lease. The reasonable costs of the third-party evaluation shall be paid for by Lessee.

6.5.2. Lessor, in its sole discretion, may terminate the Lease if the terms and conditions of any plan required by the Lease, or material to the Project as reasonably determined by Lessor, in Lessor's sole discretion, or any subsequent update of such plan, cannot be agreed upon. Such failure will be an event of default under this Lease and Lessor may terminate the Lease pursuant to <u>Section 3.5.3</u>.

ARTICLE 7 – TITLE TO IMPROVEMENTS; USE; REQUIRED MAINTENANCE; REMOVAL

7.1. Title to Improvements.

7.1.1. <u>Title During Lease Term and Upon Early Termination</u>. Title to all Improvements

constructed by or at the request of Lessee shall remain in Lessee during the Lease Term. Upon the termination of this Lease, all Improvements shall be removed by Lessee and the Leased Premises restored by Lessee pursuant to the approved Decommissioning and Reclamation Plan, unless Lessor exercises its option to acquire title pursuant to <u>Sections 2.3.4 or 7.1.2</u>.

7.1.2. <u>Title Upon Termination for Uncured Default</u>. Upon the termination of this Lease for Lessee's uncured default, as provided herein, and at Lessor's sole option, title to the Improvements shall vest in Lessor by operation of law without any further action required by Lessor if Lessee has not removed all Improvements within nine (9) months of such termination, weather permitting, and completed the requirements of the Decommissioning and Reclamation Plan. Lessee, or Lessee's successor-in-interest, shall prepare and record any documents that Lessor may require to evidence such ownership in Lessor. Any security interest in the personal property constituting the Improvements is subject to the terms of this <u>Article 7</u>.

7.1.3. Further Disposition of Title. In the event Lessor leases the Leased Premises to a new lessee for continued Renewable Energy Purposes following the termination of this Lease for uncured default, Lessor shall sell the Improvements to the new lessee. Lessor shall apply the proceeds of such sale first to any Rents due and owing from Lessee at the time of the sale, next to reimbursement for all costs related to such sale, and last will pay the remainder, if any, to Lessee, or Lessee's successor-in-interest. Upon payment to Lessor, title to such Improvements shall vest in the new lessee and be subject to the terms of the State's lease with the new lessee. The value of the Improvements shall be as agreed between Lessor and Lessee, or Lessee's successor-in-interest; provided however, that if the Parties are unable to agree, the value shall be determined through an independent appraisal that determines the current market value of the Improvements. Lessee, or Lessee's successor-in-interest, and Lessor shall each be responsible for one-half (1/2) of the cost of such appraisal, which may be recovered by Lessor as a cost of sale.

7.2. Removal. Lessee must not remove Improvements from the Leased Premises without Lessor's prior written approval, which will not be unreasonably withheld other than as is necessary for modification or replacement of such Improvements, as is routine in Lessee's ordinary course of business. Lessee must continue to maintain and restore or replace Improvements on the Leased Premises sufficient to maintain the operations for Electrical Power Production. Any Renewable Energy Facilities and Improvements at or near the end of their useful life, which are not necessary for operations, may be removed by Lessee in accordance with the Decommissioning and Reclamation Plan or as approved by Lessor.

7.3. Use and Operation of Renewable Energy Facilities and Improvements. Use and operation of the Renewable Energy Facilities and Improvements on the Leased Premises shall be in conformance with the terms of this Lease and shall comply with all applicable federal, state and local laws and rules, and safety standards whether currently existing, amended, or enacted during the term of this Lease, including Environmental Laws.

7.4. Maintenance of Renewable Energy Facilities and Improvements. During the Lease Term, Lessee, at its sole expense, shall keep and maintain all of the Renewable Energy Facilities and Improvements in good condition and repair; and shall make all necessary repairs, replacements, and renewals, whether structural or nonstructural, foreseen or unforeseen, ordinary or extraordinary, in order to maintain such state of repair and condition within 180 days of the discovery of the need for repair, replacement, or renewal, unless other timeframe is approved by Lessor in writing. It is the intention of the Parties that Lessor shall have no liability for any of the foregoing. Lessee will not be required to restore, repair, or replace any Renewable Energy Facilities or Improvements that are at or near the end of their useful life unless it is necessary to maintain the operations for Electrical Power Production. Lessee, at Lessee's expense, shall be responsible for all Improvements, additions, alterations, maintenance, and repairs necessary or appropriate such that the Leased Premises and all Renewable Energy Facilities and Improvements are in compliance with applicable law. Lessee waives any provisions of applicable law that may require any duty of repair by Lessor, or permit Lessee to make repairs at the expense of Lessor.

7.5. Repair and Replacement: Damaged Renewable Energy Facilities and Improvements.

7.5.1. <u>Continuation of Lease</u>. Except as provided in <u>Section 15.5</u>, no loss or damage by fire or any other cause resulting in either partial or total destruction of the Leased Premises, or of any Renewable Energy Facilities or Improvements now or hereafter located in or on the Leased Premises, or any fixtures, equipment, or machinery used, or intended to be used, in connection with the Leased Premises or the Renewable Energy Facilities or Improvements thereon, may operate to terminate this Lease or to relieve or discharge Lessee from the payment of any Rents due or payable under this Lease, or from the performance and observance of any of the agreements, covenants and conditions contained in this Lease to be performed and observed by Lessee. Nothing in <u>Section 7.5.1</u> shall limit Lessee's right to terminate under <u>Section 3.5.1</u>.

7.5.2. <u>Restoration</u>. In the event of any damage by fire or any other cause resulting in either the partial or total destruction of any Renewable Energy Facilities or Improvements now or hereafter located in or on the Leased Premises, or any fixtures, equipment, or machinery used, or intended to be used, in connection with the Leased Premises or the Renewable Energy Facilities or Improvements, Lessee shall, at its sole expense and whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for the purpose, promptly commence and complete the restoration, replacement, or rebuilding of the Renewable Energy Facilities and Improvements, fixtures, equipment, or machinery, as nearly as possible to its value, condition, and character immediately prior to such damage or destruction. Nothing in <u>Section 7.5.2</u> shall limit Lessee's right to terminate under <u>Section 3.5.1</u>.

7.5.3. <u>Application of Insurance Proceeds</u>. Insurance proceeds paid on account of any damage to or destruction of the Leased Premises, or any Renewable Energy Facilities, shall be applied first to restoration of the Renewable Energy Facilities, and any associated, material fixtures, equipment, or machinery. Nothing in <u>Section 7.5.3</u> shall limit Lessee's right to terminate under <u>Section 3.5.1</u>.

7.6. Cooperation with Government Agencies and Third Parties. As provided in this Lease, Lessor shall timely act in its review of, or response to, information or requests for information related to the Project. An authorized representative of IDL will participate in meetings with government agencies or other third parties regarding the Project, at Lessee's request, or when otherwise deemed appropriate by IDL. Lessor will assist in the provision of public records that may relate to the Leased Premises or the Project, at Lessee's request, or when otherwise deemed appropriate by IDL.

7.7. Cooperation with Lenders. Within thirty (30) calendar days of receipt of request from Lessee, or from any existing or proposed lender of Lessee, Lessor shall execute an estoppel certificate i) certifying that this Lease is in full force and effect and has not been modified, or, if the same is not true, stating the current status of this Lease; ii) certifying to the best of Lessor's knowledge there are no uncured events of default under this Lease, or, if any uncured events of default exist, stating with particularity the nature thereof; and iii) containing any other certifications as may be requested. Any such statements may be conclusively relied upon by Lessee or any existing or proposed lender.

ARTICLE 8 – PERFORMANCE SECURITY

8.1. Performance Security Generally.

8.1.1. <u>Acceptable Types of Security</u>. Acceptable types of security under this Lease include bonds, irrevocable letters of credit ("Letters of Credit"), cash bonds, or cash (collectively or individually "security"). All security must be in a form acceptable to, and approved by, Lessor in which such approval shall not be unreasonably delayed or withheld and conditioned on Lessee's compliance with the following: all laws and rules of the State, all provisions of this Lease, and any terms or conditions imposed by any State agency. All bonds must be issued by a qualified U.S. Bonding Corporation, and any Letters of Credit must be issued by an FDIC insured bank located in the U.S. The Letters of Credit must allow for presentation and payment in accordance with its stated terms, which may include facilitation in Idaho, as required. Any bond or Letters of Credit shall be subject to Lessor's approval. Any bond or Letters of Credit

shall provide for notice to Lessor prior to any cancellation or lapse thereof. The approved security shall be in place prior to and throughout each applicable phase of the Lease through the life of the Lease.

8.1.2. Procurement and Maintenance of Security; Breach. Upon the failure of Lessee to procure and maintain any required security during the Lease Term, Lessor may terminate this Lease after Notice of Default and Lessee's failure to cure within the time set forth in the Notice of Default. A substitute bond or Letters of Credit, or an extension of the expiration date of any existing bond or Letters of Credit must be received by Lessor no later than one hundred twenty (120) calendar days before the expiration or termination of the bond or Letters of Credit. Failure to provide notice of such replacement or extension one hundred twenty (120) days prior to the expiration or termination will constitute a material breach of this Lease and will be grounds for Lessor to terminate this Lease, or to pursue any other remedy at law or in equity, including presenting any such Letters of Credit for payment, or to make demand under any such bond. Presentation of any such bond or Letters of Credit, or the demand and payment under any such bond or Letters of Credit or forfeiture of cash, will in no way limit the liability or obligations of Lessee, or the rights and remedies of Lessor under this Lease. The form of any bond or Letters of Credit must be presented to Lessor for acceptance in writing by Lessor prior to the issuance of the bond or Letters of Credit may be rejected as insufficient in Lessor's discretion, or may be modified or amended as required by Lessor.

8.1.3. Lessor Determined Security. The amount of bond or Letters of Credit to be obtained by Lessee, or cash from Lessee, for each phase of Lessee's operations described in this Lease, including Sections 8.2, 8.3, and 8.4 and any adjustment under Section 8.1.4, will be determined in writing by Lessor and will be based on the then-current cost as determined by Lessee and reviewed by Lessor, plus fifteen percent (15%) (including, but not limited to, costs to transport and deposit all materials to a recycling or disposal facility, net of salvage value), of a third-party contractor's completion of the Decommissioning and Reclamation Plan as may be required for each phase and as provided by Lessee, or as otherwise determined by Lessor. In the alternative, and at Lessee's sole cost, the Parties may hire a mutually agreeable third party to estimate and recommend appropriate amount of security for each phase under this Lease. In addition to the financial assurances and/or security referenced in Sections 8.2, 8.3, and 8.4 and any adjustment under Section 8.1.4,, a bond shall be in place sufficient to cover two years' rent extending through the complete reclamation upon termination, should operations cease for any reason, including through the complete reclamation of the Leased Premises in accordance with the terms and conditions of the Lease.

8.1.4. <u>Adjustment of Security Amount</u>. At intervals of not less than five (5) years, and after approval of the Construction Plan and the Decommissioning and Reclamation Plan, Lessor may, following consultation with Lessee, require Lessee to revise the construction or reclamation cost estimate to reflect then-current third-party costs for the work and materials necessary to complete the Construction Plan or the Decommissioning and Reclamation Plan. Within thirty (30) calendar days of receipt of such revised estimate, Lessee shall cause the existing security to be adjusted to reflect the amount of the revised estimate.

8.2. Research and Analysis Security. Lessee shall furnish the requisite security within sixty (60) calendar days of Lessor's receipt of the Research and Analysis Plan, pursuant to <u>Sections 4.1 and 6.2</u>. Said security must be in favor of Lessor to protect Lessor against any and all loss due to Lessee's failure to reclaim areas disturbed by the Research and Analysis activities; payment of any amount of Rent that is past due and owing to Lessor pursuant to this Lease; or, if security remains following reclamation and payment of owed Rent, Lessee's failure to pay contractors, subcontractors, and others who provided goods and services to Lessee in relation to the Leased Premises. The period of liability of the Phase 1 security shall not be terminated until the completion of the Phase 1 activities and satisfactory reclamation of all affected areas, if required; the expiration of the timeframe under applicable law for filing of lien claims with respect to any work on the Leased Premises performed during Phase 1; written notice by Lessee to Lessor certifying the satisfaction of such events; and the written consent of Lessor regarding release of such security, which consent will not be unreasonably withheld. Following the period of liability of the Phase 1 security, the applicable security will be released by Lessor.

8.3. Construction Security. Prior to the commencement of Phase 2, Lessee shall furnish the requisite security. Said security must be in favor of Lessor to protect Lessor against any and all loss due to Lessee's failure to complete construction in accordance with the Construction Plan; payment of any amount of Rent that is past due and owing to Lessor pursuant to this Lease; or, if security remains following reclamation and payment of owed Rent, Lessee's failure to pay contractors, subcontractors, or others who provided goods and services to Lessee in relation to the Leased Premises. The period of liability of the Phase 2 security shall not be terminated until the completion of construction of all Improvements to be constructed, and any other work to be performed on the Leased Premises under the Construction Plan, or completion of reclamation of all affected areas; the expiration of the timeframe under applicable law for filing of lien claims with respect to such construction; written notice by Lessee to Lessor certifying the satisfaction of such events; and the written consent of Lessor regarding release of such security, which consent will not be unreasonably withheld. Following the period of liability of the Phase 2 security, the applicable security will be released by Lessor.

8.4. Operating and Reclamation Security. Prior to the commencement of Phase 3, Lessee shall furnish the requisite security. Said security must be in favor of Lessor to protect Lessor against any and all loss due to Lessee's failure to complete reclamation of all affected area pursuant to the Decommissioning and Reclamation Plan; payment of any amount of Rent that is past due and owing to Lessor pursuant to this Lease; or, if security remains following reclamation and payment of owed Rent, Lessee's failure to pay contractors, subcontractors, or other who provided goods and services to Lessee in relation to the Leased Premises. Security for the Decommissioning and Reclamation Plan shall be based on the cost for completion of the Decommissioning and Reclamation Plan, as agreed upon by the Parties or mutually agreed third party, determined prior to commencement of construction, plus fifteen percent (15%) including, but not limited to, costs to transport and deposit all materials to a recycling or disposal facility, net of salvage value) or as otherwise requested by Lessor. The period of liability of said Phase 3 and Phase 4 security shall not terminate until all terms and conditions of the approved Decommissioning and Reclamation Plan have been completed in accordance with Sections 4.4 and 6.4; any amount of Rent that is past due and owing to Lessor is paid; the expiration of the timeframe under applicable law for filing of lien claims; written notice by Lessee to Lessor certifying the satisfaction of such events; and the written consent of Lessor regarding release of such security, which consent will not be unreasonably withheld. Following the period of liability of such security, the applicable security will be released by Lessor.

ARTICLE 9 - INSURANCE AND INDEMNIFICATION

9.1. Required Insurance; Special Endorsements. For the duration of this Lease and until all activity in accordance with this Lease is completed, Lessee shall have and maintain, at Lessee's sole expense, the policies of insurance set forth below. Lessee must comply with all terms and conditions of such insurance and must require all of its contractors and subcontractors to maintain the same types of insurance and limits commensurate with their scope of work. By requiring the insurance policies, Lessor does not represent that coverage, and limits will be adequate to protect Lessee; and such coverage and limits will not be deemed as a limitation on Lessee's liability to Lessor or under any obligations or indemnities granted to Lessor in this Lease.

9.1.1. <u>Commercial General Liability</u>. Lessee shall maintain commercial general liability ("**CGL**") with a combined limit of not less than Three Million Dollars (\$3,000,000) per each occurrence. If such CGL insurance, or any umbrella policy, contains a general aggregate limit, it must apply separately to the Leased Premises, must not be less than Three Million Dollars (\$3,000,000), and must provide that defense costs will be and remain outside policy limits. Lessee waives all rights against Lessor and any additional insured for recovery of damages to the extent these damages are covered by the CGL or commercial umbrella liability insurance maintained pursuant to this Lease. CGL insurance and any umbrella policy shall:

A. Be in a form and from an insurance company reasonably satisfactory to Lessor and must cover liability for bodily injury, property damage, personal and advertising injury, and completed operations arising from Lessee's use or occupation of the Leased Premises including, without limitation, operations, independent contractors, products, completed operations, personal injury, advertising injury, and liability assumed under an insured contract.

B. Include a waiver of subrogation in favor of the State, the Board, and IDL, as further described in <u>Section 9.1.11</u>.

C. Include the State, the Board, IDL, and all their officers, agents, and employees as additional insureds with respect to Lessee's activities to be performed under this Lease. Such status as additional insureds must be evidenced by policy language or an endorsement acceptable to Lessor.

D. Include liability and property damage coverage that will protect Lessee and the State, the Board, and IDL from claims for damages for bodily injury, including accidental death, as well as for claims for property damages, which may arise from operations under this Lease.

hazards.

E. Not contain exclusions related to, explosion, fire, collapse, or property damage

9.1.2. <u>Builders Risk/Installation Floater Insurance</u>. During the course of any construction of Renewable Energy Facilities or Improvements on the Leased Premises by Lessee, Lessee must maintain in force, at its own expense, Builders Risk/Installation Floater Insurance or its equivalent, including soft costs and any offsite locations, on an all risk of direct physical loss form, including earthquake and flood, for an amount proportionate to the amount of the construction contracts performed on the Leased Premises and subject to industry standard customary sublimits. Any deductible amount must be sole responsibility of the Lessee Alternatively, Lessee may provide a complete copy of Builders Risk/Installation Floater Insurance coverage held by Lessee's contractor, which provides at least equivalent coverage, for the entire project of which the Renewable Energy Facilities and Improvements to be constructed pursuant to this Lease are a part.

9.1.3. <u>Property Insurance for Leased Premises</u>. Lessee must, throughout the operational phase of the Renewable Energy Facilities Lease Term, at Lessee's expense, keep and maintain in full force and effect commercial property insurance covering the Renewable Energy Facilities and Improvements located on the Leased Premises. Commercial property insurance must, at a minimum, cover all perils insured under the ISO Special Causes of Loss Form and loss from earthquake and flood. The amount insured must equal the full estimated replacement cost of the property insured subject to customary sublimits. Any coinsurance requirement in the policy must be eliminated through the attachment of an agreed amount endorsement, the activation of an agreed value option, or as otherwise appropriate under the particular policy form. Lessor must be included as an additional insured. Lessee will carry business interruption or other consequential loss sustained by Lessee.

9.1.4. <u>Automobile and Umbrella Liability Insurance</u>. Lessee must maintain during the Lease Term, at Lessee's expense, business automobile liability coverage and, if necessary, a commercial umbrella liability insurance with a limit of One Million Dollars (\$1,000,000) each accident. Such insurance must cover liability arising out of any automobile used on or in relation to the Leased Premises, including owned, hired, and non-owned automobiles.

9.1.5. Workers Compensation and Employers' Liability Insurance. Lessee shall maintain workers compensation and employer's liability insurance in accordance with all state and federal law requirements. The employer's liability shall have limits of One Million Dollars (\$1,000,000) per occurrence for bodily insurance by accident, Five Hundred Thousand Dollars (\$1,00,000) disease policy limit, and Five Hundred Thousand Dollars (\$1,00,000) disease policy limit, and Five Hundred Thousand Dollars (\$1,00,000) disease, per each employee. Lessee must provide either a certificate of workers compensation insurance issued by an insurer licensed to write workers compensation insurance in the state of Idaho, as evidence that Lessee has in effect a current Idaho workers compensation insurance policy; or an extraterritorial certificate approved by the Idaho Industrial Commission from a state that has a current reciprocity agreement with the Idaho Industrial Commission.

9.1.6. <u>Aviation Liability Insurance</u>. If Lessee or its contractors or subcontractors utilize drones or other aviation equipment in relation to any activity on the Leased Premises, and if such insurance described in this Section 9.1.6 is available and is not part of Lessee's Commercial General Liability insurance, or is not provided by Lessee's contractors or subcontractors, Lessee or its contractors or subcontractors, as the case may be, must, prior to such use, procure and maintain for the duration of the drone usage on the Leased Premises unmanned aviation liability insurance against claims for injuries to persons or damage to property which may arise from or in connection with the ownership, maintenance or use of the Unmanned Aerial Vehicle, a.k.a. drone. The aviation liability insurance must have products and completed operations, property damage, and bodily injury limits of one million dollars (\$1,000,000) per occurrence, and two million dollars (\$2,000,000) aggregate.

9.1.7. <u>Certificates of Insurance</u>. Lessee shall furnish certificates of insurance to Lessor before Lessee commences any work. Each of Lessee's contractors and subcontractors shall provide certificates of insurance to Lessor prior to the start of the contractor's or subcontractor's work related to this Lease. Every certificate or endorsement must show the policy number and the policy effective dates. Failure of Lessor to demand every certificate or other evidence of full compliance with these insurance requirements, or failure of Lessor to identify a deficiency in coverage shall not be construed as a waiver of Lessee's obligation to maintain such insurance. If Lessee's liability policies do not contain the standard ISO separation of insured provision, or a substantially similar clause, they will be endorsed to provide cross-liability coverage.

9.1.8. <u>Subject to Approval</u>. Within thirty (30) calendar days of Lessor's receipt of any certificate of insurance, Lessor may request additional information from Lessee, or provide written comments and recommendations, or provide in writing required changes to the insurance coverage if such coverage is not compliant with the requirements of this <u>Article 9</u>. The Parties will discuss Lessor's recommended or required changes at either Party's request.

9.1.9. <u>Primary Basis</u>. Lessee's insurance must be issued on a primary basis, non-contributory with any other insurance coverages or self-insurance programs afforded to, and non-contributory with, any additional insured, or carried by the State.

9.1.10. <u>Acceptable Insurer's Qualifications; Deductibles</u>. Insurance coverage required under this Lease shall be obtained from insurers rated A-VII or greater in the latest AM Best Rating Guide and in good standing and authorized to transact business in Idaho. Lessee shall be financially responsible for all deductibles. The coverage provided by all required policies will be primary to any coverage of the State on or related to this Lease and shall provide that the insurance afforded applies separately to each insured against whom a claim is made, except with respect to the limitation of liability.

9.1.11. <u>Waiver of Subrogation</u>. All policies listed above shall contain waivers of subrogation. Lessee waives all rights against the State, the Board, IDL, and all officers, employees, and agents for recovery of damages to the extent these damages are covered by the required policies. Lessee agrees to obtain any endorsement that may be necessary to effectuate this waiver of subrogation; but, this provision applies regardless of whether Lessor has received such endorsement from the insurer.

9.1.12. <u>Advance Notice</u>. Lessee must provide a minimum of thirty (30) calendar days' advance written notice of cancellation or nonrenewal of policies required under this Lease. If the insurance carrier refuses to provide notice to Lessor, Lessee must notify Lessor in writing of any cancellation of any insurance within seven (7) calendar days of receipt of insurer's notification to that effect. Lessee shall ensure that should any of the above-described policies be cancelled before the expiration date, or potential exhaustion of aggregate limits or intent not to renew insurance coverage, that written notice will be delivered to Lessor in accordance with this Lease.

9.1.13 <u>Environmental Impairment Sudden and Accidental Pollution Liability Insurance</u>. Lessee shall maintain during the term of this Lease, at Lessee's expense, Environmental Impairment and Pollution Liability ("**EIPL**") insurance on a sudden and accidental basis with a limit of five million dollars (\$5,000,000) per pollution condition, and five million dollars (\$5,000,000) annual aggregate, with coverage for the

following: (1) bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death; (2) property damage including physical injury to or destruction of real or personal property including the resulting loss of use of the Leased Premises and other property, cleanup costs, removal, storage, disposal and the loss of use of real or personal property that has not been physically injured or destroyed; (3) disposal of, or pollution from, Hazardous Substances off-lease, in an authorized unit, or at non-owned sites; (4) defense costs, including costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages. Such limits must apply separately to the Leased Premises and must provide that defense costs will be and remain outside policy limits. Limits can be satisfied by a combination of primary and umbrella/excess policies.

Coverage must apply to sudden and accidental pollution, which results in bodily injury or property damage. Lessor, its officials and employees must be covered as additional insureds as with respect to liability arising out of activities performed by or on behalf of Lessee. The coverage must contain no special limitations on the scope of protection afforded to Lessor, its officials or employees. If Lessee is responsible for removing any pollutants from the Leased Premises, then Lessee's automobile liability insurance should be endorsed to include the required auto pollution endorsements MCS-90 and the CA-9948 endorsement.

Lessee's EIPL policy must provide policy limits on a per incident basis subject to annual aggregate limit. The policy must be maintained for the length of the Lease with the retroactive date being the date the Lease is signed. Multi-year policy terms are acceptable. Lessee warrants that continuous coverage will be maintained and evidence of such insurance must be provided for at least five (5) years after termination of lease. If coverage, once required, is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the date of the Lease or the beginning of such work activities, the contractor must purchase "extended reporting" coverage for a minimum of five (5) years after the termination of the Lease. For any claim related to this Lease, Lessee's insurance coverage must be primary insurance with respect to Lessor, its officials and employees. Any insurance or self-insurance maintained by Lessor will be excess of Lessee's insurance and will be noncontributing. Lessee's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

9.2. Payment of Premiums – Policy Renewals – Lessor's Right to Purchase. Lessee shall pay all premiums and be responsible for all deductibles for all of the insurance policies it is required to carry under the terms of this Lease. Lessee shall renew all expiring policies, and shall furnish Lessor with certificates showing such renewed policies within fifteen (15) business days after the policy's expiration date. If Lessee fails to maintain any insurance policy required under this <u>Article 9</u>, then such failure will be an event of default under this Lease, and Lessor shall have the right, but not the obligation, to purchase said insurance at Lessee's expense, in addition to any other remedy available under this Lease, or at law or in equity. Lessor's election to pay any such insurance obligation shall not act as a waiver or release of Lessee's default. In the event of Lessor's election to pay, Lessee shall, upon Lessor's demand, repay to Lessor the amounts so paid, including reasonable attorney fees and all other court costs and expenses reasonably incurred because of or in connection with such payments, together with interest thereon at the Default Rate. Lessor may collect or enforce any such payment in the same manner as though it were an installment of Rent to be paid by Lessee. As Rent, such payment shall be due on the day when Lessor demands repayment of or reimbursement therefor.

9.3. Indemnification by Lessee. During the Lease Term, Lessee shall indemnify and hold harmless Lessor, including Lessor's officers, agents, and employees against any and all losses, claims, actions, debts, demands, obligations, judgments for damages or injury to persons or property, which may be made against Lessor, or against its title in the Leased Premises, arising out of, or in connection with, any alleged act or omission of Lessee or any person claiming under, by, or through Lessee. If it becomes necessary for Lessor to defend any action seeking to impose any such liability, Lessee shall pay Lessor all costs of court, litigation expenses, and attorney fees incurred by Lessor in effecting such defense, in addition to all other sums that Lessor may be called upon to pay by reason of the default or the entry of a judgment against it in the litigation in which such claim is asserted. Without limiting the survival of any other provision of this Lease, this <u>Section 9.3</u> shall survive the termination of this Lease and any cause of action to enforce it shall not accrue until Lessor's discovery of such losses, claims, actions, debts, demands, obligations, or judgments.

ARTICLE 10 – PERMITTED LEASEHOLD MORTGAGES

10.1. Lessee's Right to Mortgage.

10.1.1. <u>Mortgage Right</u>. Upon Lessor's prior written consent, which consent will not be unreasonably, withheld or delayed, with Lessor using best efforts to respond to such consent request review within ten (10) business days, and provided Lessee is not in default under the Lease, Lessee may encumber or hypothecate its interest in the leasehold estate created by this Lease by one or more mortgage, deed of trust, collateral assignment, or security agreement in this Lease or the Renewable Energy Facilities to a Lender, as defined below, or related to an approved assignment of Lessee's interest in this Lease together with an assignment of Lessee's interest in any Renewable Energy Facilities (individually and collectively "Leasehold Mortgage" or "Mortgage"), and in connection with any secured or unsecured financing or tax equity investment with any financial institution, person, or other entity that, from time to time, provides secured financing or tax equity for, or otherwise encumbers all, or part, of Lessee's interest in this Lease, the Renewable Energy Facilities, or the Project, collectively, with any security or collateral agent, indenture trustee, loan trustee or participating or syndicated lender involved in whole or in part in such financing, and their respective representatives, successors, or assigns (individually and collectively "Lender" or "Mortgagee"). Any mortgage or security interest created without Lessor's prior written consent shall be void, which consent shall not be unreasonably delayed or withheld.

A. No Lender will have any rights or obligations under this Lease until such time as it acquires Lessee's interests subject to the lien of Lender's mortgage by foreclosure, deed in lieu of foreclosure, or otherwise assumes the obligations of Lessee directly, as allowed under this Lease.

B. No Mortgage shall be valid or enforceable until written consent of the same is provided.

10.1.2. <u>Lease Terms</u>. Any Leasehold Mortgage and all rights acquired thereunder shall be subject and subordinate to all rights and interests of Lessor under this Lease, and any Mortgages shall be subject to each, and all of the covenants, conditions, and restrictions stated in this Lease. The length of any Leasehold Mortgage shall not exceed the Lease Term of this Lease. The encumbrance of this Lease through any Mortgage shall terminate if this Lease is terminated for any reason provided for in this Lease.

10.1.3. <u>Notice to Lessor</u>. Regardless of any other form of notice, actual or constructive, no Mortgagee of a Leasehold Mortgage on this Lease shall have the rights or benefits set forth in this <u>Article 10</u>, nor shall any of the provisions of this <u>Article 10</u> be binding upon Lessor, unless and until a complete and correct copy of the fully executed note, or other tax equity or lending agreement, and any assignment thereof, shall have been delivered to Lessor. Lessee shall promptly provide Lessor with a copy of any amendment, other modification, or supplement to such documents. In the event of a default on the Mortgage by Lessee, either or both Mortgage and Lessee shall mail a copy of all related default notices to Lessor.

10.1.4. <u>No Attachment to Fee Interest</u>. Any mortgage or security interest shall secure only Lessee's leasehold interest and improvements owned by Lessee. Every Mortgage shall contain a statement which disclaims any interest or lien against Lessor's fee interest in the Leased Premises and provides that Lessor shall have no liability whatsoever in connection with any such Mortgage, or the instruments or obligations secured thereby.

10.1.5. <u>Modification</u>. Lessor and Lessee agree that, once all or any part of Lessee's interests in the Lease are mortgaged or assigned to a Lender, they will not modify this Lease without prior written consent of the Lender as set forth in this Lease. The Lender's consent will not be unreasonably withheld or delayed, with the Lender using best efforts to respond to such consent request review within ten (10) business days.

10.1.6. <u>Mortgagee Assignment</u>. Any such Mortgage shall provide that, in the event of any assignment of the Mortgage, or in the event of a change of address of the interested party named in the

Mortgage, notice of the new name and address shall be provided in writing to Lessor.

10.2. Mortgage Protection. If any Mortgage is entered into by Lessee, then any Mortgagee will, for so long as its Mortgage is in existence and until the lien thereof has been extinguished, be entitled to the protections set forth in this <u>Article 10</u>. Lessee will send written notice to Lessor of the name and address of any such Mortgagee or include such name and address in an estoppel certificate to be executed by Lessor. Failure of Lessee to give notice of any such Mortgagee will not invalidate such Mortgage.

10.3. Mortgagee's Right to Possession; Right to Acquire; and Right to Assign. A Mortgagee will have the right, subject to timely payment of all Rents due pursuant to <u>Article 5</u> and to Lessor's consent, as applicable: (a) to assign its security interest; (b) to enforce its lien and acquire title to the leasehold estate by any lawful means; (c) to take possession of and operate the Renewable Energy Facilities or any portion thereof and to perform all obligations to be performed by Lessee hereunder, or to cause a receiver to be appointed to do so; and (d) to acquire the leasehold estate by foreclosure or by an assignment in lieu of foreclosure and thereafter to assign or transfer the leasehold estate to a third party. As applicable, Lessor's prior written consent will be required for the acquisition of the encumbered leasehold estate by a third party who is authorized to contract with the State of Idaho and acquires the same by foreclosure or assignment in lieu of foreclosure.

10.4 Notice of Default; Opportunity to Cure. Lessor will use best efforts to contemporaneously deliver a copy of any Notice of Default to each Mortgagee for which Lessor has received advanced written notice of such Mortgagee's interest, concurrently with delivery of such Notice of Default to Lessee. Failure of Lessor to give any such notice to each Mortgagee will not invalidate the Notice of Default. Any best effort by Lessor to provide such notice shall not minimize or replace any separate obligation of Lessee to provide any Mortgagee with any notice including a Notice of Default issued by Lessor.

10.4.1 <u>Mortgagee Composition</u>. To the extent that a Mortgagee may consist of more than one persons or entities, notice from Lessor to any one will be deemed notice to all constituting the Mortgagee. If there are multiple people or entities constituting said Mortgagee, then Mortgagee may identify which one person or entity shall be provided any and all notices from Lessor for all constituting the Mortgagee.

10.4.2. <u>Default Period</u>. The Mortgagee will have the same period after receipt of the Notice of Default to remedy the default, or cause the same to be remedied, as is given to Lessee under <u>Section 3.5.3</u>. In an event of default other than non-payment of Rents, and upon written notice of its election to cure under this <u>Section 10.4.2</u>, the Mortgagee will have an additional ninety (90) calendar days to cure the default. If Lessee or the Mortgagee has, within the applicable cure period, diligently and in good faith worked to correct the default, then Lessor shall extend the cure period for a length of time that Lessor believes to be reasonably necessary to complete the cure.

A. If the Mortgagee elects to substitute itself for Lessee and perform the duties of Lessee under this Lease for purposes of curing such defaults, the Mortgagee must advise Lessor, in writing, of its election.

B. Lessor hereby consents to such substitution, agrees to accept such performance, and authorizes the Mortgagee (or its employees, agents, representatives, or contractors) to enter upon the Leased Premises to complete such performance with all the rights, privileges, and obligations of the Lessee, including identification of subcontractors and key employees pursuant to <u>Sections 4.7 and 4.8</u>. Lessor will not exercise its rights to terminate this Lease prior to the expiration of the applicable cure period or extension of a cure period.

10.4.3. <u>Payment of Rents</u>. Prior to any period of possession of the Leased Premises, the Mortgagee shall remit to Lessor all Rents due and owing pursuant to <u>Article 5</u>. During any period of possession of the Leased Premises, and its corresponding rights, privileges and obligations, by a Mortgagee (or a receiver requested by such Mortgagee) and during the pendency of any foreclosure proceedings instituted by a Mortgagee, the Mortgagee shall pay or cause to be paid to Lessor all Rents including Royalty payments and all other monetary charges payable by Lessee under this Lease that have accrued and are unpaid at the beginning of said period and those accruing thereafter during said period. Following acquisition of Lessee's leasehold estate by the Mortgagee, or its assignee or designee as a result of either foreclosure or acceptance of an assignment in lieu of foreclosure, or by a purchaser at a foreclosure

sale who is qualified to contract with the State of Idaho and perform under this Lease, this Lease will continue in full force and effect and the Mortgagee or party acquiring title to Lessee's leasehold estate will, as promptly as reasonably possible, commence the cure of all remaining defaults reasonably susceptible of being cured by the Mortgagee or party acquiring title hereunder, and thereafter will diligently process such cure to completion, whereupon such Events of Default will be deemed cured upon review and approval by Lessor.

10.4.4. <u>Performance of Obligations</u>. A Mortgagee who acquires Lessee's leasehold interest pursuant to foreclosure or assignment in lieu of foreclosure will be liable to perform the obligations of Lessee as established by this Lease so long as such Mortgagee has control or ownership of the leasehold estate, or control or possession of the Leased Premises.

10.4.5. Exception to Event of Default by Lessee's Bankruptcy or Insolvency. Neither the bankruptcy nor the insolvency of Lessee will be grounds for terminating this Lease as long as all obligations of Lessee under this Lease are performed by the Mortgagee. Lessee shall not make an assignment for the benefit of creditors without Lessor's prior written consent in which such consent shall not be unreasonably delayed or withheld and shall not convey any title to any real or personal property in lieu of foreclosure without Lessor's prior written consent shall not be unreasonably delayed, or withheld; and, pursuant to any such assignment for benefit of creditors or deed in lieu of foreclosure, the benefiting creditor or grantee under a deed in lieu of foreclosure shall continue the obligations of Lessee therefor, or the Lease may be terminated in Lessor's sole discretion.

10.4.6. <u>Default Cured</u>. Subject to the provisions of this Lease that survive its termination, nothing in this <u>Article 10</u> will be construed to extend this Lease beyond the Lease Term or to require a Mortgagee to continue foreclosure proceedings after every Event of Default has been cured. If every Event of Default is cured and the Mortgagee discontinues foreclosure proceedings, then this Lease will continue in full force and effect.

10.4.7 <u>Foreclosure.</u> If the holder of a mortgage, security interest or mortgagee successfully forecloses against Lessee for default under the mortgage or security interest while the Lease remains in effect, and the holder of the mortgage or security interest or mortgagee sells or otherwise transfers or assigns the foreclosed interest to a successor, Lessor's prior written approval of such successor must be obtained before the transfer or assignment is effective. Prior to assuming the rights of a successor lessee under the Lease, the proposed purchaser or assignee of the foreclosed interest must first be approved in writing by Lessor, which approval shall be in Lessor's sole discretion and subject to the same qualifications and requirements as a valid assignee subject to Lessor's approval. Lessee shall not make an assignment for the benefit of creditors or issue a deed in lieu of foreclosure to any real or personal property without Lessor's prior written approval shall not be unreasonably delayed or withheld and subject to the terms of this Lease.

10.5 Refinancing. Lessee may refinance a Mortgage periodically provided that all of the following conditions are met:

10.5.1. The holder or Mortgagee of the new mortgage must be an institutional lender such as a bank, trust company, savings and loan association, insurance company, title insurance company, or other commercial business authorized and licensed to make mortgage loans in Idaho and in the county in which the Leased Premises are located;

10.5.2. The new mortgage given for refinancing shall comply with all of the provisions this Lease.

10.5.3. If the new Mortgage complies with the above-conditions, Lessee may execute, acknowledge, and deliver the new mortgage as a permitted Mortgage for the purpose of subjecting Lessee's respective interests in the Renewable Energy Facilities and other Improvements to the lien thereof, and the new mortgage shall cover and be a lien on the Renewable Energy Facilities or other Improvements, subject to the terms and conditions of this Lease.

10.6 Mortgagee's Consent to Amendment, Termination, or Surrender. Notwithstanding any provision of this Lease to the contrary, so long as there exists an unpaid Mortgage that Lessor has written notice of, Lessor will not accept a voluntary surrender of the Leased Premises or any part thereof or a voluntary termination, or a voluntary release of this Lease from Lessee prior to expiration of the Lease Term without the prior written consent of the Mortgagee. This provision is for the express benefit of and will be enforceable by such Mortgagee. Upon termination of the Lease for any reason, all mortgages and security interests shall also automatically terminate.

10.7 No Waiver. No payment made to Lessor by a Mortgagee will constitute an agreement that such payment was, in fact, due under this Lease, and a Mortgagee, having made any payment to Lessor pursuant to Lessor's incorrect or mistaken notice or demand will be entitled to the return of any such payment, as required by Idaho law.

10.8 Estoppel Certificates. Upon at least thirty (30) calendar days' prior written notice from the other Party, the responding Party shall execute, acknowledge, and deliver to the requesting Party, or any third party specified, a statement certifying that this Lease is unmodified, and in full force and effect, or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications; the dates to which the Rents payable under this Lease have been paid; and stating whether or not, to the best knowledge of and based upon current information available to the signer of the certificate, the requesting Party is in default in the performance of any covenant, agreement, or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge, and further certifying as to such other matters relating to this Lease as may be reasonably requested. It being the Parties' intent that any such statement delivered pursuant to this section may be reasonably relied on by any prospective purchaser or assignee of either Party's interest in the Leased Premises, or by either Party; provided however, that any such notices between the Parties shall not be deemed a waiver of any actual default or breach of any provision of this Lease.

ARTICLE 11 - PAYMENT OF EXPENSES, UTILITIES AND TAXES

11.1. Lessee's Obligation. On or before any due date, Lessee agrees to pay any and all real or personal property taxes, assessments, or fees of any nature that may be legally assessed or levied against Lessee or the Leased Premises, or any portion of the Leased Premises, or on any Improvements. Lessee shall make such payment directly to the taxing authority and hold Lessor harmless from any such tax, assessment, or fee.

11.2. Contesting Taxes. Lessee may contest the validity of any tax, assessment, or fee for which Lessee is responsible under this Lease, as long as such contest is pursued in good faith and with due diligence, and Lessee has paid the obligation in question or posted the financial assurance, discussed below, in the event of an adverse determination. Lessee will not be in default of <u>Section 11.1</u>, provided that written notice is given to Lessor of Lessee's intention to contest the tax, assessment, or fee; and, provided that Lessee furnishes Lessor with a bond made by a surety company qualified to do business in the state of Idaho, or pays cash to a recognized escrow agent in the County in which the Leased Premises are located, or as otherwise agreed in writing by Lessor, equal to one hundred and ten percent (110%) of the amount of the tax or obligation Lessee intends to contest, conditioned on payment when the validity of such tax or obligation has been determined. Lessee shall give Lessor written notice and post the financial assurance not later than sixty (60) calendar days before the contested tax, assessment, or fee is due.

11.3. Triple Net Lease; Lessor Obligations Not Altered. This Lease is intended to be an absolute triple net lease, and Lessor shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with the ownership, construction, operation, maintenance, repair, or reconstruction of the Renewable Energy Facilities or other Improvements. Lessee understands that Lessor is exempt from payment of any federal, state, or local taxes.

ARTICLE 12 – LIENS AND ENCUMBRANCES

12.1 No Lien. Lessee shall not cause, permit, or suffer any lien or encumbrance of any kind or nature to be placed on or enforced against Lessor's fee interest. Lessee shall not cause, permit, or suffer any lien or encumbrance of any kind or nature to be placed on or enforced against the Leased Premises, or Lessee's leasehold interest, or on or against any of the Renewable Energy Facilities or other Improvements without the written consent of Lessor, as set forth in <u>Article 10</u>. Lessee shall ensure that full payment is made for all labor performed for Lessee and for any and all materials joined or affixed to the Leased Premises, including any Improvements.

12.2 Release of Lien.

12.2.1. If any claim of lien or encumbrance, other than as allowed in <u>Article 10</u>, is claimed on or filed against either Lessor's or Lessee's interest in this Lease, or any portion of or interest in the Leased Premises, then Lessee shall cause any such claim of lien or encumbrance to be released upon the earliest of the following periods: i) within thirty (30) calendar days after Lessee is given written notice of such claim or encumbrance; ii) within thirty (30) calendar days of a claim or encumbrance being filed or recorded; or iii) within thirty (30) calendar days after Lessee. Lessee must cause the release of any lien or encumbrance by: i) paying the lien or encumbrance; or iii) any other manner that, as a matter of law, will result in the release of any such lien or encumbrance on or against any portion of, or interest in this Lease, the Leased Premises, the Renewable Energy Facilities or other Improvements, or Lessor's title.

12.2.2. Lessor will not allow any liens or encumbrances, arising out of work done or services performed on behalf of Lessor, to be placed on any Improvements unless such work or services are directly for or on the Renewable Energy Facilities or other Improvements and an event of uncured default by Lessee has occurred, or as otherwise allowed for in this Lease. If a lien is filed against any Improvement, arising out of any work done or services performed on behalf of Lessor unrelated to this Lease, Lessor will, at its own expense, take whatever action is needed to remove such lien within thirty (30) calendar days of when the Lessor receives written notice of the existence of such lien.

12.3 Improvements Are Not Fixtures. Lessor and Lessee agree that none of the Renewable Energy Facilities or other Improvements installed by Lessee shall constitute fixtures regardless of the manner in which such Improvements are attached to or installed on the Leased Premises.

ARTICLE 13 – HAZARDOUS MATERIALS

13.1 Hazardous Substances.

13.1.1. Lessee shall not cause or permit any Hazardous Substance to be brought upon, kept, used or generated by Lessee, its agents, employees, contractors, subcontractors, or invitees on the Leased Premises, unless the use or generation of the Hazardous Substance is necessary for the prudent generation, conversion, or transmission of Renewable Energy on the Leased Premises; or during the construction or preparation of the Leased Premises for the construction of the Renewable Energy Facilities or other Improvements; or for the maintenance of the Renewable Energy Facilities or other Improvements, and only if no functional and reasonably economic nonhazardous substance or process, which does not generate Hazardous Substances, can be used in place of the Hazardous Substance or the process which generates the Hazardous Substance. Other than for maintenance of inventories necessary for the prudent generation, conversion, or transmission of Renewable Energy on the Leased Premises, Lessee shall not cause or permit long-term storage of any Hazardous Substance on the Leased Premises.

13.1.2. In the event that Lessee must utilize Hazardous Substances for the prudent generation, conversion, or transmission of Renewable Energy on the Leased Premises, or the construction or preparation of the Leased Premises for the construction of the Renewable Energy Facilities or other Improvements, or the maintenance of the Renewable Energy Facilities or other Improvements, Lessee

must provide to Lessor, prior to Phase 2, an HMWMP. The HMWMP must include, at a minimum, the following information: i) a detailed map indicating the planned location of all Hazardous Substance storage areas on the Leased Premises; ii) the location of spill containment and cleanup materials; iii) the location of drains in the storage areas and destination of those drains; iv) and the location of fire suppression equipment. The HMWMP shall include a detailed Spill Prevention Plan that includes information regarding the handling of Hazardous Substances and the procedures to be followed in the case of any spill.

13.1.3. All Hazardous Substances shall be marked in accordance with National Institute for Occupational Safety and Health (**NIOSH**) standards, and storage facilities will be marked in accordance with National Fire Protection Association (**NFPA**) 704 Hazardous Material Information System approved markings.

13.2 Environmental Laws. Lessee shall at all times and in all respects comply with all applicable Environmental Laws. Lessee's duty of compliance with such Environmental Laws includes the duty to undertake the following specific actions:

13.2.1. Lessee must, at its own expense, procure, maintain in effect, and comply with all conditions of any and all Government Approvals required by all applicable Environmental Laws, including permits required for discharge of appropriately treated Hazardous Substances into the ambient air, or any sanitary sewers serving operations on the Leased Premises; and

13.2.2. Except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, any and all Hazardous Substances to be treated or disposed by Lessee from the Leased Premises shall be removed and transported solely by duly licensed transporters to a duly licensed treatment or disposal facility for final treatment or disposal.

ARTICLE 14 – ASSIGNMENT; SUBLEASING

14.1. Assignment.

14.1.1. This Lease shall not be assigned to any other party without Lessor's prior written consent in which such consent shall not be unreasonably delayed or withheld.

14.1.2. The Parties understand and acknowledge that Lessee, does intend on effectuating an assignment of this Lease during Phase 1. Such Lessee may receive pre-approval by Lessor of such assignment before or after this Lease is fully executed and effective, and before the requisite copies of final documents are filed with IDL, under Sections 14.3 and 14.5. Such pre-approval shall be provided by Lessor in which such assignment is to a "Qualified Assignee" that meets the following qualifications: i) an entity or individual that controls, is under the control of, or is under common control with Lessee, is at least as financially capable as Lessee, is capable to fulfilling the obligations of Lessee, and assumes in writing the obligations of Lessee under this Lease; or ii) an entity or individual that is at least as financially capable as Lessee to perform the obligations of Lessee under this Lease, and is experienced, and has expertise acceptable to Lessor, in the ownership and operation of projects of like size, cost, and kind, or who has engaged a third party that is experienced in the ownership and operation of like size and kind to manage the Project, and assumes in writing the obligations of Lessee under this Lease. Lessor's approval of a Qualified Assignee may not be unreasonably delayed or withheld, provided however, without limiting Lessor's discretion, Lessor will have thirty (30) calendar days following Lessor's receipt of the proposed assignment form and supporting information, to request additional information, or provide written comments or concerns regarding Lessee's proposed Qualified Assignee. The Parties will discuss Lessor's comments or concerns at either Party's request. Upon Lessor's approval of a Qualified Assignee and provided that such Qualified Assignee has assumed in writing all of Lessee's duties and obligation under this Lease, such Lessee shall be relieved of all of its obligations arising under this Lease, from and after the effective date of assignment to a Qualified Assignee. Such Lessee shall deliver to Lessor complete and correct copies of the requisite documents, under Sections 14.3 and 14.5, within a reasonable amount of time of the effective

date of the assignment, not to exceed ninety (90) calendar days.

14.2. Responsibilities. Except as stated in <u>Section 14.1.2</u>, any assignor and its surety shall continue to comply with this Lease and all Government Approvals until the effective date of the pre-approved assignment. After the effective date of such assignment, the assignee and its surety shall be bound by this Lease and all applicable Government Approvals to the same extent as if the assignee were the original lessee, irrespective of any conditions in the assignment to the contrary. The assignor shall remain liable for all Rents due and any damages accruing prior to the effective date of the assignment, and any provisions of this Lease that survive termination unless a written release is subsequently granted and executed by Lessor, which release shall be in Lessor's sole discretion.

14.3. Intentionally Deleted.

14.4. Sublease. No part of Lessee's interest may be sublet without Lessor's express prior written consent. Any sublease must be expressly subject to all terms and conditions of this Lease, and shall provide no greater interest in the Leased Premises than Lessee has through this Lease. A correct and complete executed copy of the sublease agreement must be provided to Lessor prior to the effectiveness of any such sublease or Lessor's written approval thereof. If Lessor allows the sublease of the Lease, the following continuing obligations shall apply: i) Lessee shall remain liable to Lessor for the full performance of all obligations under this Lease; ii) the sublease of Lessee, by accepting the sublease of this Lease, shall and does agree to abide by all terms of this Lease; and iii) such sublease shall be subject to all terms and conditions of this Lease, and to such other terms and conditions as Lessor may reasonably require. Any approved sublease will terminate upon termination of the Lease for any reason.

14.5. Form of Assignment or Sublease. An approved assignment or sublease must be a valid legal instrument, properly executed and acknowledged, stating the number of this Lease, a legal description of the Leased Premises, the name and address of the assignee-lessee or sublessee, the interest transferred, and the consideration. A fully executed copy of the instrument of assignment or sublease must be filed with IDL along with IDL's application of approval of an assignment form, and any processing fees. If an instrument of assignment or sublease partitions the Leased Premises between two or more assignees or sublessees, a separate application for assignment and filing fee must be filed for each assignee or sublessee and for each lease assigned.

14.6. Limited Consent. Any consent by Lessor, herein contained or hereafter given, to any act or assignment shall be held to apply only to the specific transaction, hereby or thereby approved. Such consent shall not be construed as a waiver of any duty of Lessee, or its successors or assigns, including Lessee's obligation to obtain Lessor's prior written consent to any other or subsequent assignment, sublease, mortgage, encumbrance, or as a modification or limitation of any right of Lessor.

ARTICLE 15 – ADDITIONAL LEASE PROVISIONS

15.1. Hold Harmless; Indemnification.

15.1.1. In no event shall any official, officer, employee, or agent of Lessor, or of the State, be in any way personally liable or personally responsible for any covenant or obligation contained in this Lease, whether expressed or implied, nor for any statement, representation, or warranty made by Lessor in connection with this Lease. In particular, and without limitation of the foregoing, no full-time or part-time agent or employee of Lessor shall have any personal liability or personal responsibility under this Lease, and the sole responsibility and liability for the performance of this Lease and all of the provisions and covenants herein contained pertaining to Lessor shall rest in, and be vested with, the State.

15.1.2. Lessee shall indemnify, defend, and save harmless Lessor, the State of Idaho, its officers, agents, employees, and volunteers from and against any and all liability, claims, damages, losses, expenses, actions, settlements, attorney fees, and suits whatsoever caused by, arising out of, or

in connection with Lessee's acts or omissions under this Lease, or Lessee's failure to comply with any applicable state, local, or federal statute, law, regulation, rule, or ordinance.

15.1.3. Upon the receipt by Lessee of Lessor's or the State of Idaho's tender of indemnity and defense, Lessee shall immediately take all reasonable actions necessary, including providing a legal defense for Lessor and the State of Idaho, and to begin fulfilling its obligation to indemnify, defend, and save harmless Lessor and the State of Idaho. Lessee's indemnification and defense liabilities described herein shall apply regardless of any allegations that a claim or suit is attributable in whole or in part to any act or omission of Lessor under this Lease. However, if it is determined by a final judgment that Lessor's negligent act or omission is the sole proximate cause of a suit or claim, neither Lessor nor the State of Idaho shall be entitled to indemnification from Lessee with respect to such suit or claim, and Lessor and the State of Idaho in its discretion, may reimburse Lessee for reasonable defense costs attributable to the defense provided by any Special Deputy Attorney General appointed pursuant to Subsection 15.1.4.

15.1.4. Any legal defense provided by Lessee to Lessor and the State of Idaho under this section must be free of any conflicts of interest, even if retention of separate legal counsel for Lessee and, Lessor and the State of Idaho, is necessary. Any attorney appointed to represent Lessor or the State of Idaho must first qualify as and be appointed by the Attorney General of the State of Idaho as a Special Deputy Attorney General pursuant to Idaho Code §§ 67-1401(13) and 67-1409(1).

15.1.5. Without limiting the survival of any other provision of this Lease, this <u>Section 15.1</u> will survive the termination of this Lease, and any cause of action to enforce this Lease will not accrue until Lessor and the State's discovery of such losses, claims, actions, debts, demands, obligations, or judgments.

15.2. Public Records. Pursuant to Idaho Code §§ 74-101 *et seq.*, information or documents received from Lessee may be open to public inspection and copying unless specifically exempt from disclosure. Lessee shall clearly designate individual documents as "exempt" on each page of such documents and shall indicate the statutory basis for such exemption. Lessor will not accept the marking of an entire document as exempt. In addition, Lessor will not accept a legend or statement on one (1) page that all, or substantially all, of the document is exempt from disclosure. Lessee shall indemnify and defend Lessor against all liability, claims, damages, losses, expenses, actions, attorney fees, and suits whatsoever for honoring any designation by Lessee, or for Lessee's failure to designate individual documents as exempt. Lessee's failure to designate as exempt any document or portion of a document that is released by Lessor shall constitute a complete waiver of any and all claims for damages caused by any such release.

15.3. Timber Removal. Lessee will not interfere with the removal of timber purchased by a third party prior to or subsequent to the issuance of this Lease. The cutting or removal of timber is prohibited, other than that expressly permitted and authorized by Lessor, which approval will not be unreasonably withheld, , or delayed. Prior to Lessee cutting or removing timber from the Leased Premises, Lessor must be given written notice at least three (3) months in advance of the intended cutting or clearing operation. Lessee will reimburse Lessor for the value of any merchantable timber and pre-merchantable timber cut or cleared from the Leased Premises. The value for such timber will be established by Lessor using accepted fair market value appraisal techniques. Upon payment to Lessor, title to the timber shall pass to Lessee.

15.4. Noxious Weed Control.

15.4.1. <u>Cooperation and Costs</u>. Lessee shall cooperate with Lessor, or any other agency authorized to undertake programs for control or eradication of noxious weeds. As may be necessary, Lessee shall take measures to control noxious weeds on the Leased Premises, except those resulting from activities beyond Lessee's control. Costs for control of noxious weeds on the Leased Premises shall be the responsibility of Lessee.

15.4.2. <u>Weed Free</u>. Prior to moving equipment onto the Leased Premises, Lessee shall use reasonable efforts to ensure that all equipment is free of noxious weeds and their seeds as defined by the

Idaho Department of Agriculture and any local Coordinated Weed Management Area. Cleaning of contaminated equipment and vehicles shall not take place on the Leased Premises.

15.5. Force Majeure. If Lessor or Lessee is delayed, hindered, or prevented from performing any act required hereunder by reason of any act of God; strike; lockout; labor trouble; inability to procure materials; failure of power; restrictive government laws or regulations enacted after the Effective Date, which preclude activities that are the subject of this Lease; riot; insurrection; war; escalation of hostilities; or other reason beyond the Party's control making performance impossible, then performance of that act, and that act only, shall be excused for the reasonable period of the delay upon proper and satisfactory proof presented to Lessor. Notwithstanding the foregoing, the time for commencement of Phase 3 will not be extended unless the force majeure event impacts the entire Production Area. Lessor must be notified within fifteen (15) calendar days of any force majeure event. For that event, the period for the performance of the act shall be extended for a reasonable period equivalent to the period of the delay. Lessee shall work diligently to eliminate the delay and immediately notify Lessor when the reason for the force majeure event has ceased. Neither Lessee's financial condition nor the failure of any of Lessee's contractors or subcontractors or any other party with whom Lessee contracts shall be an event of force majeure excusing the performance of any act. The reduction or cessation of any radiant heat or light from the sun is not a force majeure event.

15.6. Taxes. Lessee shall pay when due any and all taxes lawfully assessed and levied under the laws of the State of Idaho upon Lessee's interest in the Leased Premises, including Renewable Energy produced under this Lease, and upon Improvements constructed, used, or maintained by Lessee on the Leased Premises.

15.7. Time of Essence. Time is expressly declared to be of the essence of each and every term, covenant, condition, duty, and obligation of this Lease.

15.8. Promotion. Except as allowed by Lessor's prior written approval, Lessee shall not use the name of Lessor, including the State Board of Land Commissioners, Idaho Department of Lands, State of Idaho, or any agency thereof; or the fact that any of Lessee's operations are conducted in whole, or in part, on State Endowment Trust Lands, in any advertisement or prospectus promoting the sale of stock. The reflection of this Lease as an asset of Lessee on the accountings, financial records and statements of Lessee shall not constitute a breach of this paragraph.

15.9. Relationship of Parties. Nothing contained in this Lease shall be construed as creating any relationship between the Parties other than that of landlord and tenant; and nothing contained in this Lease shall be construed to create any other relationship between the Parties, including any relationship of principal-agent, master-servant, employer-employee, partnership or joint venture.

15.10. No Waiver. A waiver by Lessor of any breach of any term, covenant, or condition of this Lease shall not be deemed to be a waiver of any past, present, or future breach of the same or any other term, covenant, or condition of this Lease. The acceptance of Rent by Lessor hereunder shall not be construed to be a waiver of any violation of any terms or conditions of this Lease. No payment by Lessee of a lesser amount than is due according to the terms of this Lease shall be deemed or construed to be anything other than a partial payment on account of the most recent Rent payment due, nor shall any endorsement or statement on any check or letter accompanying any payment be deemed to create an accord and satisfaction.

15.11. Entire Agreement. This Lease (comprised of the Summary, the Lease provisions, Signature Page, and all Attachments, which are incorporated herein by reference, including any Special Terms and Conditions, as amended) contains the entire agreement between the Parties concerning the subject matter hereof and supersedes any and all prior agreements. The execution of this Lease has not been induced by either Party, or any agent of either Party, by representations, promises, or undertakings not expressed herein and, further, there are no collateral agreements, stipulations, covenants, promises, inducements, or undertakings whatsoever between the respective parties concerning this Lease except those which are expressly contained herein.

15.12. Written Modifications. Except as provided herein, no modification, extension, assignment, release, discharge, change, or waiver of any provision of this Lease shall be of any force, effect, or value unless signed in writing by Lessor, or its duly authorized agent.

15.13. Severability. In the event any provision of this Lease shall be held invalid or unenforceable under applicable Idaho law, the validity, legality, or enforceability of the remaining provisions, and the application thereof, shall not in any way be affected or impaired. In such event, the remaining provisions of this Lease shall be interpreted as closely as possible to provisions held invalid or unenforceable.

15.14. Notices. All notices between the Parties in connection with this Lease shall be in accordance with terms of this Lease. Any notice given in connection with this Lease shall be in writing and shall be delivered to the other Party by hand; by certified mail, postage prepaid, return receipt requested; or by email transmittal (provided receipt of the email is confirmed by a reply email or by telephone), as indicated below. Notice shall be delivered immediately upon personal service, email transmission, or forty-eight hours after depositing notice in the United States mail. If any type of "undeliverable" message is received by the Party transmitting an email, delivery shall be presumed to not have occurred. If a Party shows that the person assigned to an email address was no longer employed by the Party at the time of transmittal, delivery shall be presumed to not have occurred. The notices shall be sent to the addresses stated on the Summary. Either Party may change the place for giving notice by written notice to the other Party.

15.15. Joint Liability. If Lessee consists of more than one person or entity, such persons and entities shall be jointly and severally liable for each term, condition, covenant, duty and obligation of this Lease.

15.16. Cumulative Remedies. Arising from this Lease, Lessor shall have all rights and remedies which this Lease and the laws of the State of Idaho may provide, in law or in equity. All rights and remedies accruing to Lessor shall be cumulative; that is, Lessor may pursue all rights that the law and this Lease afford to it, in whatever order Lessor desires and the law permits, without being compelled to resort to any one remedy in advance of any other.

15.17. Survival. Any provision of this Lease that expressly or by implication comes into or remains in force following the termination of this Lease shall survive the termination of this Lease for the period set forth in such provision, or if no period is set forth in such provision, for the period that is coextensive with the applicable statute of limitations. Notwithstanding anything to the contrary in this Lease, any indemnification obligations shall survive the termination of this Lease.

15.18. Governing Law and Forum. This Lease shall be construed in accordance with and governed by the laws of the State of Idaho. Each Party expressly consents to the jurisdiction and venue of the Idaho State District Court located in Ada County in the event of any dispute with respect to this Lease or the Leased Premises.

15.19. Legal Fees. In the event either Party initiates a legal proceeding under this Lease, the prevailing party in that legal proceeding shall be entitled to such additional sums as the court may award for reasonable attorney fees (including fees from the Office of the Attorney General of the State of Idaho) and costs (including appraisal fees and expert fees) incurred in such proceeding.

15.20. Headings. Headings in this Lease are for convenience and reference only and shall not be used to interpret or construe any term of this Lease.

15.21. Counterparts. This Lease may be executed in any number of counterperts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

[The remainer of this page is intentionally left blank]

IN WITNESS WHEREOF, the Lessor has executed this instrument as set forth below.

STATE BOARD OF LAND COMMISSIONERS

President of the State Board of Land Commissioners and Governor of the State of Idaho

Countersigned:

Secretary of State of Idaho

Director of the Idaho Department of Lands

)ss.

)ss.

)

STATE OF IDAHO

COUNTY OF ADA

On this _____ day of ______, 2025, before me, a Notary Public in and for said State, personally appeared BRAD LITTLE, as the President of the State Board of Land Commissioners and Governor of the State of Idaho, that executed the within instrument, and acknowledged to me that he executed the same as said President and Governor, and that the State Board of Land Commissioners and the State of Idaho executed the same.

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

(seal)

Notary Public for State of Idaho My Commission Expires:

STATE OF IDAHO

On this ____ day of ______, 2025, before me, a Notary Public in and for said State, personally appeared PHIL MCGRANE, as Secretary of State of Idaho, that executed the within instrument, and acknowledged to me that he executed the within instrument as said Secretary of State and that the State Board of Land Commissioners and the State of Idaho executed the same.

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

(seal)

Notary Public for State of Idaho My Commission Expires:

STATE OF IDAHO)
)ss.
COUNTY OF ADA)

On this _____ day of ______, 2025, before me, a Notary Public in and for said State, personally appeared DUSTIN T. MILLER, the Director of the Idaho Department of Lands and Secretary of the State Board of Land Commissioners, and acknowledged to me that he executed the within instrument as said Director and Secretary, and that the State Board of Land Commissioners and the State of Idaho executed the same.

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

(seal)

Notary Public for State of Idaho My Commission Expires: IN WITNESS WHEREOF, the Lessee has executed this instrument as set forth below.

:ss

_____, a [Insert State] limited liability company, whose mailing address is

JS Solar, L.L.C., a Delaware limited liability company

Date:

David Zwillinger, Chief Executive Officer

STATE OF New York)

COUNTY OF NEW YORK)

On this ____ day of ______, 2025, before me a notary public in and for said state, personally appeared David Zwillinger, known or identified to me to be an authorized signatory of JS Solar, L.L.C, a Delaware limited liability company, the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such company executed the same.

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

(seal)

Notary Public Residing at: ______ My Commission Expires: ______

ATTACHMENT A

LEGAL DESCRIPTION OF LEASED PREMISES

[INSERT LEGAL DESCRIPTION]

The following table is for IDL internal purposes only and is not intended to be part of the legal description.

Lease	TWN	RNG	SEC	Legal Description	County	Endow	Acres	PHMA	IHMA

ATTACHMENT B

SITE MAP #1

DETAIL MAP #2

COMMERCIAL ENERGY LEASE NO. M600110 – 47

ATTACHMENT D

Existing Leases and Other Activities

The following Lessor-authorized instruments affecting all or any portion of the Leased Premises, include but are not limited to, the following:

COMMERCIAL ENERGY LEASE NO. M600110 – 48

STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Regular Agenda

Subject

Spiked Out Timber Sale with a clearcut harvest unit exceeding 100 acres.

Question Presented

Shall the Land Board approve the Spiked Out Timber Sale with a clearcut harvest unit exceeding 100 acres?

Background

At its December 15, 2015 meeting, the State Board of Land Commissioners (Land Board) adopted a timber sale governance structure whereby the Idaho Department of Lands (Department) would only present individual proposed timber sales for Land Board approval that fall outside of established Land Board policies. Timber sales with clearcut harvest units exceeding 100 acres are one type of sale to be submitted for approval.

Discussion

The St. Joe Supervisory Area submitted a timber sale in the FY25 sales plan that has a clearcut harvest unit exceeding 100 acres in size. The sale area is within Department and industrial private ownership that has been previously managed (Attachments 1 and 2). The sale area is located 20 miles southeast of Clarkia, Idaho (Attachment 3).

The proposed clearcut harvest in this sale totals 157 acres and is described in detail in Attachment 4. It consists of a young stand that has reached a harvestable age based on its growth rate and financial value, making it the most profitable time to harvest. It is also experiencing some decline due to a light infestation of root rot. Clearcutting this stand will maximize returns to the endowments by capturing its current value. Replanting and using herbicide after harvesting will help quickly establish new seedlings and increase future yields by reducing competition from other vegetation.

The sale has been prepared to meet the Forest Practices Act. The proposed clearcut harvest unit is silviculturally and economically justified and was approved by the Timber Management Bureau (Attachment 5).

Recommendation

Approve the Spiked Out Timber Sale.

Board Action

Attachments

- 1. Ortho Map
- 2. Ownership Map
- 3. Vicinity Map
- 4. Clearcut Justification
- 5. Timber Bureau Approval Memo

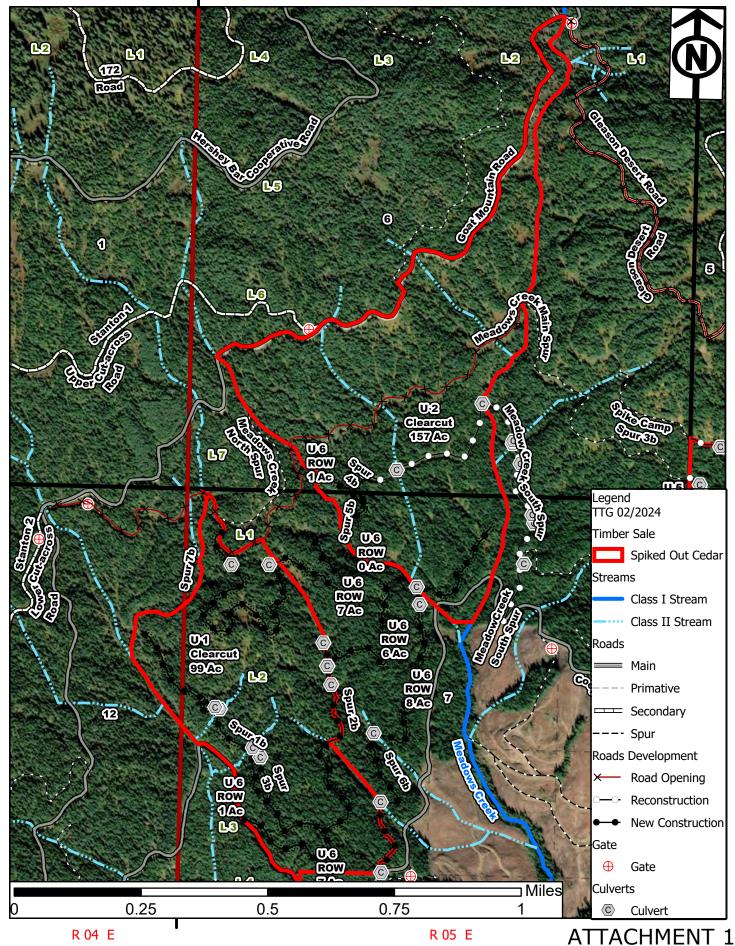
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SALE/DEVELOPMENT MAP

R 04 E

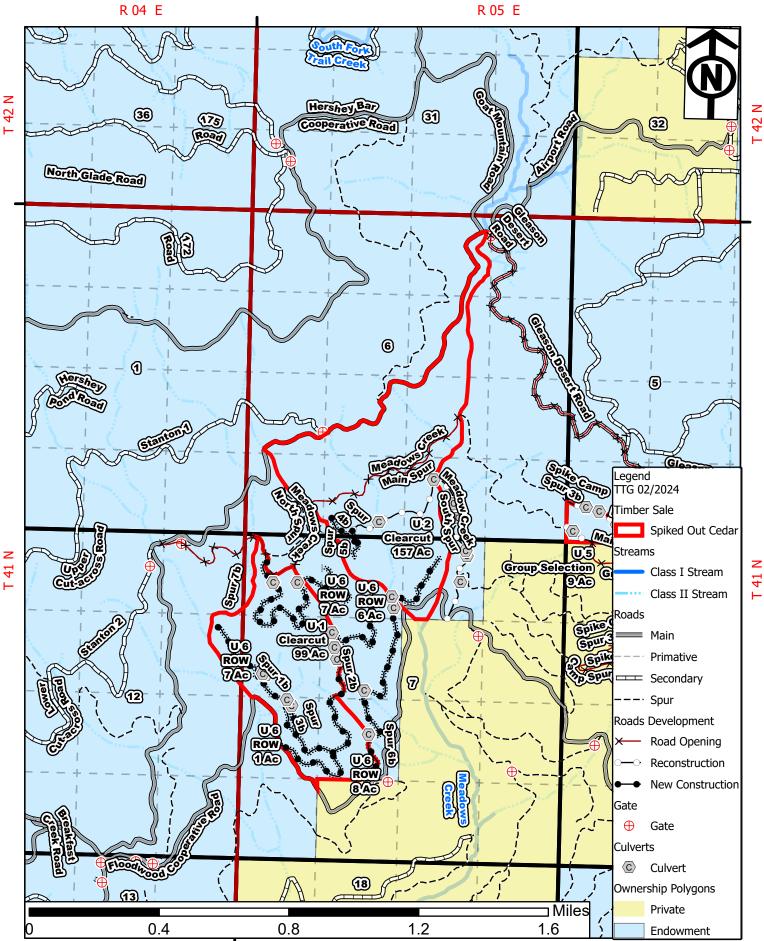
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OWNERSHIP MAP

CR300739

SPIKED OUT

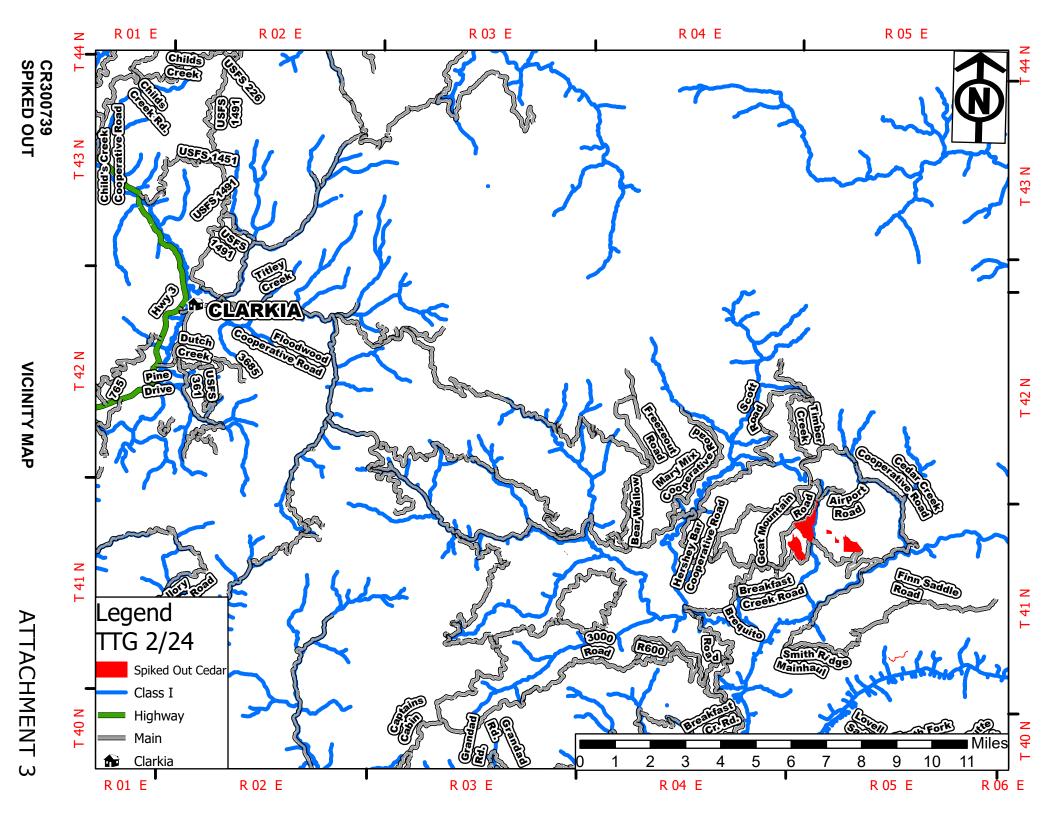


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ATTACHMENT 2



Spiked Out Area Clearcut Justification

- 1. Treatment Description:
 - a) Units 1 (99 acres), 2 (157 acres) and 3 (92 acres) are a clearcut prescription. Units 4 (8 acres) and 5 (9 acres) are a group selection cut prescription. Unit 6 is ROW. The units will be planted with a mix of Douglas-fir (*Pseudotsuga menziesii*), western larch (*Larix occidentalis*) and white pine (*Pinus monticola*) within 1 to 2 years of harvest completion. The sites will be monitored to determine if spraying is necessary during this time.
 - b) Clearcut Justification:

Clearcuts will help achieve Desired Future Conditions outlined in the St Joe Supervisory Area's Forest Asset Management Plan. A clearcut in unit 2 (157 acres) is economically justified and complies with the Idaho Forest Practices Act. Land Board approval is needed due to the harvest unit exceeding 100 acres in size. A clearcut prescription will be used to harvest the existing stand and re-establish serial and intermediate species on the site. Species with a higher resistance to root rot (*Armillaria sp*) will be increased in number during planting.

- 1) Unit 2 is being clear cut to control the root rot infestation and restart the stands. Unit 2 is showing signs of some root rot in grand fir (*Abies grandis*).
- A clearcut for this unit is economically justified as this will be a single entry into unit 2 limiting logging and hauling costs to maximize revenue.
- c) Forest Improvement Activity:

The clearcut unit will be assessed post-harvest for site preparation requirements, such as spraying, before being planted. A higher component of western larch will be planted, along with a smaller component of white pine and Douglas-fir that is more root rot resistant. Western larch will be planted in heavier concentrations where root rot has been noticed as it has a higher resistance to root rot. Douglas-fir will be planted in areas where root rot has not been noticed. White pine will also be planted in the unit randomly as it has a moderate resistance to root rot.



COEUR D'ALENE STAFF OFFICE Timber Management Bureau 3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525/FAX 208-769-1524

MEMORANDUM

- TO: Barry Hillman, Lands Resource Supervisor
- FROM: Spencer Hanson, Program Manager Timber Sales
- DATE: March 10, 2025
- SUBJECT: Spiked Out (CR300739) Timber Sale

On February 24, 2025, Kyle Seigley, David Greenwood, and Spencer Hanson, Timber Management Bureau (TMB) representatives, held a virtual site visit for the Spiked Out Timber Sale on the St. Joe Supervisory Area via Teams presented by Barry Hillman (supervisor) and Tim Gittelsohn (Forester-in-Charge). This occurred prior to harvesting to discuss silvicultural prescriptions of the proposed harvest unit due to the prescription consisting of a clearcut over 100 acres. Attendance also included Jason Svancara from Operations.

The Spiked Out Timber Sale units we reviewed reside in sections 6 and 7, T41N R05E. Public School endowment out 100% of the acres in which we reviewed.

The group started to discuss the 157 acre proposed clearcut unit. The area representatives discussed the species composition of the unit with grand fir and western redcedar comprising 78 percent of the volume. The desired future conditions of the stand require a species transition to western larch and western white pine with Douglas-fir as a minor component due to the root disease present throughout the unit.

The preferred method of clearcutting, site preparation, and planting best suits the stand. Given the high percentage of grand fir and western redcedar and the root disease that is prevalent in the Douglas-fir, the quality of leave trees is insufficient to go the natural pathway. Economically, the clearcut will provide the most returns to the endowments by capturing the value of the stand now. Planting in combination with vegetation management will quickly establish a well-stocked, vigorous stand of preferred species, something natural regenerated harvest prescription will not achieve.



Given the remote location (Floodwood State Forest) there are minimal visual impacts. This sale cannot be seen from any town or major roadway. The visual impacts are not a big concern due to the active timber industry throughout the sale area. The group finished by discussing the future planning of the surrounding area to make sure proper planning is being conducted to not have adjacency issues in the near future.

The TMB recommends that the Forester-in-Charge proceed with the 157 acre clearcut. The lack of quality leave trees and root disease present in the stand justify the clearcut prescription. The TMB supports this activity considering maximizing revenue to the normal and public school endowments.

STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Regular Agenda

Subject

Department of Lands' Fiscal Year 2026 (FY26) Timber Sales Plan

Question Presented

Shall the Land Board approve the FY26 Timber Sales Plan?

Discussion

The proposed FY26 Timber Sales Plan and a letter of support are included as Attachments 1 and 2. The FY26 Timber Sales Plan outlines volume targets that will be offered for sale.

The proposed FY26 Timber Sales Plan of 335 MMBF implements the State Board of Land Commissioners' (Land Board) approved 2024 Forest Asset Management Plan (FAMP).

The volume in the FY26 Timber Sales Plan is determined primarily by a 100-year sustained harvest forecast developed in 2024 utilizing inventory data and growth projection models. The Idaho Department of Lands (Department) recommends that the annual sale level for FY26 be established as displayed in the table below:

Supervisory Area	Annual Sale Volume FY26 Recommended
Priest Lake	28 MMBF
Pend Oreille Lake	36 MMBF
Mica	18 MMBF
St. Joe	81 MMBF
Ponderosa	40 MMBF
Clearwater	55 MMBF
Maggie Creek	30 MMBF
Payette Lakes	22 MMBF
Southwest Idaho	16 MMBF
Eastern Idaho	9 MMBF
Total	335 MMBF

Because of unforeseen natural events like wildfires, wind throw, insect infestations and disease, volumes for individual supervisory areas may vary from year to year.

As part of the FY26 Timber Sales Plan, the Department will offer for sale approximately 29,000 cedar poles, which exceeds the baseline of 20,000 poles required annually by Land Board policy. This is expected as the volume offered for sale has increased since the policy was adopted in 1986. These poles will be offered as part of the cedar sales program.

Additional cedar products and pulp volumes may be available for removal at the option of the sale purchaser or in accordance with Land Board policy.

The draft proposed FY26 Timber Sales Plan was posted for public review on the Department's public timber sale website on January 13, 2025, in accordance with the Land Board's public involvement policy. The Department received written public comments on the plan concerning the Almost Round Cedar Timber Sale. Due to the Land Board's governance structure on public comments for timber sales, this sale will be addressed under a separate agenda item.

Recommendation

Direct the Department to proceed with implementation of the FY26 Timber Sales Plan.

Board Action

Attachments

- 1. Proposed FY26 Timber Sales Plan
- 2. Support Letter

FISCAL YEAR 2026 PROPOSED TIMBER SALES PLAN





July 1, 2025 – June 30, 2026

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July 1, 2025 – June 30, 2026

Types of Sales

<u>Timber Sales</u> Timber sales contain an estimated volume of at least 1,000 MBF and exceed the net appraised stumpage value for salvage sales established by the state board of land commissioners. Timber sales are designed to produce maximum stumpage returns to the endowment funds consistent with prudent long-term management practices.

Timber sales are advertised for four weeks in a newspaper in the county where the sale is located, and are sold at public auction.

Direct Sales Direct Sale net appraised stumpage value does not exceed the maximum value established by the State Board of Land Commissioners. This type of sale is to be used to harvest isolated or by-passed parcels of timber of insufficient value and volume to justify a salvage sale. The direct sale is not used where two or more potential purchasers may be interested in bidding on the forest products offered for sale.

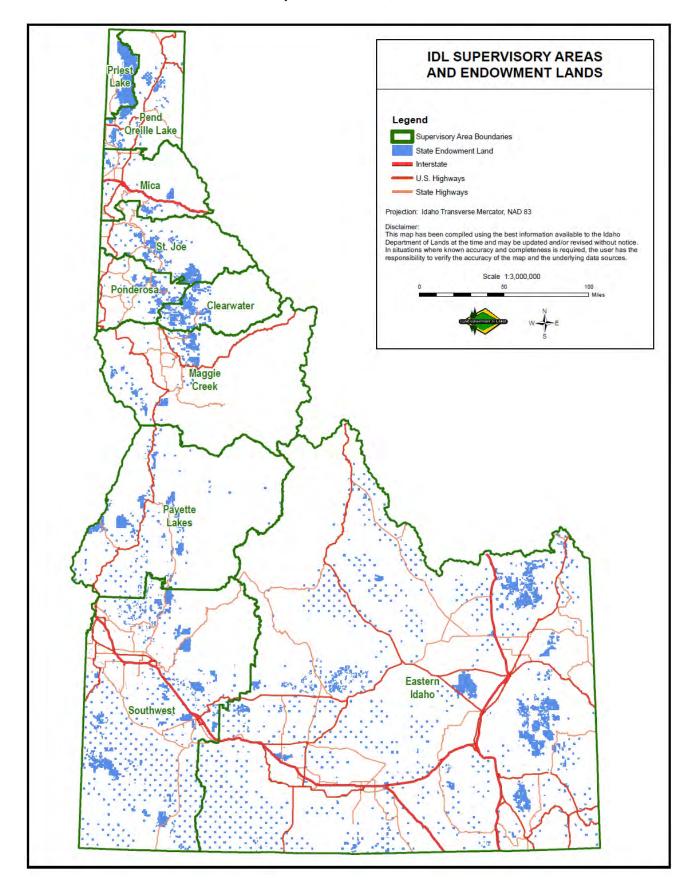
The direct sale of forest product stumpage is made without advertisement as authorized by the Director.

July 1, 2025 – June 30, 2026

Supervisory Area Offices

SUPERVISORY AREA	AREA SUPERVISOR	PHONE
Priest Lake 4053 Cavanaugh Bay Road Coolin, ID 83821	Dan Brown	(208) 443-2516
Pend Oreille Lake 2550 Highway 2 West Sandpoint, ID 83864	Erik Sjoquist	(208) 263-5104
Mica 3706 Industrial Avenue S Coeur d'Alene, ID 83815	Eric Valiquette	(208) 769-1577
St. Joe 1806 Main Avenue St. Maries, ID 83861	Tony Brede	(208) 245-4551
Ponderosa 3130 Highway 3 Deary, ID 83823	Chris Tretter	(208) 877-1121
Clearwater 10230 Highway 12 Orofino, ID 83544	Jay Sila	(208) 476-4587
Maggie Creek 913 Third Street Kamiah ID 83536	Dave Schwartz	(208) 935-2141
Payette Lakes 555 Deinhard Lane McCall, ID 83638	Scott Corkill	(208) 634-7125
Southwest/South Central 8355 W. State Street Boise, ID 83703	Dean Johnson	(208) 334-3488
Eastern Idaho 3563 Ririe Highway Idaho Falls, ID 83401	Ryan Woodland	(208) 525-7167

July 1, 2025 – June 30, 2026



July 1, 2025 – June 30, 2026

Administrative Rules and Purchaser Sale Requirements

Links to detailed information on the internet are provided below.

Administrative Rules of the Department of Lands

20.02.14 – Selling Forest Products on State-Owned Endowment Lands

For information regarding timber sale procedures, bidding procedures, bonding requirements and insurance requirements, click on the link below.

Purchaser Sale Requirements

Idaho Department of Lands Fiscal Year 2026 Proposed Timber Sale Plan

This Fiscal Year 2026 Proposed Timber Sale Plan will be presented to the Idaho Board of Land Commissioners at the April 2025 Land Board meeting for approval.

All timber sales listed on the 2026 Proposed Timber Sale Plan have been available for public review on the Notice of Proposed Future Sales on the IDL timber sale website since May 2024.

Comments regarding this proposed plan will be accepted until March 31, 2025. Send comments, preferably via email, to:

Jeremy Shawver Idaho Department of Lands Section Manager Timber Sales/Contract Admin Email address: jshawver@idl.idaho.gov 3284 W. Industrial Loop Coeur d'Alene, ID 83815



July 1, 2025 - June 30, 2026

Priest Lake Supervisory Area

Sale Name:

Lucky Logger

Estimated Auction: Summer 2025 Location: 19 Miles NE of Coolin Drainages: Lion Creek and Lucky Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Seedtree, Shelterwood Harvest System: Cable Yarding, Ground - Based

APPROXIMATE ACREAGE: VOLUME: 330 acres 3,000 MBF

Timber Sale Legal Description

Subsection	Section	Township	Range	_
Pts Gov Lots 5, Pts Gov Lots 5	06	062N	003W	_
Pts Gov Lots 5, Pts Gov Lots 5	06	062N	003W	
Pts Gov Lots 1, 2, 3, 4, Pts S2NE, Pts S2NW, Pts N2SE	01	062N	004W	
Pts Gov Lots 1, Pts SENE, Pts SENW, Pts E2SW, Pts SE	02	062N	004W	
Pts NWSE, Pts S2SE	36	063N	004W	

Sale Name:	APPROXIMATE	
Mow Caribou	ACREAGE:	VOLUME:
Estimated Auction: Summer 2025 Location: 20 Miles N. of Coolin	307 acres	3,000 MBF
Drainages: Caribou Creek Class I Streams: Yes		
Class II Streams: Yes		
Silvicultural Prescription: Overstory Removal, Seedtree, Shelterwood Harvest System: Ground - Based		

Subsection	Section	Township	Range
Pts Gov Lots 4	03	062N	004W
Pts Gov Lots 1, 2, Pts S2NE, Pts N2SE	04	062N	004W
Pts S2SW	22	063N	004W
Pts NESW, Pts S2SW	23	063N	004W
Pts NW	26	063N	004W
Pts W2NE, Pts NW, Pts SW, Pts W2SE	27	063N	004W
Pts N2NE, Pts NW, Pts N2SW, Pts SWSW	34	063N	004W

July 1, 2025 - June 30, 2026

Priest Lake Supervisory Area

Sale Name:

Northface

Estimated Auction: Winter 2026 Location: 5 Miles SE of Coolin Drainages: North Fork East River Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Cable Yarding, Ground - Based APPROXIMATE ACREAGE: VOLUME: 258 acres 4,500 MBF

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts SWSE	19	059N	003W
Pts NW, Pts E2SW, Pts W2SE	20	059N	003W
Pts N2NW	29	059N	003W
Pts Gov Lots 2, Pts N2NE, Pts NENW	30	059N	003W
Pts N2NE, Pts SENE, Pts SENW, Pts N2SE, SWNE	25	059N	004W
Pts N2NE, Pts SENE	36	059N	004W

Sale Name:	APPROXI	MATE
Old Horton Cedar	ACREAGE:	VOLUME:
Estimated Auction: Fall 2025 Location: 8 Miles NE of Coolin Drainages: Horton Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, Seedtree Harvest System: Cable Yarding, Ground - Based	618 acres	6,500 MBF 750 Poles

Subsection	Section	Township	Range
Pts Gov Lots 1, 2, 3, 4, Pts SWNW	01	060N	004W
Pts Gov Lots 1, Pts S2NE, Pts SENW, Pts N2SE	02	060N	004W
Pts Gov Lots 4, Pts SESW	30	061N	003W
Pts Gov Lots 1, 2, 3, 4, Pts Gov Lots 1, 2, 3, 4, Pts E2NW	31	061N	003W
Pts Gov Lots 1, 2, 3, 4, Pts Gov Lots 1, 2, 3, 4, Pts E2NW	31	061N	003W
Pts W2NE, Pts E2NW, Pts E2SW, Pts W2SE	25	061N	004W
Pts NE, Pts E2NW, Pts S2SW, Pts SE	36	061N	004W

July 1, 2025 - June 30, 2026

Priest Lake Supervisory Area

APPROXIMATE

VOLUME:

4,600 MBF

500 Poles

ACREAGE:

1,389 acres

Sale Name:

Outlet Mountain Dew

Estimated Auction: Spring 2026 Location: 3 Miles W. of Coolin and 5 Miles NE of Coolin Drainages: Priest River and Soldier Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Cable Yarding, Ground - Based

Timber Sale Legal Description

Timber Sale Legar Description			
Subsection	Section	Township	Range
Pts Gov Lots 3, 4, 5, 6, 7, Pts SESW, Pts SWSE, SWSW	05	059N	004W
Pts Gov Lots 14	06	059N	004W
Pts Gov Lots 11, 5, 8, 9, Pts NENE, Pts SWNE	07	059N	004W
Pts NW	08	059N	004W
Pts Gov Lots 5, 7, 8, Pts NENW	18	059N	004W
Pts Gov Lots 1	13	059N	005W
Pts SWSW	17	060N	003W
Pts Gov Lots 3, 4, Pts E2SW, Pts N2SE, Pts SESE, SWSE	18	060N	003W
NENE, Pts NWNE, Pts S2NE, Pts NENW, Pts E2SE	19	060N	003W
Pts W2NW, Pts NWSW, Pts S2SW	20	060N	003W
Pts NWNW, Pts SW	29	060N	003W
Pts Gov Lots 4, Pts Gov Lots 4, Pts NE, Pts E2SW, Pts SE	30	060N	003W
Pts Gov Lots 4, Pts Gov Lots 4, Pts NE, Pts E2SW, Pts SE	30	060N	003W
Pts Gov Lots 1, 2, Pts Gov Lots 1, 2, Pts N2NE, Pts NENW	31	060N	003W
Pts Gov Lots 1, 2, Pts Gov Lots 1, 2, Pts N2NE, Pts NENW	31	060N	003W
Pts SESE	25	060N	004W
Pts N2NE, Pts SENE	36	060N	004W
Sale Name:		PPROXIMATE	
Sundance Estimated Auction: Winter 2026	ACREAGE: 240 acres		VOLUME: 3,000 MBF
Location: 3 Miles E. of Coolin Drainage: Chace Creek and Loct Creek			

Location: 3 Miles E. of Coolin Drainages: Chase Creek and Lost Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Cable Yarding, Ground - Based

Subsection	Section	Township	Range	_
Pts SE	11	059N	004W	
Pts SWNE, Pts S2NW, Pts N2SW, Pts SESW, Pts NWSE, SWSW	12	059N	004W	
Pts N2NW	13	059N	004W	
Pts NENE	14	059N	004W	

July 1, 2025 - June 30, 2026

Priest Lake Supervisory Area

Sale Name:

Two Goose Cedar

Estimated Auction: Fall 2025 Location: 15 miles north of Coolin Drainages: Priest Lake Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Cable Yarding, Ground - Based APPROXIMATE ACREAGE: VOLUME: 150 acres 3,400 MBF 750 Poles

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts Gov Lots 2	02	061N	004W
Pts SWSE	26	062N	004W
Pts NWNE, Pts S2NE, Pts E2SE, W2SE	35	062N	004W

Supervisory Area Totals: Priest Lake

Supervisory Area Acres:	3,292 acres
Supervisory Area Total Sawlog:	28,000 MBF
Supervisory Area Total Cedar Poles:	2,000 Cedar Poles

July 1, 2025 - June 30, 2026

Pend Oreille Lake Supervisory Area			
Sale Name: Almost Round Cedar Estimated Auction: Summer 2025 Location: 5 miles southwest of Sandpoint, ID Drainages: Pend O'reile and Round Lake drainages Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, Seedtree	A ACREAGE: 263 acres	PPROXIMATE	VOLUME: 5,915 MBF 200 Poles
Harvest System: Ground - Based, Ground - Based (Tethered, Prescriptive Yarding			
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts Gov Lots 3, Pts NW, Pts NESW, Pts S2SW, Pts SE	36	056N	003W
Pts Gov Lots 5, 6, Pts SW, Pts S2SE	36	057N	003W
Sale Name:	А	PPROXIMATE	
Caesar Ton Estimated Auction: Summer 2025 Location: 7 miles west of Naples, ID Drainages: Roman Nose Creek and Fall Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW Harvest System: Ground - Based	ACREAGE: 161 acres		VOLUME: 4,945 MBF
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts. SE; Pts. S2NE	35	61N	02W
Pts. W2SW; Pts. SESW; Pts. SWSE	36	61N	02W
Sale Name: Headwaters Cedar Estimated Auction: Summer 2025 Location: 5 miles southeast of Naples, ID Drainages: Twentymile and Trail Creek Drainages Class I Streams: No Class II Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW Harvest System: Cable Yarding, Ground - Based, Prescriptive Yarding	Al ACREAGE: 237 acres	PPROXIMATE	VOLUME: 3,545 MBF 700 Poles
Timber Sale Legal Description Subsection	Section	Township	Range
Pts N2NE, Pts N2NW, Pts S2SW, Pts SWSE, S2NE, S2NW, N2SW, N2SE, SESE	13	060N	001E
Pts N2NE, Pts SWNE, Pts SENW, SENE	14	060N	001E

July 1, 2025 - June 30, 2026

Pend Oreille Lake Supervisory Area			
Sale Name: Lost Cougar Estimated Auction: Spring 2026 Location: 13 miles northeast of Priest River, ID Drainages: Fox Creek/N.F. Big Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Prescriptive Yarding	A ACREAGE: 90 acres	PPROXIMATE	VOLUME: 2,690 MBF
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts Gov Lots 4	04	057N	003W
Pts Gov Lots 1, 2, 3, 6, 7	05	057N	003W
Sale Name: Macs Drive Thru Estimated Auction: Winter 2026 Location: 5 miles southeast of Priest River, ID Drainages: Curtis Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Overstory Removal, Seedtree Harvest System: Ground - Based, Prescriptive Yarding	AI ACREAGE: 286 acres	PPROXIMATE	VOLUME: 4,965 MBF
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts SESE	20	055N	005W

21

22

27

28

055N

055N

055N

055N

005W

005W

005W

005W

Pts S2SW, Pts NESE, Pts SWSE
Pts NWSW
Pts W2NW, Pts NWSW
NENW, Pts NE, Pts NWNW, Pts S2NW, Pts NESW, Pts NESE

July 1, 2025 - June 30, 2026

July 1, 2025 Julie 30, 2020			
Pend Oreille Lake Supervisory Area			
Sale Name: Newport Ridge Cedar Estimated Auction: Winter 2026 Location: 4 miles northwest of Priest River, ID Drainages: Pine Creek, Saddler Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Seedtree Harvest System: Prescriptive Yarding	A ACREAGE: 215 acres	PPROXIMATE	VOLUME: 3,320 MBF 200 Poles
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts SWSW Gov Lots 1, Pts Gov Lots 2, 3, 4, Pts S2NE, Pts S2NW, Pts NESW, Pts SESE Pts N2NE Pts N2NW	04 05 08 09	056N 056N 056N 056N	005W 005W 005W 005W
Sale Name: Riley Cedar Estimated Auction: Summer 2025 Location: 5 miles north of Laclede, ID Drainages: Riley Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Seedtree Harvest System: Ground - Based	A ACREAGE: 175 acres	PPROXIMATE	VOLUME: 3,340 MBF 2,000 Poles
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts NWNW, Pts S2NW, Pts E2SW, Pts SWSE, W2SW	36	057N	004W
Sale Name: Smith West OSR Estimated Auction: Fall 2025 Location: 5 miles north of Bonners Ferry, ID Drainages: Smith Lake Class I Streams: No Class II Streams: No Silvicultural Prescription: Overstory Removal Harvest System: Ground - Based	A ACREAGE: 99 acres	PPROXIMATE	VOLUME: 355 MBF
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts E2NW, Pts NESW, Pts W2SE	36	063N	001E

July 1, 2025 - June 30, 2026

Pend Oreille Lake Supervisory Area

Sale Name:

Strong 15

Estimated Auction: Summer 2025 Location: 4 miles south of Priest River, ID Drainages: Strong Creek, Fish Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Seedtree Harvest System: Ground - Based, Prescriptive Yarding

Timber Sale Legal Description

Subsection	Section	Township	Range	_
Pts SENE, Pts E2SE	10	055N	005W	
Pts SWNW, Pts SW	11	055N	005W	
Pts NWNW	14	055N	005W	
Pts NENE, Pts NESW, Pts SE	15	055N	005W	

Sale Name:	APPROXIMATE	
Upper Lakes Cedar	ACREAGE: 254 acres	VOLUME: 3,360 MBF
Estimated Auction: Winter 2026 Location: 3 miles northeast of Elmira	204 dules	1,200 Poles
Drainages: Sand Creek		
Class I Streams: Yes		

Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Overstory Removal, Seedtree Harvest System: Ground - Based, Prescriptive Yarding

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts Gov Lots 3, 4, Pts Gov Lots 3, 4, Pts SENW	06	059N	001E
Pts Gov Lots 1, 2, 3, 4, Pts SESW	31	060N	001E
Pts SESE	25	060N	001W
Pts NENE, Pts S2NE, Pts SE	36	060N	001W

Supervisory Area Totals: Pend Oreille Lake

Supervisory Area Acres:	1,931 acres
Supervisory Area Total Sawlog:	36,420 MBF
Supervisory Area Total Cedar Poles:	4,300 Cedar Poles

APPROXIMATE ACREAGE: VC 150 acres 3,9

VOLUME: 3,985 MBF

July 1, 2025 - June 30, 2026

Mica Supervisory Area

Sale Name: Bald Larch

Estimated Auction: Spring 2026 Location: 4 Miles SW Cataldo Drainages: Baldy Creek, Larch Creek, Little Baldy Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, Overstory Removal Harvest System: Ground - Based, Prescriptive Yarding 854 acres

ACREAGE:

APPROXIMATE VOLUME: 6,200 MBF

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts NENW, NWNW, Pts S2NW, Pts NWSW	20	48N	01E
SW, S2SEC	29	48N	01E
Pts W2SE, SESE	30	48N	01E
SESE	23	48N	01W
Pts Gov Lots 2, 3 and 4, Pts SWNE, SENW, Pts NESW, S2SW, Pts W2SE	24	48N	01W
Pts N2NE, Pts N2NW, Pts SENE	25	48N	01W
Sale Name:	A	PPROXIMATE	
Signal Hauser Scraps	ACREAGE:		VOLUME:
Estimated Auction: Spring 2026 Location: 9 miles W Coeur d'Alene	487 acres		6,030 MBF

Location: 9 miles W Coeur d'Alene Drainages: Mica Creek, Spokane River Class I Streams: Unk Class II Streams: Yes Silvicultural Prescription: Clearcut, Seedtree Harvest System: Ground - Based, Prescriptive Yarding

Subsection	Section	Township	Range
E2NE, Pts SE, Pts W2NE, Pts SENW, Pts E2SW,	16	49N	05W
Pts N2NE, Pts SWNE, Pts N2NW, Pts SENW, Pts NESW, Pts S2SW, Pts SE	16	50N	05W
Pts Gov Lots 1, 2, 3, 4	31	52N	05W
Pts Gov Lots 1, 2, 3, Pts NE, Pts SENW, Pts E2SW, Pts E2SE, W2SE	36	52N	06W

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Mica Supervisory Area

Sale Name:

Upper Thomas

Estimated Auction: Fall 2025 Location: 5 miles NE Pinehurst Drainages: Thomas Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Shelterwood Harvest System: Ground - Based, Prescriptive Yarding

APPROXIMATE	
ACREAGE:	VOLUME:
273 acres	5,805 MBF

Timber Sale Legal Descrip	otion
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Subsection	Section	Township	Range
Pts. E2SW, Pts SE	11	49N	02E
Pts. SWSW	12	49N	02E
Pts. W2NW	13	49N	02E
Pts. N2	14	49N	02E

Supervisory Area Totals: Mica

Supervisory Area Acres: 1,614 acres Supervisory Area Total Sawlog: 18,035 MBF

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St. Joe Supervisory Area

Sale Name:

Boehls Bottom

APPROXIMATE ACREAGE: VOLUME: 459 acres 9,400 MBF

Estimated Auction: Fall 2025 Location: 22.25 air miles southeast of Clarkia Drainages: North Fork Clearwater Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Group Selection, Overstory Removal Harvest System: Cable Yarding, Ground - Based

Timber Sale Legal Description

Subsection	Section	Township	Range
Pt E2NE	25	41N	04E
Pt NWSE, Pt S2SE	20	41N	05E
Pt S2SE	21	41N	05E
Pt W2NE, Pt NW	27	41N	05E
Pt NE, Pt E2NE, Pt NESW	28	41N	05E
Pt NENE, Pt E2NW, Pt SENW, Pt NWSW	29	41N	05E
Pt GOV 1-3, Pt NE, Pt E2NW, Pt NESW	30	41N	05E
Pt SWNE, Pt SENW, Pt E2SW, Pt NWSE	31	41N	05E

Sale Name:	APPROX	IMATE
Builda Burma	ACREAGE:	VOLUME:
Estimated Auction: Winter 2026	158 acres	6,395 MBF
Location: 11.5 Miles North East Of Elk River Idaho		
Drainages: Long Creek		
Class I Streams: No		
Class II Streams: Yes		
Silvicultural Prescription: Clearcut		
Harvest System: Ground - Based, Ground - Based (Tethered)		

Subsection	Section	Township	Range	_
Pts. E2SW, Pts. W2SE	28	41N	04E	
Pts. Gov Lot 1, Pts. W2NE, Pts. SENE, Pts. SENW, Pts. NESW, Pts. N2SE	33	41N	04E	
Pts. Gov Lot 4, Pts. NWSW	34	41N	04E	

July 1, 2025 - June 30, 2026

St. Joe Supervisory Area

APPROXIMATE

VOLUME: 9,235 MBF

1,600 Poles

ACREAGE:

323 acres

Sale Name: Cedar Tree House Estimated Auction: Fall 2025

Estimated Auction: Pail 2025 Location: 16 miles E Clarkia, Idaho Drainages: Floodwood Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, Overstory Removal, Shelterwood Harvest System: Cable Yarding, Ground - Based

Subsection	Section	Township	Range
Pts SWNE, Pts SENW, Pts NESW, Pts SE	8	41N	04E
Pts S2NW, Pts SW	9	41N	04E
Pts NE, Pts SE	14	42N	04E
Pts SENE, Pts NESE	21	42N	04E
Pts N2NE, Pts SWNE, Pts S2NW, Pts N2SW, Pts NWSE	22	42N	04E
Pts NWNE	23	42N	04E
Sale Name:	AI ACREAGE:	PPROXIMATE	VOLUME:
Divided Cedar Estimated Auction: Winter 2026 Location: 16 Miles SE of Clarkia Idaho Drainages: Stanton Creek Class I Streams: No Class II Streams: No Silvicultural Prescription: Clearcut Harvest System: Ground - Based	140 acres		4,150 MBF 0 Poles

Timber Sale Legal Description	Timber	Sale	Legal	Descri	otior
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Subsection	Section	Township	Range
Pts. E2SW, Pts. SE	10	41N	04E
Pts. NE, Pts. NENW	15	41N	04E

July 1, 2025 - June 30, 2026

St. Joe Supervisory Area

Sale Name:

Found It 40

Estimated Auction: Spring 2026 Location: 16 miles E Clarkia, Idaho Drainages: Floodwood-Cedar Creeks Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, Shelterwood Harvest System: Cable Yarding, Ground - Based APPROXIMATE ACREAGE: VOLUME: 316 acres 8,798 MBF

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts. W2SW	12	42N	04E
Pts. SENE	2	42N	04E
Pts. S2NE, N2SE	27	42N	04E
Pts. SWNW, NWSW	26	42N	05E
Pts. Gov Lots 2-4, S2NE, S2NW, SW, N2SE	1	42N	5E

Sale Name:		APPROXIMATE
Lower Pierce	ACREAGE	
Estimated Auction: Spring 2026 Location: 2 Miles SE Fernwood, Idaho Drainages: Adams Cr., Pierce Cr. Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, Seedtree Harvest System: Cable Yarding, Ground - Based	329 acre	s 10,855 MBF

Subsection	Section	Township	Range
Pts. GovLot7	32	43N	01E
Pts. S1/2SW, Pts. NESW	33	43N	01E
Pts. SENW, Pts. SW	34	43N	01E
Pts. SWNW, Pts. NWSW, Pts. GovLot4, Pts. SWNW, Pts. NWSW	4	43N	01E
Pts. E1/2SE, Pts. GovLot1, Pts. SENE	5	44N	01E

July 1, 2025 - June 30, 2026

St. Joe			
Supervisory Area			
Sale Name:	A ACREAGE:	PPROXIMATE	VOLUME:
No Idea Estimated Auction: Summer 2025 Location: 5 miles S. St. Maries, Idaho Drainages: Syringa Creek	262 acres		7,625 MBF
Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Ground - Based			
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts. N2	27	45N	02W
Pts. GL 3, Pts. GL 4, Pts. W2SW	30	45N	02W
Pts. NESW, Pts. N2SW	24	46N	03W
Sale Name:	Δ	PPROXIMATE	
Palantir Cedar	ACREAGE:		VOLUME:
Estimated Auction: Spring 2026 Location: 4 Miles SW Emida, Idaho Drainages: Willow Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Ground - Based	138 acres		5,082 MBF 0 Poles
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts. SE	12	43N	03W
Pts. W2NE, Pts. W2SE, Pts. E2SW, Pts. SWSW,Pts. E2NW	13	43N	03W
Sale Name:	А	PPROXIMATE	
St. Joe Overlook	ACREAGE: 299 acres		VOLUME: 7,875 MBF
Estimated Auction: Summer 2025 Location: 4 miles NW Calder, Idaho Drainages: St. Joe River Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Seedtree Harvest System: Cable Yarding, Ground - Based	299 dues		7,073 HDI
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts. GL 1, Pts. NWNE, Pts. S2NE, Pts. E2NW, Pts. SW, Pts N2SE, Pts. SWSE	36	46N	01E

July 1, 2025 - June 30, 2026

St. Joe Supervisory Area

Sale Name:	А	PPROXIMATE		
Summer Harvest	ACREAGE:		VOLUME:	
Estimated Auction: Winter 2026 Location: 6 miles SW of Fernwwod, Idaho Drainages: Tyson Creek, Little Carpenter Creek, Emerald Creek, St. Maries River Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, Overstory Removal, ROW, Seedtree, Shelterwood Harvest System: Cable Yarding, Cable Yarding (Tethered), Ground - Based, Shovel Logging	620 acres	1	1,095 MBF	
Timber Sale Legal Description				
Cubaatian	Castian	Taxua ala ira	Deve	

Subsection	Section	Township	Range
Pts Gov Lots 3, 4, Pts S2NW, Pts. NESW	1	43N	01W
Pts N2NE, Pts SWNE, Pts N2NW, Pts SENW	10	43N	01W
Pts Gov Lot 1, Pts SENE	2	43N	01W
Pts SENE	2	43N	01W
Pts NENE, Pts S2NE, Pts W2NW, Pts SW, Pts N2SE, Pts SESE	25	43N	01W
Pts E2NE, Pts NESE	26	43N	01W
Pts SESE	36	43N	01W
Pts E2SW, Pts SESE	4	43N	01W
Pts SENE, Pts N2SE	8	43N	01W
Pts SENE, Pts N2SE	8	43N	01W
Pts NWNE, Pts NW, Pts NWSW	9	43N	01W

Supervisory Area Totals: St. Joe

Supervisory Area Acres: 3,044 acres Supervisory Area Total Sawlog: 80,510 MBF Supervisory Area Total Cedar Poles: 1,600 Cedar Poles

July 1, 2025 - June 30, 2026

	July 1, 2023 Julie 30, 2020			
	Clearwater Supervisory Area			
Sale Name: Benton Corner Cedar Salvage Estimated Auction: Summer 2025 Location: 16 miles north of Headquarters, ID Drainages: Dworshak, N Fk Clearwater Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW Harvest System: Cable Yarding, Tractor Skidding		A ACREAGE: 103 acres	PPROXIMATE	VOLUME: 2,230 MBF 600 Poles
	Timber Sale Legal Description			
Subsection		Section	Township	Range
Pts Gov Lots 3, 4, Pts S2NW Pts S2SESW Pts S2NE, Pts SENW, Pts NESE		04 33 35	040N 041N 041N	005E 005E 005E
Sale Name: Bonner Jams Estimated Auction: Summer 2025 Location: 13 miles northeast of Headquarters, ID Drainages: Bonner Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Cable Yarding		A ACREAGE: 123 acres	PPROXIMATE	VOLUME: 5,635 MBF
	Timber Sale Legal Description			
Subsection		Section	Township	Range
Pts N2NE, Pts NW		36	040N	006E
Sale Name: Canal Creek Estimated Auction: Winter 2026 Location: 1 mile east of Pierce Drainages: Canal Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Seedtree Harvest System: Prescriptive Yarding		A ACREAGE: 193 acres	PPROXIMATE	VOLUME: 5,750 MBF
	Timber Sale Legal Description			
Subsection		Section	Township	Range
Pts. N2, Pts. NESE, Pts. E2W2SE		36	37N	5E

July 1, 2025 - June 30, 2026

Cleary Supervise				
Sale Name: Casey Cedar Estimated Auction: Spring 2026 Location: 3 miles NW of Headquarters Drainages: Casey Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Seedtree Harvest System: Prescriptive Yarding		A ACREAGE: 207 acres	PPROXIMATE	VOLUME: 7,410 MBF 5,900 Poles
Timber Sale Le	gal Description			
Subsection		Section	Township	Range
Pts Gov Lots 1, 2		01	038N	004E
Gov Lots 3, Pts Gov Lots 2, 4, 5, Pts SWNE, Pts SENW		06	038N	005E
Pts Gov Lots 4, Pts SESW, Pts SWSE		31	039N	005E
Sale Name: East Town Cedar		A ACREAGE:	PPROXIMATE	VOLUME:
East Town Cedar Estimated Auction: Fall 2025 Location: 11 miles NW of Headquarters ID Drainages: Elkberry Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Cable Yarding, Tractor Skidding		180 acres		5,805 MBF 4,000 Poles
Timber Sale Le	gal Description			
Subsection		Section	Township	Range
Pts NE, Pts NENW, Pts. NESW, PTS SE		36	40N	4E

July 1, 2025 - June 30, 2026

Clearwater Supervisory Area

Sale Name: Johnny Slide OSR

Estimated Auction: Spring 2026 Location: 7 miles northwest to Headquarters Drainages: Slide Cr. Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Overstory Removal Harvest System: Cable Yarding, Ground - Based APPROXIMATE ACREAGE: VOLUME: 700 acres 7,715 MBF

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts SWSW	15	039N	004E
Pts SESE	16	039N	004E
Pts SWNE, Pts NESWNW, Pts. S2SWNW, Pts. SENW, Pts E2SW, Pts W2SE, W2SW	17	039N	004E
Pts E2NESE, Pts. SESE	18	039N	004E
Pts E2NE, Pts E2SE	19	039N	004E
N2NW, Pts W2NE, Pts S2NW, Pts NWSW	20	039N	004E
Pts E2NE, Pts E2SE	21	039N	004E
Pts W2NW	22	039N	004E
Pts W2NW, Pts SW, Pts N2SE, Pts SWSE	28	039N	004E
Pts E2NE, Pts E2SW, Pts N2SE, Pts SWSE	33	039N	004E

Lower Rainy ACREAGE: VOLUME	ale Name:	APPROXIMATE	<u>:</u>
Lower runny	ower Rainy	ACREAGE:	VOLUME:
Estimated Auction: Winter 2026 Location: 14 Miles East of Orofino, ID Drainages: Rainy Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW Harvest System: Cable Yarding, Ground - Based	ocation: 14 Miles East of Orofino, ID rainages: Rainy Creek ass I Streams: Yes ass II Streams: Yes Ivicultural Prescription: Clearcut, ROW	133 acres	3,360 MBF

 Timber Sale Legal Description

 Subsection
 Section
 Township
 Range

 Pts NENE, Pts S2NE, Pts NESE
 33
 037N
 004E

 Pts NWNW, Pts S2NW, Pts N2SW
 34
 037N
 004E

July 1, 2025 - June 30, 2026

Clearwater Supervisory Area				
Sale Name: North Petri Cedar Estimated Auction: Fall 2025 Location: 7 miles nw of Headquarters Drainages: Evans Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Cable Yarding, Ground - Based		A ACREAGE: 95 acres	PPROXIMATE	VOLUME: 4,010 MBF 1,800 Poles
	Timber Sale Legal Description			
Subsection		Section	Township	Range
Pts. SESE		21	39N	4E
Pts. NWSW		27	39N	4E
Pts. NE, Pts. NESE		28	39N	4E
Sale Name: Upper Hodson Estimated Auction: Spring 2026 Location: 12 miles NE from Orofino Drainages: Hodson Creek Class I Streams: No Class II Streams: Yes Site for the performance Conductor		A ACREAGE: 150 acres	PPROXIMATE	Volume: 4,865 mbf
Silvicultural Prescription: Seedtree Harvest System: Cable Yarding, Ground - Based	Timber Sale Legal Description			
Cubaatian		a		-

Subsection	Section	Township	Range	
Pts SWNW, Pts NWSW	02	037N	003E	_
Pts Gov Lots 2, 3, Pts S2NE, Pts SENW, Pts E2SW, Pts N2SE, Pts SWSE	03	037N	003E	

July 1, 2025 - June 30, 2026

Clearwater **Supervisory Area** Sale Name: APPROXIMATE Winter Road Cedar ACREAGE: VOLUME: 8,075 MBF 236 acres Estimated Auction: Fall 2025 2,645 Poles Location: 16.5 miles east of Orofino Drainages: Winter Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Seedtree Harvest System: Prescriptive Yarding, Tractor Skidding Timber Sale Legal Description Subsection Section Township Range Pts. E2SW, Pts. SE 11 36N 4E Pts. N2NE, Pts. SWNE, Pts. SWSW, Pts. E2SW, Pts. W2SE 14 4E 36N Supervisory Area Totals: Clearwater Supervisory Area Acres: 2,120 acres Supervisory Area Total Sawlog: 54,855 MBF Supervisory Area Total Cedar Poles: 14,945 Cedar Poles

July 1, 2025 - June 30, 2026

Ponderosa **Supervisory Area** Sale Name: APPROXIMATE VOLUME: ACREAGE: **Aldridge Cedar** 7,170 MBF 163 acres Estimated Auction: Summer 2025 3,180 Poles Location: 11 miles northeast of Southwick, ID Drainages: Long Meadow Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW Harvest System: Ground - Based Timber Sale Legal Description Subsection Section Township Range Pt. SESW; Pt. S2SE 26 39N 01E Pt.NE; Pt. NENW; Pt. NESE 35 39N 01E Pt. NW; Pt. NWSW 36 39N 01E Sale Name: APPROXIMATE ACREAGE: VOLUME: **Cherry Return** 7,785 MBF 179 acres Estimated Auction: Winter 2026 Location: 3 miles northeast of Deary, ID Drainages: Corral Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW, Shelterwood Harvest System: Cable Yarding, Ground - Based

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July 1, 2025 - June 30, 2026

Ponderosa Supervisory Area

Sale Name:APPROXIMATEDreadnaughtACREAGE:
387 acresVOLUME:
8,900 MBFEstimated Auction: Summer 2025
Location: 2 miles northwest and 2 miles southeast of Elk River, ID
Drainages: Shattuck Creek, West Fork Lindley Creek, Elk Creek
Class I Streams: Yes
Class II Streams: Yes
Silvicultural Prescription: Clearcut, Overstory Removal
Harvest System: Prescriptive YardingVOLUME:
Note that the stream is th

Subsection	Section	Township	Range
Pt Gov Lot 3 & 4, Pt SWNW, Pt SENW	1	39N	02E
Pt SENE	2	39N	02E
Pt SENE, Pt NESE	20	40N	02E
Pt S2NW, Pt N2SW	21	40N	02E
Pt W2NW, Pt SENW	28	40N	02E
Pt E2, Pt SW	36	40N	02E

Sale Name:	APPROXIM	
Jacked Up Cedar	ACREAGE:	VOLUME:
Estimated Auction: Spring 2026 Location: 3 miles east of Bovill, ID Drainages: East Fork Potlatch River, Jackson Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, Overstory Removal, ROW Harvest System: Cable Yarding, Ground - Based, Prescriptive Yarding	191 acres	5,670 MBF 2,510 Poles

Subsection	Section	Township	Range	_
Pt Gov Lot 3 & 4, Pt SWNW, Pt NWSW	3	40N	01E	
Pt Gov Lot 1-4, Pt S2N2, Pt NESE	4	40N	01E	
Pt Gov Lot 1, Pt SENE	5	40N	01E	

July 1, 2025 - June 30, 2026

Sale Name: Pig Lip	ACREAGE:	PPROXIMATE	VOLUME:
Estimated Auction: Winter 2026 Location: 1 mile north of Helmer, ID Drainages: Hog Meadow Creek, Corral Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Ground - Based	133 acres		2,735 MBF
Timber Sale Legal Description	1		
Subsection	Section	Township	Range
Pt W2NE, Pt N2NW, Pt NESW, Pt S2SW, Pt W2SE	09	41N	01W
Pt N2NW	16	41N	01W
Sale Name:	A ACREAGE:	APPROXIMATE	
Super Spur Estimated Auction: Fall 2025 Location: 11.5 miles northeast of Southwick, ID Drainages: Long Meadow Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW, Seedtree Harvest System: Prescriptive Yarding	332 acres		VOLUME: 7,340 MBF
Timber Sale Legal Description	ı		
Subsection	Section	Township	Range
Pts. SW	29,	39N	02E
Pt. S2NE; Pt. SENW; Pt. NESW; Pt. N2SE; Pt. SESE	30	39N	02E
Pt. NENE	31	39N	02E
Pt. NW	32	39N	02E

Supervisory Area Total Cedar Poles: 5,690 Cedar Poles

July 1, 2025 - June 30, 2026

Maggie Creek Supervisory Area Sale Name: APPROXIMATE ACREAGE: Jeckyl & Hyde Cedar VOLUME: 4,642 MBF 253 acres Estimated Auction: Fall 2025 0 Poles Location: 7 miles SE of Weippe Drainages: Lolo Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW Harvest System: Cable Yarding, Ground - Based Timber Sale Legal Description Subsection Section Township Range Pts. W2SW 16 34 N 05 E Pts. N2 17 34 N 05 E Pts. SE Pts. S2SE 8 34 N 05 E Sale Name: APPROXIMATE VOLUME: ACREAGE: **Maggies Back** 192 acres 6,332 MBF Estimated Auction: Summer 2025 Location: 11 miles NE of Kooskia Drainages: Yakus Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Cable Yarding, Ground - Based Timber Sale Legal Description Subsection Section Township Range

Pts. SENE	11	T33N	R05E
Pts. N2, Pts. NWSW, Pts. N2SE, Pts. SESE	12	T33N	R5E

July 1, 2025 - June 30, 2026

Maggie Creek Supervisory Area

Sale Name:

Piersons Hammer

Estimated Auction: Spring 2026 Location: 5 miles E of Weippe Drainages: Pierson Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW Harvest System: Ground - Based APPROXIMATE ACREAGE: VOLUME: 545 acres 14,450 MBF

Timber Sale Legal Description

Subsection	Section	Township	Range	
Pts.	10	35N	5E	
Pts. NE, Pts. NWNW, Pts. SENW, Pts. NESW, Pts. NWSE	15	35N	5E	
Pts. N2NE, Pts. NENW	16	35N	5E	
Pts. SW, Pts. S2SE	3	35N	5E	
Pts. E2SE	4	35N	5E	
Pts. NENE, Pts. S2NE, Pts. SESW, Pts. SE	9	35N	5E	

Sale Name:	APPROXIMATE			
Puma Playground Cedar	ACREAGE:	VOLUME:		
Estimated Auction: Winter 2026 Location: 11 miles SE of Weippe, Idaho Drainages: Trout Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Cable Yarding, Ground - Based	238 acres	4,360 MBF 10 Poles		

Subsection	Section	Township	Range	_
Pts. NW, Pts. SW, Pts. NWSE, Pts. NESE, Pts. NE	13	34N	05E	
Pts. NESE	14	34N	05E	

July 1, 2025 - June 30, 2026

Maggie Creek Supervisory Area			
Sale Name: Rocky Maggie Cedar Estimated Auction: Fall 2025 Location: 8 miles NE of kooskia Drainages: North Fork Maggie Creek Class I Streams: Yes Class II Streams: Unk Silvicultural Prescription: Clearcut Harvest System: Cable Yarding	A ACREAGE: 45 acres	PPROXIMATE	VOLUME: 500 MBF 0 Poles
Timber Sale Legal Description			
Subsection	Section	Township	Range
Pts N2NW, Pts. SWNW	15	33N	5E
SENE	16	33N	5E
Supervisory Area Totals: Maggie Creek Supervisory Area Acres: 1,273 acres Supervisory Area Total Sawlog: 30,284 MBF Supervisory Area Total Cedar Poles: 10 Cedar Poles			

July 1, 2025 - June 30, 2026

Payette Lakes Supervisory Area

Sale Name:

Donner Ton

Estimated Auction: Summer 2025 Location: 3 miles N of Cascade, ID Drainages: Cascade Reservoir Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW, Seedtree Harvest System: Ground - Based APPROXIMATE ACREAGE: VOLUME: 691 acres 9,170 MBF

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts. E2SE	1	14N	03E
Pts. E2SE	11	14N	03E
Pts. NE, Pts. S2NW, Pts. SW, Pts. N2SE, Pts. SWSE	12	14N	03E
Pts. NWNE, Pts. N2NW. Pts. SWNW	13	14N	03E
Pts. SENE	14	14N	03E

Sale Name:	APPROXIMATE		
Elf Racer Ton	ACREAGE:	VOLUME:	
Estimated Auction: Spring 2026 Location: 7 miles NW of Riggins, ID	224 acres	1,865 MBF	
Drainages: Elfers Creek			

Drainages: Elfers Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Overstory Removal Harvest System: Ground - Based

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts. W2NE, Pts. N2NW, Pts. SWNW, Pts. W2SW, Pts. SESW	16	25N	01E
Sale Name: Horsing Around Ton	ACREAGE:	PPROXIMATE	VOLUME:
Estimated Auction: Winter 2026 Location: 5 miles NW of Council, ID Drainages: Pole Creek, Hanson Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Overstory Removal, ROW, Seedtree Harvest System: Ground - Based	528 acres		3,575 MBF
Timber Sale Legal Description			

Subsection	Section	Township	Range	_
Pts. Lots 3&4, Pts. Lots 6&7 Pts. SWNE, Pts. S2NW, Pts. N2SW, Pts. SESW, Pts. W2SE	26	17N	02W	
Pts. Lots 1&2, Pts. S2NE, Pts. SENW, Pts. NESW, Pts. W2SE	27	17N	02W	
Pts. SWNE, Pts. W2, Pts. W2SE, Pts. SESE	36	17N	02W	

July 1, 2025 - June 30, 2026

Payette Lakes Supervisory Area Sale Name: APPROXIMATE VOLUME: **Lost Line Ton** ACREAGE: 574 acres 4,090 MBF Estimated Auction: Winter 2026 Location: 8 miles W of New Meadows, ID Drainages: Weiser River Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Overstory Removal Harvest System: Cable Yarding, Ground - Based Timber Sale Legal Description Subsection Section Township Range Pts. W2 10 19N 01W Pts. NW 15 19N 01W Pts. N2, Pts. NESW., Pts. NWSE 16 19N 01W Sale Name: APPROXIMATE VOLUME: ACREAGE: **Olive Basin Ton** 455 acres 2,695 MBF Estimated Auction: Fall 2025 Location: 12 miles NW of Council, ID Drainages: Olive Creek, Fir Creek, Dry Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut, Overstory Removal, ROW, Seedtree Harvest System: Cable Yarding, Ground - Based **Timber Sale Legal Description**

Subsection	Section	Township	Range	
Pts. W2NE, Pts. SENE, Pts. E2NW, Pts. NESW, Pts. N2SE, Pts. SWSE	18	17N	02W	
Pts. Lot 1, Pts. W2NE, Pts. E2NW	19	17N	02W	
Pts. E2	13	17N	03W	
Pts. N2NE, Pts. SENE, Pts. NESW, Pts. S2SW, Pts. SE	24	17N	03W	
Pts. NWNE, Pts. NW	25	17N	03W	

July 1, 2025 - June 30, 2026

Sale Name: Stover Ton Estimated Auction: Spring 2026 Location: 4 miles NE of Donnelly, ID Drainages: Stover Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Seedtree Harvest System: Tractor Skidding	Supervisory Area	A ACREAGE: 54 acres	PPROXIMATE	VOLUME: 685 MBF
	Timber Sale Legal Description			
Subsection		Section	Township	Range
Pts. E2NE		36	17N	03E
upervisory Area Tota	ls: Payette Lakes			
	Supervisory Area Acres: 2,526 acres /isory Area Total Sawlog: 22,080 MBF			

July 1, 2025 - June 30, 2026

Southwest Supervisory Area Sale Name: APPROXIMATE VOLUME: **Elk Wolf** ACREAGE: 780 acres 5,775 MBF Estimated Auction: Spring 2026 Location: 5 miles north of Idaho City Drainages: Elk Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: ROW, Shelterwood Harvest System: Ground - Based Timber Sale Legal Description Subsection Section Township Range Pts Gov Lots 2, 3, 4, Pts SWNW, Pts W2SW 01 006N 005E Gov Lots 1, Pts Gov Lots 2, Pts SWNE, Pts E2SE, SENE 02 006N 005E N2NE, SWNE, NW, SW, NWSE, Pts SENE, Pts NESE, Pts S2SE 36 007N 005E Sale Name: APPROXIMATE ACREAGE: VOLUME: **Hidden Howell** 320 acres 4,370 MBF Estimated Auction: Fall 2025 Location: 6 miles NE of Banks, Id Drainages: Howell Creek Class I Streams: No Class II Streams: Yes Silvicultural Prescription: Clearcut Harvest System: Ground - Based **Timber Sale Legal Description** ...:

Subsection	Section	Township	Range
Pts SESE	22	010N	003E
Pts SE	23	010N	003E
Pts N2NE, Pts SWNE, Pts SENW, Pts SW, Pts W2SE	26	010N	003E
Pts NE, Pts SESW, Pts SE	27	010N	003E
Pts NENE	34	010N	003E

July 1, 2025 - June 30, 2026

Southwest Supervisory Area

Sale Name:

Rough House

Estimated Auction: Spring 2026 Location: 7 miles NW of Idaho City, Id Drainages: West Fork Clear Creek Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Clearcut, ROW, Seedtree Harvest System: Ground - Based APPROXIMATE ACREAGE: VOLUME: 476 acres 5,855 MBF

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts Gov Lots 3, 4	01	006N	004E
Gov Lots 3, Pts Gov Lots 1, 2, 4, Pts S2NE, Pts S2NW	02	006N	004E
Pts Gov Lots 1, 2, 3, 4, Pts S2NE, Pts S2NW, Pts N2SE	03	006N	004E
Pts Gov Lots 1, Pts SENE	04	006N	004E
NWSW, Pts NESW, Pts S2SW	34	007N	004E
Pts SESE	35	007N	004E
Pts S2SW	36	007N	004E

Supervisory Area Totals: Southwest

Supervisory Area Acres: 1,576 acres Supervisory Area Total Sawlog: 16,000 MBF

July 1, 2025 - June 30, 2026

Eastern Idaho Supervisory Area

Sale Name:

Frenchys Hollow Ton

Estimated Auction: Spring 2026 Location: 20 miles East of Downey, ID Drainages: Walker Gulch Class I Streams: Yes Class II Streams: Yes Silvicultural Prescription: Overstory Removal Harvest System: Ground - Based APPROXIMATE ACREAGE: VOLUME: 1,068 acres 9,300 MBF

Timber Sale Legal Description

Subsection	Section	Township	Range
Pts. SESE	35	10S	38E
Pts.NE, Pts. SENW, Pts.S2	36	10S	38E
Pts.NE, Pts. N2NW, Pts. SE	11	11S	38E
Pts. NENE	14	11S	38E
Pts. N2, Pts. S2	2	11S	38E

Supervisory Area Totals: Eastern Idaho

Supervisory Area Acres: 1,068 acres Supervisory Area Total Sawlog: 9,300 MBF

Statewide Totals

Grand Total Acres: 19,829 acres Grand Total Sawlog: 335,084 MBF Grand Total Cedar Poles: 28,545 Cedar Poles



March 28, 2025

Jeremy Shawver Lands Section Manager – Timber Sales & Contract Administration Idaho Department of Lands 3284 West Industrial Loop Coeur d'Alene, ID 83815

Dear Mr. Shawver,

Alta Forest Products would like to express our support of the Idaho Department of Lands Proposed FY 2026 Timber Sale Plan. It is encouraging to see the consistent execution of forest management and advertisement of forest products that the IDL provides. The FY 2026 Proposed Plan supports the mission of IDL and generates valuable return to the Endowment.

Alta Forest Products appreciates the IDL's mission and the quality work performed by its dedicated staff. We are committed to supporting the IDL timber sale program into the future and we appreciate all opportunities to share feedback. The following summarizes our general comments and suggestions:

- We urge the IDL to continue looking for opportunities to maximize return to the endowment by carefully packaging high value sales with higher percentages of western red cedar volume (with a minimum of 25% by volume). This may mean 'targeting' specific stands and creating smaller sale packages (sales of 2 MMBF or less). We understand this creates more administrative burden, but we are convinced the financial returns to the Endowment will make it worthwhile.
- We are pleased to see 17 cedar sales being offered, with a good balance distributed across the supervisory areas.
- Alta would like to express our continued support of the Delivered Products Program. We are encouraged by the upcoming sales which will advertise in the next 2-3 months and we remain confident this program will maximize value and return for the Endowment.

The IDL timber sale program provides a critical timber supply to our local forest industry. We see the importance of this sustainable fiber supply to our own operations and are grateful for future opportunities to work together. Thank you for the opportunity to provide comments on the Proposed FY 2026 Timber Sale Plan. We wish you and all IDL staff a successful year.

Sincerely,

Luke Machtolf, CF Inland Log Procurement Manager

Eric Oien Director of Procurement

Amanda Park Sawmill 7127 US Hwy 101 Amanda Park, WA 98526 Morton Sawmill 318 State Route 7 Morton, WA 98356 Naples Sawmill 242 Stagecoach Road Naples, ID 83847 Shelton Sawmill 780 West State Route 108 Shelton, WA 98584



STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Regular Agenda

Subject

Fiscal Year 2026 timber sales with clearcut harvest units exceeding 100 acres.

Question Presented

Shall the Land Board approve the Caesar Ton, Headwaters Cedar, Macs Drive Thru, Signal Hauser Scraps, Palantir Cedar, Aldridge Cedar, Super Spur, East Town Cedar, and Lower Rainy timber sales with clearcut harvest units exceeding 100 acres?

Background

At its December 15, 2015 meeting, the State Board of Land Commissioners (Land Board) adopted a timber sale governance structure whereby the Idaho Department of Lands (Department) would only present individual proposed timber sales for Land Board approval that fall outside of established Land Board policies. Timber sales with clearcut harvest units exceeding 100 acres are one type of sale to be submitted for approval.

Discussion

The Fiscal Year 2026 Timber Sales Plan features ten sales requiring Land Board approval, as the clearcuts exceed 100 acres. One sale, Almost Round Cedar, will be presented separately as it also includes a public comment component. To streamline the approval process and improve planning efficiency for the upcoming fiscal year, the Department tries to present all sales requiring approval alongside the annual Sales Plan whenever possible. The table in Attachment 1 outlines the supervisory area, sale name, acreage, general location of each sale unit, and the primary rationale for selecting the clearcut prescription. Attachments 2-10 include detailed maps, clearcut justifications, and Timber Management Bureau review documents for each sale.

Clearcutting, rather than relying on natural regeneration, offers several advantages on most sites. It promotes optimal forest regeneration, improves stocking, and accelerates growth. By reducing competition through site preparation and planting seedlings, clearcutting establishes vigorous, uniform stands that maximize timber yields. In areas with high logging costs, it is the most cost-effective approach, allowing for a single, efficient harvest that minimizes equipment mobilization, road maintenance, and administrative expenses associated with multiple harvests under shelterwood or seed tree methods. Additionally, clearcuts eliminate the need to protect residual trees, which can be particularly challenging and costly in difficult terrain or high-wind areas where retained trees are prone to damage or blowdown.

All proposed clearcuts comply with the Idaho Forest Practices Act and have undergone thorough review to ensure they are both silviculturally and economically justified. Each clearcut has been evaluated and approved by the Timber Management Bureau, confirming that the prescription aligns with sustainable forest management practices, promotes healthy regeneration, and provides the greatest long term economic return to the beneficiaries.

Recommendation

Approve the Caesar Ton, Headwaters Cedar, Macs Drive Thru, Signal Hauser Scraps, Palantir Cedar, Aldridge Cedar, Super Spur, East Town Cedar, and Lower Rainy timber sales.

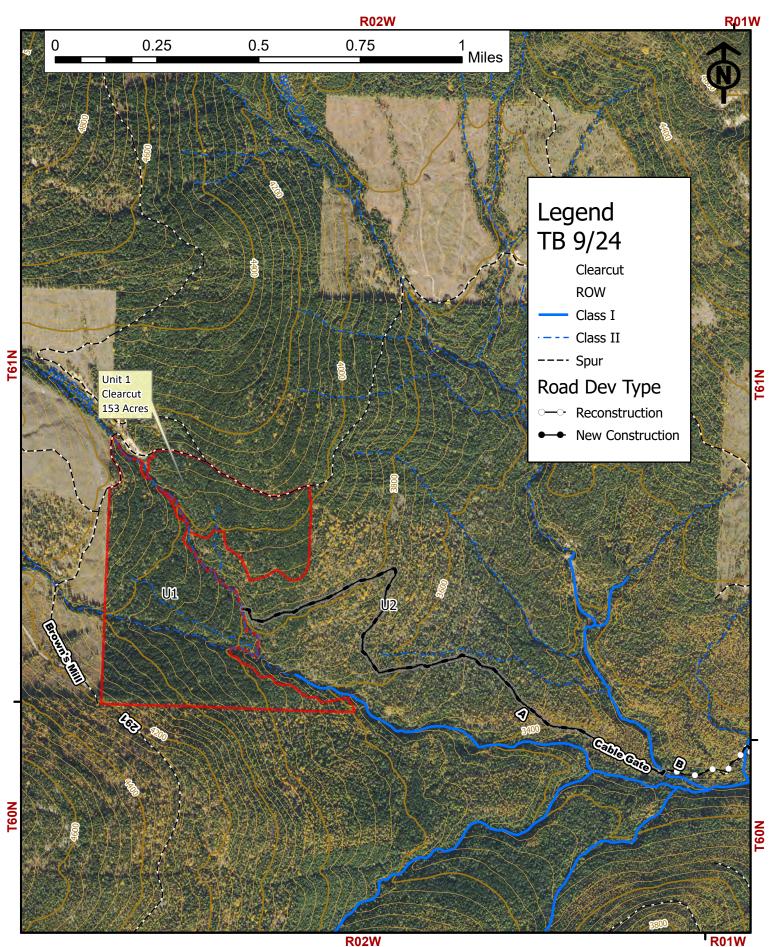
Board Action

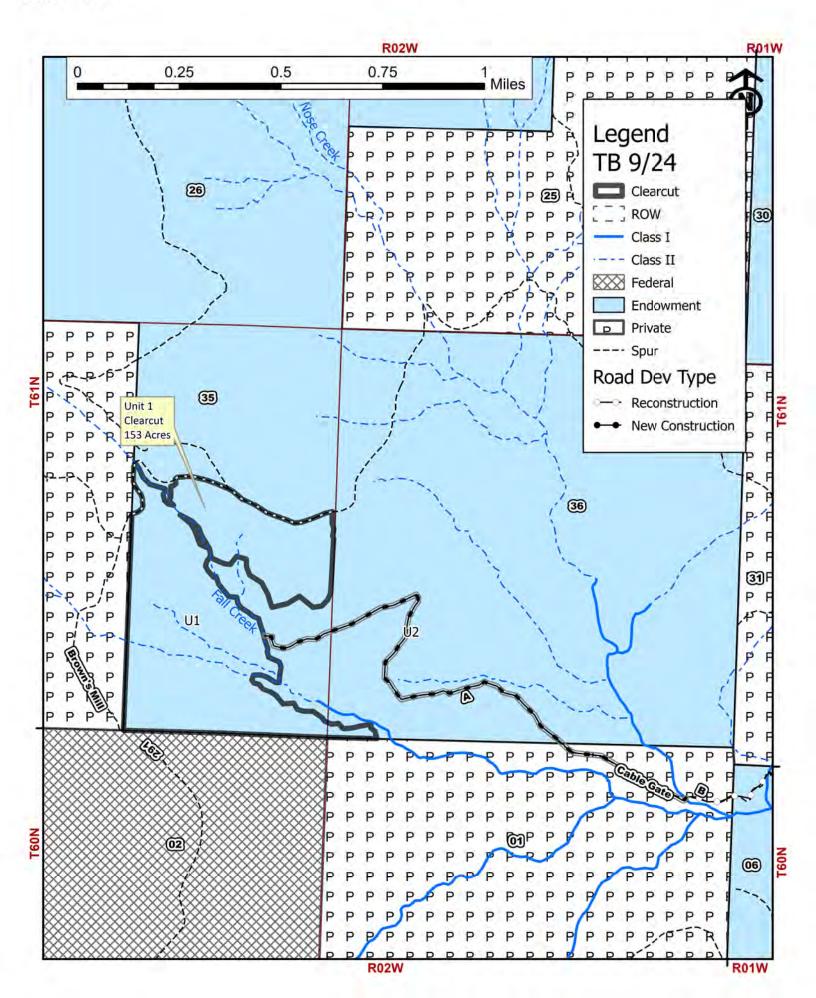
Attachments

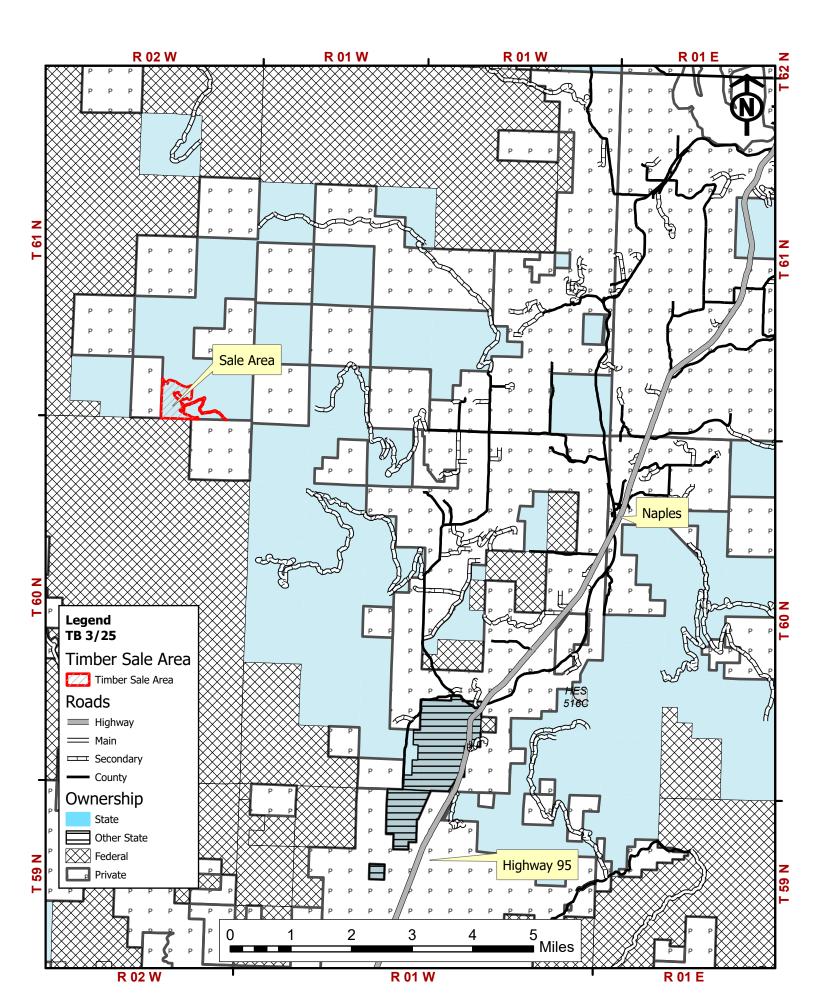
- 1. Clearcut Sales Summary
- 2. Caesar Ton Details
- 3. Headwaters Cedar Details
- 4. Macs Drive Thru Details
- 5. Signal Hauser Scraps Details
- 6. Palantir Cedar Details
- 7. Aldridge Cedar Details
- 8. Super Spur Details
- 9. East Town Cedar Details
- 10. Lower Rainy Details

Fiscal Year 2026 Timber Sale Clearcuts

Supervisory Area	Timber Sale Name	Acres	Location (Air Miles)	Primary Justification
Pend Oreille	Caesar Ton	153	7 West Naples, ID	Increased Regeneration Success
Pend Oreille	Headwaters Cedar	153	5 Southeast Naples, ID	Increased Regeneration Success Insect and Disease
Pend Oreille	Macs Drive Thru	112	7 Southwest Priest River, ID	Increased Regeneration Success Insect and Disease
Міса	Signal Hauser Scraps	175	6 West Rathdrum, ID	Increased Regeneration Success
St. Joe	Palantir Cedar	138	4 Southwest Emida, ID	Increased Regeneration Success Adjacency to Highway
Ponderosa	Aldridge Cedar	155	15 Southeast Deary, ID	Increased Regeneration Success Insect and Disease
Ponderosa	Super Spur	247	17 Southeast Deary, ID	Increased Regeneration Success High Logging Costs
Clearwater	East Town Cedar	180	11 Northwest Headquarters, ID	Increased Regeneration Success High Logging Costs
Clearwater	Lower Rainy	120	14 East Orofino, ID	Increased Regeneration Success







Caesar Ton Clearcut Justification

1. Treatment Description:

(a) The stand is comprised predominantly of grand fir (77.4% of the standing volume), with minor components of lodgepole pine, Douglas-fir, western larch, and white pine. This stand will be clearcut and planted following harvest.

(b) Clearcut Justification:

The clearcut in this sale will help the Pend Oreille Lake Area achieve the desired future conditions outlined in the region's Forest Asset Management Plan. The clearcut in unit 1 (153 acres) is silvicultural and economically justified and has been planned to comply with the Idaho Forest Practices Act. A clearcut prescription will be used to harvest the existing stand and re-establish seral species on the site. This prescription will be used for the following reasons:

- 1. Clearcutting will minimize the number of entries into the area, reducing harvest costs and maximizing revenue to Endowments. Reducing the number of entries into the stand is also expected to reduce disturbance and erosion, minimize the spread of disease, and expedite regeneration by planting genetically superior western larch.
- 2. Replacing the current stand with a fast-growing rotation will allow for improved stand health, increased timber productivity, and better adaptability to future climate and market conditions. This approach aligns with sustainable forest management practices and economic viability.

(c) Forest Improvement Activity: Unit 1 will receive a site prep herbicide treatment if needed and will be planted to seral species as soon as practicable following harvest. Post-planting walkthrough surveys will be conducted immediately following planting at 1- and 5-year intervals to determine seedling success, ensure the stand meets stocking level targets, and evaluate the need for follow-up pesticide treatments. The sites adjacent to the proposed sale have been successfully regenerated with seral species through clearcut, site preparation, and planting operations similar to the proposed plan for this sale.



TIMBER MANAGEMENT BUREAU 3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525/FAX 208-769-1524

MEMORANDUM

TO: Chad Ramsay, Lands Resource Supervisor

FROM: Jeremy Shawver, Lands Section Manager Timber Sales/Administration

DATE: October 10, 2024

SUBJECT: Caesar Ton (CR200421) FY 2026 Timber Sale

On October 7, 2024, the Timber Management Bureau (TMB) visited the Pend Oreille Lake Supervisory Area to review the proposed timber sale, Caesar Ton. The TMB was requested to come look at the proposed timber sale. The Area needed a field tour to review the proposed sale that includes a clearcut silviculture prescription which exceeds 100 contiguous acres. This sale will need Land Board approval for the 153 contiguous clearcut acres in units 1 and 2.

The timber sale is located in sections 35 and 36 of Township 61N Range 02W. The Public School Endowment owns both sections.

David Greenwood, Jeremy Shawver, Kyle Seigley, and Spencer Hanson, TMB representatives, met with Chad Ramsay and Taylor Bradish, operational personnel, at the Pend Oreille Lake Supervisory Area Office. The group loaded up and proceeded north from Sandpoint on Highway 95 to Naples. At Naples, the group travelled west up the Brown's Mill Road towards the sale area.

The sale area was acquired from the United States Forest Service (USFS) via a Land Patent pursuant to the General Exchange Act of 1922 (42 Stat. 465) in the 1980s. This ground was encompassed by the Sundance Fire in 1967 and subsequent reforestation efforts in the 1970s. At this time, the reforestation efforts were not at a large enough scale for the size of the efforts. They used offsite trees to get trees planted and the acres reforested. This sale area was noted to have Clearwater grand fir that was planted following the burn.

The group's first stop was across the drainage from a good vantage point of the entire sale area. Following the Sundance Fire, there were efforts to reforest the burn with commercial trees species. There are places where either plantations were not

successful and/or hardwood tree species became the dominant species composition. The group discussed the use of herbicide in a hack and squirt application prior to harvesting the stands with poplar, aspen and other hardwood tree species.

The group continued down the road to the sale area. The group proceeded on foot to hike around the sale. The stands are comprised of grand fir (77% species/MBF), Douglas-fir (17%), and other minor species including Englemann spruce, western larch, western white pine, western hemlock, and ponderosa pine (image 1). There was a minor component of hardwood tree species in the stand as well. The stand has a closed canopy with little vegetation currently in the understory. The site has a high potential with a 50 year site index of 83. Small openings showed shade tolerant species regenerating in the openings (image 2). The group noticed a light component of Schweinitzii root rot (*Phaeolus schweinitzii*) in the stand.

After hiking through the proposed clearcut units, the group looked at a recently harvested area adjacent to the Caesar Ton sale. The adjacent stand provided a great example of the vegetative response post harvest. The stand utilized an herbicide application above the road, but herbicide was not used below the road. The unsprayed portion of the harvest consisted of planted seedlings with the poplar regeneration. The poplar seedlings were already reaching six feet in height while the planted seedlings were around four feet in height. Unlike woody brush competition, poplar will continue to grow and compete with the planted seedlings for the entire rotation. Treating these hardwood tree species will be key to get the desired species composition for the next rotation. It is anticipated that the proposed sale area will exhibit a similar vegetative competition response as the adjacent stand.

Kyle Seigley discussed some recommendations for herbicide including a fall site prep spray and a Transline release spray (image 3). The existing 3-5 poplar trees per acre within the timber sale area is a vegetation competition concern that, if left untreated, could suppress conifer establishment and most importantly, growth for decades. A systemic herbicide, such as imazapyr, should be utilized in a hack and squirt application of the standing trees to inhibit sucker shoots from the already established root system and or utilized in a fall site prep broadcast application prior to planting. The adjacent stands also had a forb competition that will affect seedling growth for the first several years. A Transline (clopyralid) release spray in late May-early June prior to the time thistle bolts (putting up a flowering stalk) in the second growing season should help control the forb competition, especially Canada thistle. The first two growing seasons are extremely important for seedling establishment, when competing vegetation is reduced to around 10% for the first two growing seasons gains of 100-200% by year 4 are achievable (graph 1).

In summary, this sale area has insufficient numbers of desired leave trees, contains offsite genetics, and the anticipated vegetative competition will inhibit establishment and growth without effective herbicide treatments. The TMB agrees with the Area's decision to facilitate a clearcut prescription across the 153 acres of the Caesar Ton Timber Sale. The TMB supports this activity considering maximizing revenue for the Public School Endowment.



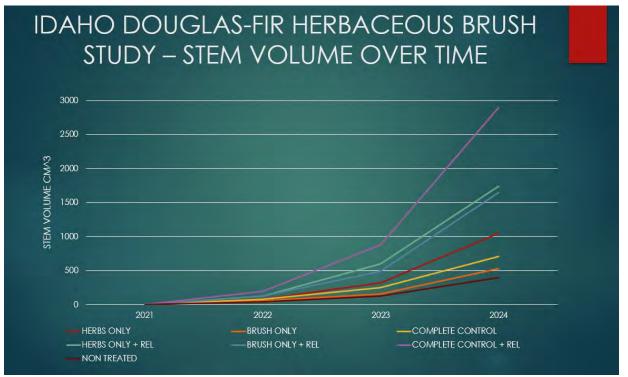
Image 1 – Species composition – offsite grand fir.



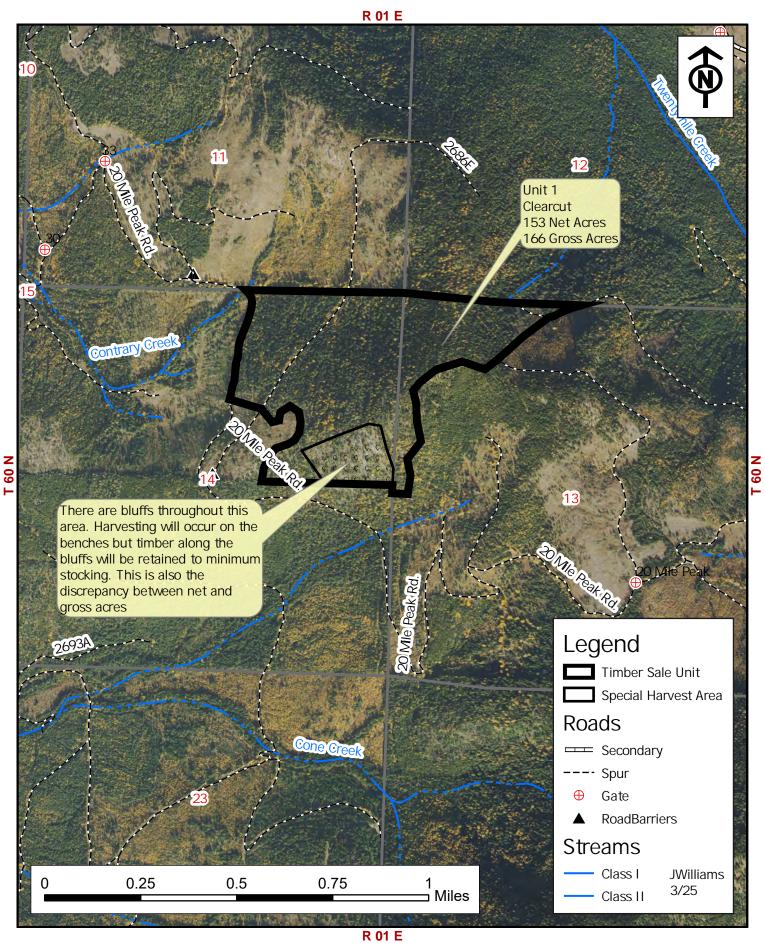
Image 2 - Site quality with offsite grand fir seedlings



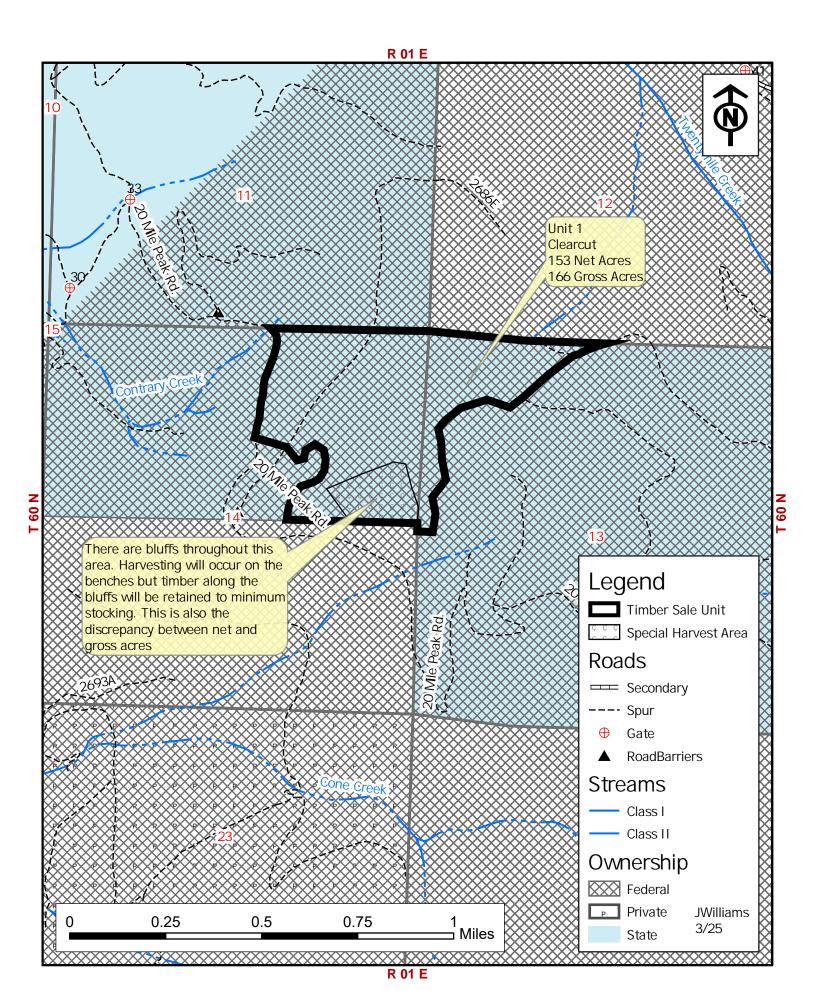
Image 3 - Silviculture disscussion lead by Kyle Seigley.



Graph 1. Certified Forest Research Group. Stem volume growth following 4th year research measurements. REL treatments indicate vegetation control in year two.



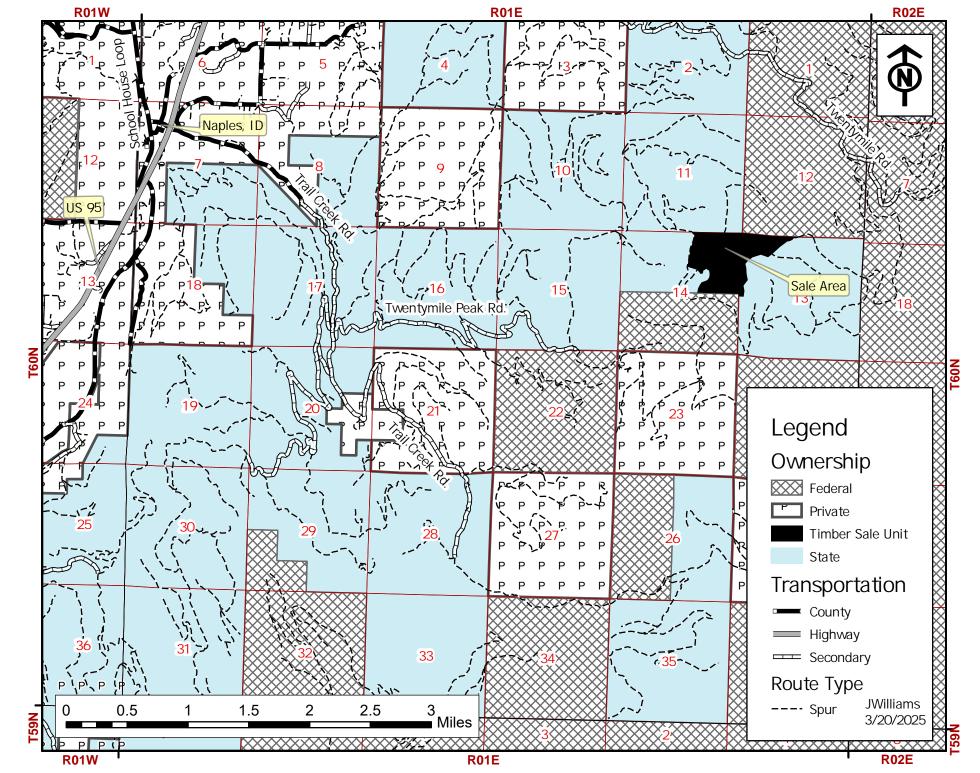
ATTACHMENT 3











Headwaters Cedar Clearcut Justification

1) Treatment Description

- a) Upper elevations of Unit 1 are comprised primarily of Engelmann Spruce, Subalpine fir, and Lodgepole Pine. Lower elevations Unit 1 have western redcedar, Douglas-fir, western larch, and grand fir components.
- b) Clearcut Justification:

Clearcuts in this sale will help achieve Desired Future Conditions outlined in the Pend Oreille Lake Supervisory Area's Forest Asset Management Plan. Clearcut Unit 1 (153 acres), is silviculturally and economically justified and comply with Land Board policy and the Idaho Forest Practices Act. A Clearcut prescription will be used to harvest the existing stand and re-establish seral and intermediate species on the site. Natural regeneration will not accomplish this for the following reasons:

- 1. Within this unit is pockets of isolated mortality due to a variety of root rots. This is particularly noted on the west side of unit 1 due to root disease and Douglas-fir beetle.
- 2. This unit also has an established understory of various brush and hardwood species that would prevent natural seedling establishment.
- 3. Clearcutting will minimize the number of entries into the area, reducing harvest cost and maximizing revenues to the endowments. Reducing the number of entries into the stand is also expected to reduce disturbance and erosion, minimize the spread of disease, and expedite regeneration by planting genetically superior seed.
- c) Forest Improvement Activity: Prior to harvest, portions of Unit 1 will receive a hack and squirt herbicide treatment. This pre-harvest treatment will help reduce hardwood competition by preventing the hardwoods from shooting suckers from their roots and invading the area. Post-harvest, this unit will receive a site prep herbicide treatment and will be planted to seral species as soon as practicable following harvest. Post planting surveys will be conducted immediately following planting at 1 and 5-year intervals, to determine seedling success, ensure the stand meets stocking level targets, and evaluate the need for follow up herbicide treatments. The sites adjacent to the proposed sale have been successfully regenerated with seral species through clearcut, site preparation, and planting operations similar to the proposed plan for this sale.



TIMBER MANAGEMENT BUREAU 3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525/FAX 208-769-1524

MEMORANDUM

TO: Chad Ramsay, Lands Resource Supervisor

FROM: Jeremy Shawver, Lands Section Manager Timber Sales/Administration

DATE: September 5, 2024

SUBJECT: Headwater Cedar (CR200432) FY 2026 Timber Sale

On August 12th, 2024, the timber management bureau (TMB) visited the Pend Oreille Lake Supervisory area to review the proposed timber sale, Headwater Cedar. The TMB was requested to come look at the proposed timber sale. The area needed a field review for a clearcut over 100 acres along with a review of the silviculture plan. This sale will need Land Board approval for the 153-acre clearcut Unit 1.

The timber sale is located in sections 13 and 14 of Township 60N Range 01W. The public school endowment owns section 13 and the University of Idaho endowment owns section 14.

Jeremy Shawver, TMB representative, met with Jordan Williams and Chad Ramsay, operational personnel, at the Pend Oreille Lake Supervisory Area Office. The group loaded up and proceeded north from Sandpoint on Highway 95 to Naples, ID. At Naples, the group turned up the Trail Creek Road to travel to the proposed timber sale.

This management block is a mixture of ownerships including endowment lands and industrial partners followed by Forest Service (USFS) lands once you get to the crest of the mountains. The Headwater Cedar sale is at the end of endowment owned lands and surrounded by USFS ownership to the north and east. Section 13 was acquired in 2018, and section 14 has been under endowment ownership since 1904. Section 13 was under a timber reservation that ended in 2023. This sale includes small pockets of merchantable timber remaining after the timber reservation that will clean it up and reforest for the next rotation.

This is high elevation timber land for the area, 5,200 feet above sea level (ASL). The sale ranges 4,280' to 5,360' ASL. The higher elevations consist of Engelmann spruce, and subalpine fir with a minor component of lodgepole pine. The lower elevations in the west portion of Unit 1 consist of western redcedar, Douglas-fir, western larch, and grand fir.

While driving to the sale area, the group passed through several smaller units of the sale. These units were small in size and contained a portion of aspen and poplar hardwood trees (image 1). The group discussed the management of these species. These species, when released or harvested, will shoot suckers from their roots and quickly invade the site. The TMB discussed the option to treat the unwanted competition before the stand was harvested. A hack and squirt herbicide operation prior to harvesting is a viable option. This will reduce the hardwoods before they have a chance to take off and compete against the planted coniferous seedlings.

The group parked at the gate southwest of Unit 1 and proceeded on foot to the top of the unit. The group passed other small units that will be cleaned up with the sale. Arriving in Unit 1, the group began their hike through the Engelmann spruce and subalpine fir stand (image 2). This stand is experiencing isolated mortality and does not have viable trees to retain for seed trees (image 3). The stand has an established understory of brush species that would also prevent natural seedling establishment.

The group continued to the top of the peak to discuss a rocky ridge that runs southwest to northeast through Unit 1. This area is mostly noncommercial timber ground. The group discussed the contractual options to harvest the flat benches along the ridge without requiring the trees growing out of rock to be removed. It was recommended to call the area out on the contract map noting the partial harvest in this area. The benches have good growing space that would benefit the endowments to manage and not take out of production.

The group worked their way back to the pickup. Along the way, the group hiked through a plantation that the state planted during the time of the timber reservation (image 4). Spruce was the initial tree species that was planted after harvest was completed by the previous landowner. Western larch was subsequently planted to boost the desired stocking levels. There was no herbicide application performed before the site was planted. Harvesting the site released grass species, fire weed, and existing brush (image 5). It is recommended to site prep spray the future timber sale unit prior to planting with a possible release spray to control the early invaders to the site. The combination of herbicide sprays will not only increase survival but also help increase growth by allocating as many resources to the seedlings for the first several years of growth.

The group met up with the area's silviculture forester, Jonathan Luhnow, at the gate. The group turned around and traveled to observe and discuss the west aspect of Unit 1. Upon arrival, the area discussed their silviculture plan for the area. The stand is an old stand consisting of mostly western redcedar (image 6) with a hardwood component. The Douglas-fir is fading with isolated mortality across the stand from root disease and Douglas-fir beetle. There are small openings where the aspen and poplar seedlings were already established. The original proposal consisted of a clearcut above the mid sloped road and facilitating a seed tree below the road. The area explained there is a smattering of good western larch trees they wanted to leave (~3-5 trees per acre (TPA)) for genetic retention.

The TMB discussed the opportunity cost of leaving such little volume on 22 acres. Economically, the decision to clearcut and reforest will yield better returns to the endowments. This sale is located at the end of endowment ownership, and it would make more sense to take the volume now as it wouldn't be economical to come back to harvest. Silviculturally, the stand below the road does not differ from above the road. A partial cut would release the sucker shoots from the hardwoods. These shoots are hard to eliminate once established as it is hard to get effective control over these species. The TMB recommended to facilitate a clearcut for all the acres. For genetic retention, it was recommended to leave western larch within approximately 100 feet of roads for a future cone crop if the area has a need for a seed lot at this elevation. This would reduce the value remaining on the hillside with the intent of collecting a future seed lot that would help reforestation efforts providing a benefit to the endowments. The area agreed and included the 22 acres in the clearcut prescription.

Finally, the group discussed the silviculture plan following harvest. The area plans to perform an herbicide spray for the clearcut. They plan to plant spruce, western larch, and some lodgepole pine. The group observed a healthy plantation of Douglas-fir north of the sale area from prior management. The TMB recommended to plant a high percentage of Douglas-fir on the western side of the unit. The light occurrence of root disease is not a reason to avoid planting Douglas-fir which has better growth curves than western larch. The spruce, lodgepole pine, and western larch are great candidates for the higher portions of the sale.

In summary, this stand consists of primarily overmature late seral species, moderate mortality, existing hardwood species, and anticipated grass and forb establishment following harvest. The TMB agrees with the area's decision to facilitate a clearcut prescription on the 153-acre timber sale unit. The TMB supports this activity considering maximizing revenue for the public school and University of Idaho Endowments.



Image 1 – Hardwood component of sale area.



Image 3 – Mortality in higher elevations of sale area.



Image 2 – Upper elevations of sale area with spruce and subalpine fir.



Image 4 – Existing plantation from timber reservation.

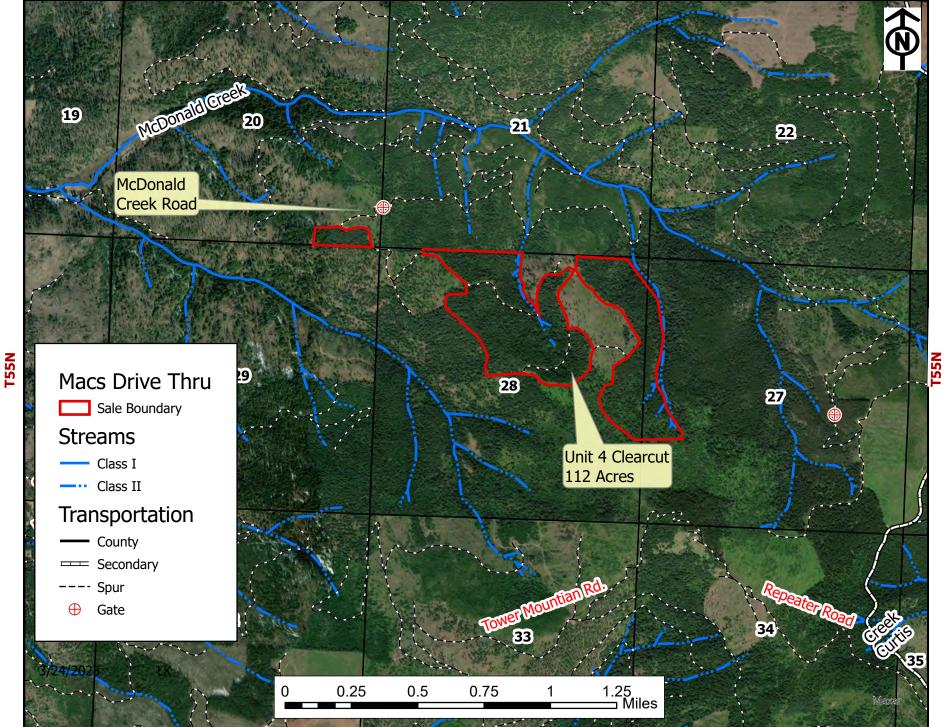


Image 5 – Brush and grass competition in plantation.



Image 6 – Late seral species in western portions of unit.



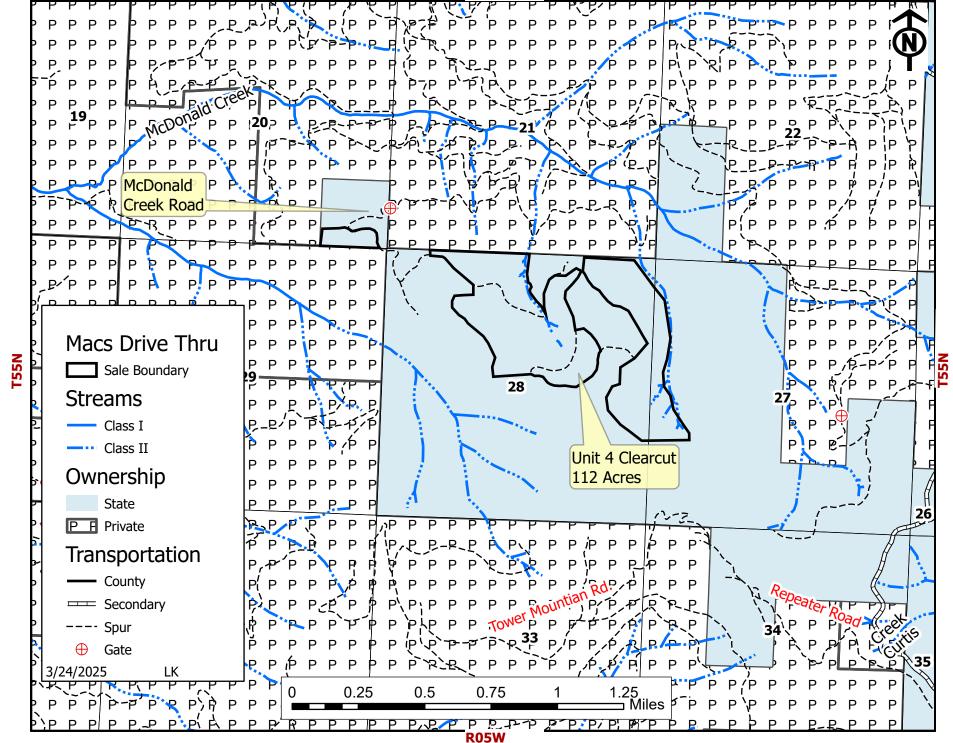


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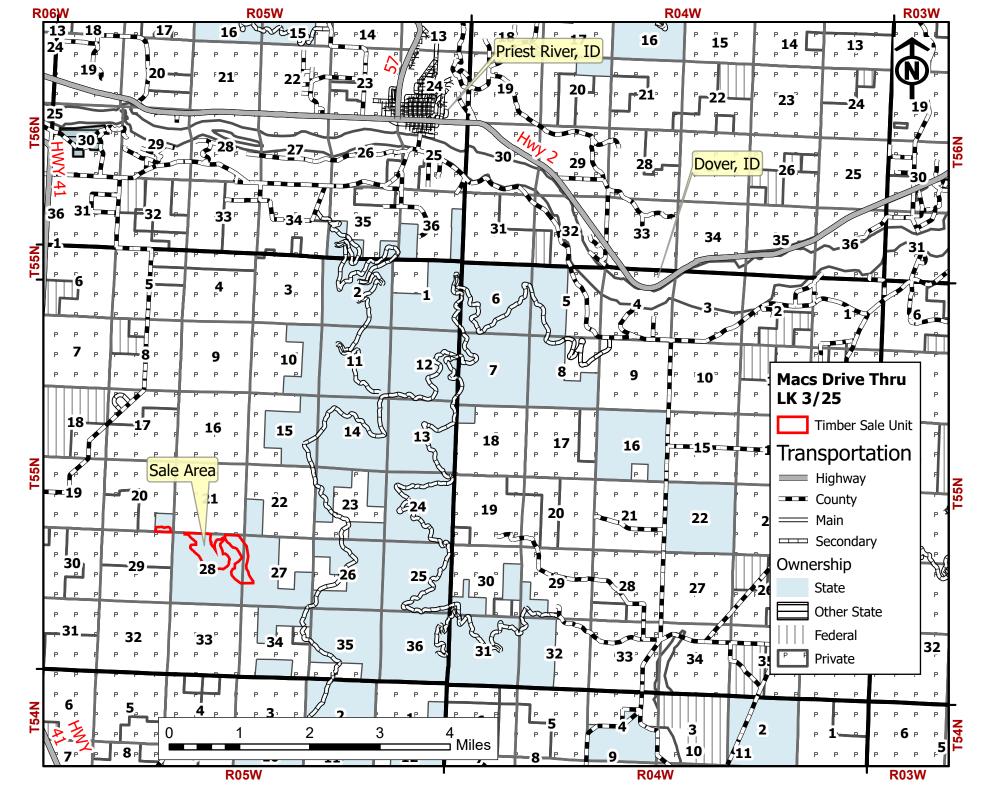
CR200434 Macs Drive Thru

Ownership Map





Vicinity Map



Macs Drive Thru Clearcut Justification

1. Treatment Description:

- a) This stand is compromised predominantly of overmature Douglas-fir and western redcedar (50% Doulgas-fir and 30% grand fir of the standing volume). Western larch, and ponderosa pine comprise minor components of the stand. This stand will be clearcut and planted following harvest.
- b) Clearcut Justification:
 - a. Clearcuts will help achieve Desired Future Conditions outlined in the Pend Oreille Lake Supervisory Area's Forest Asset Management Plan. The clearcut in unit 4, (112 total acres), is silviculturally and economically justified and complies with Land Board policy and the Idaho Forest Practices Act. A clearcut prescription will be used to harvest the existing stand and reestablish seral and intermediate species on the site. Natural regeneration will not accomplish this for the following reasons:
 - i. The remaining stand consists of Douglas-fir and grand fir that are overmature. Due to loss of vigor and reduced crowns these trees are not expected to produce viable seed.
 - ii. Clearcutting this unit will minimize entries into the area, therefore reducing site disturbance and erosion. Clearcutting and planting will promote better site utilization by planting genetically superior seedlings of a more desirable species.
- c) Forest Improvement Activity: Unit 4 will receive a site prep herbicide treatment if needed and will be planted to seral species as soon as practicable following harvest. Post planting surveys will be conducted immediately following planting at 1 and 5-year intervals, to determine seedling success, ensure the stands meet stocking level targets, and evaluate the need to follow up pesticide treatments. The sites adjacent to the proposed sale have been successfully regenerated with seral species through clearcut, site preparation, and planting operations similar to the proposed plan for this sale.



TIMBER MANAGEMENT BUREAU 3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525/FAX 208-769-1524

MEMORANDUM

TO: Chad Ramsey, Lands Resource Supervisor

FROM: Kyle Seigley, Lands Section Manager FM Projects and Inventory

DATE: November 4, 2024

SUBJECT: Macs Drive Thru (CR200434) FY 2026 Timber Sale

On November 4th, 2024, the timber bureau visited the Pend Oreille Lake Supervisory Area to review the proposed timber sale, Macs Drive Thru. The timber sale is comprised of six units. Unit 1 (overstory removal– 23 acres), unit 2 (clearcut - 9 acres), unit 3 (overstory removal - 30 acres), unit 4 (clearcut - 112 acres), unit 5 (seed tree - 29 acres) and unit 6 (clearcut - 83 acres). The timber management bureau (TMB) was requested to look at unit 4 of the proposed timber sale. Unit 4 of the timber sale is prescribed to facilitate a clearcut prescription. The unit is 112 acres in size which will need Land Board approval.

The timber sale is located in sections 20, 22, 27 and 28 Township 55N Range 5W. The public school endowment owns these sections of the sale area.

Spencer Hanson, Kyle Seigley and Jeremy Shawver, TMB representatives, met Libby Koch, Resource Specialist, at the Pend Oreille Lake Supervisory Area office. The group traveled to the Hoodoo mountains up the McDonald Creek drainage to visit the sale area.

Unit 4 of the sale area has not experienced any recent management activity. The road infrastructure accessing the sale was established a little over a decade ago. Despite being a north aspect, the stand is predominately a grand fir habitat type, with a few western redcedar in the draws. Evidence of fir engraver (*Scolytus ventralis*) is present in the grand fir. Much of the western larch is heavily infected with larch dwarf mistletoe (*Arceuthobium laricis*) as evidence of witches' brooms in the crowns (image 1). There were also several patches of root disease as evidence of grand fir and Douglas-fir snag concentrations in various stages of decay (image 2). Due to a myriad of pathogenic issues affecting the overstory, the stand is currently in an understory re-initiation

structural stage with a new cohort of grand fir saplings established in the understory.

The TMB supports the Area's decision to clearcut unit 4. Slashing the grand fir saplings, herbicide site prep and planted tree species selection was also discussed. Slashing the grand fir understory is the right decision, as the alternative would result in a future stand with a high composition of grand fir further perpetuating fir engraver and root disease issues. The understory currently has oceanspray, ninebark, thimble berry and perennial grass established in the understory (image 3), any harvest will release the understory vegetation. An herbicide site prep spray that targets the existing understory vegetation will be essential in reducing vegetative competition for planted seedlings. The clearcut prescription should remove all western larch infected with mistletoe, making western larch a viable option to plant. Western white pine and ponderosa pine should suit the site well especially in identified root rot pockets, if possible, focus the white pine on the moist east aspects and ponderosa pine on the dry west aspects. Douglas-fir could be planted throughout but less of a component in identified root rot pockets.

In summary, the stand has a high level of pathogenic issues that make the existing overstory unsuitable to naturally regenerate the site. The existing vegetative competition in the understory will inhibit natural seedling establishment. The TMB supports the Area's decision to facilitate a clearcut prescription on the 112 acre timber sale unit.



Image 1 – Stand composition and mistletoe in the western larch.

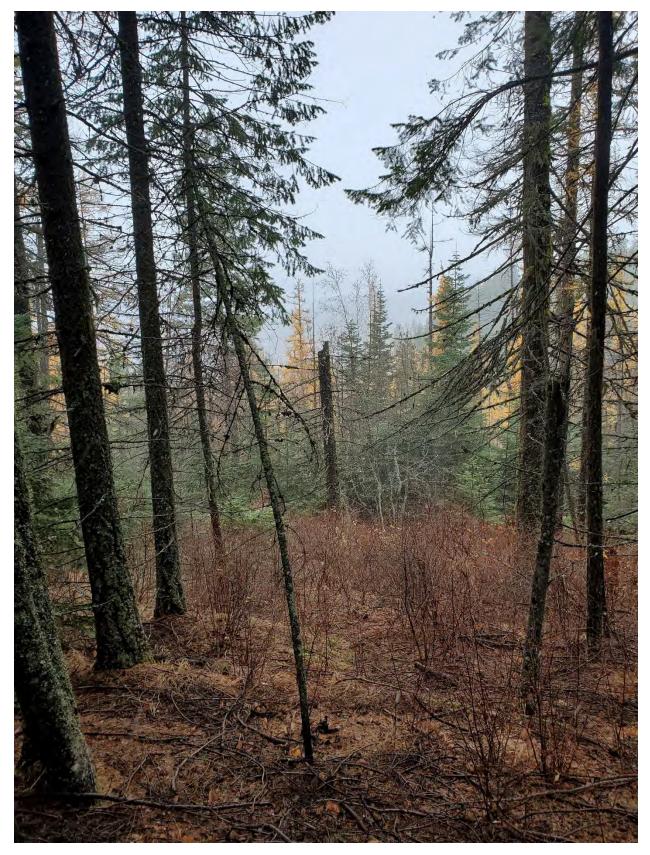
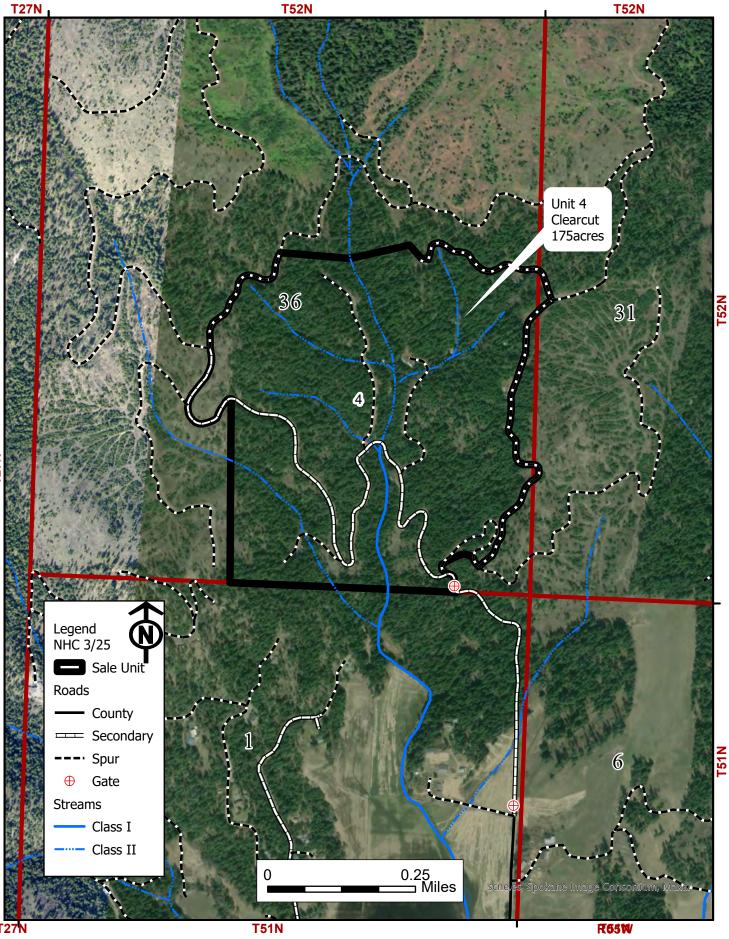


Image 2 – Root disease, mortality in Douglas-fir.



Image 3 – Existing understory vegetation of woody brush and grass that will release following harvest.

CR225089 SIGNAL HAUSER SCRAPS

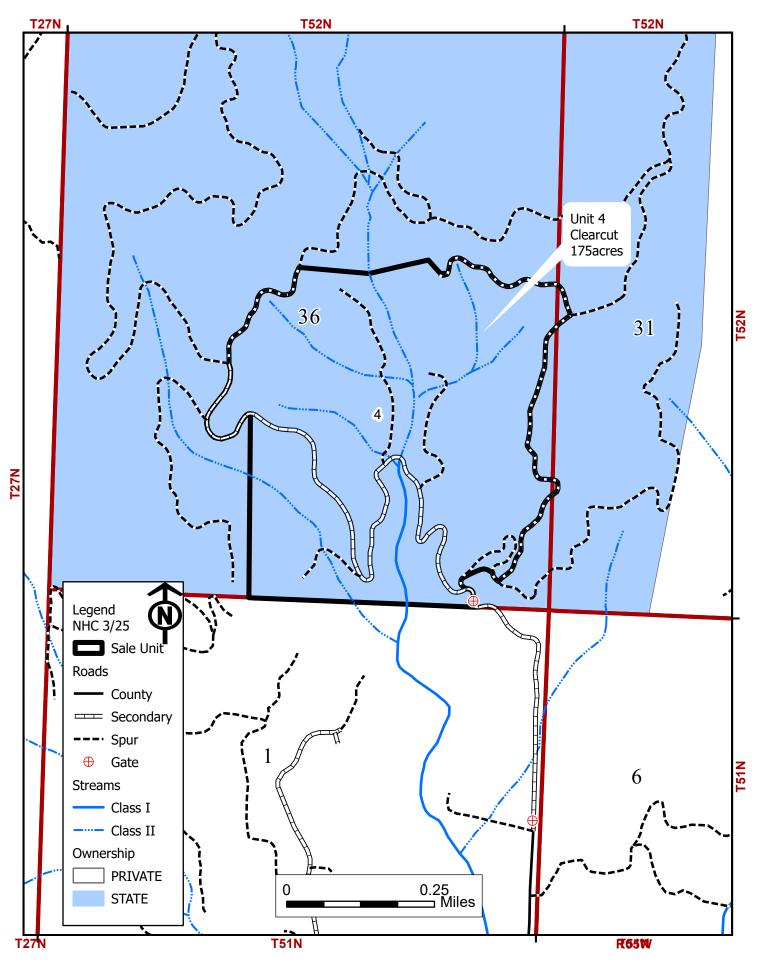


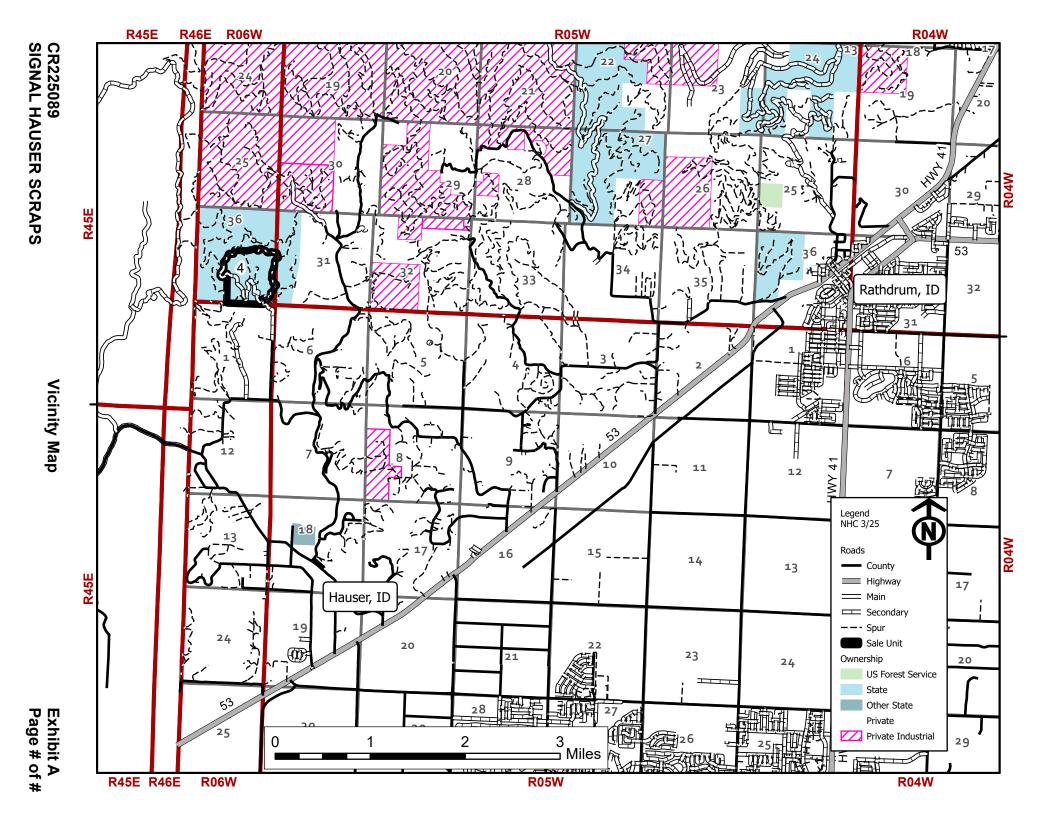
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ATTACHMENT 5

T27

CR225089 SIGNAL HAUSER SCRAPS





CR225089 Signal Hauser Scraps Clearcut Justification

- 1. Treatment Description
- a) This stand is primarily composed of stagnant grand fir and western redcedar. Douglas-fir, white pine, lodgepole pine ponderosa pine and western hemlock comprise minor components of the stand. This stand will be clearcut and planted following harvest.

b) Clearcut Justification:

Clearcuting will help achieve Desired Future Conditions outlined in the Mica Supervisory Area's Forest Asset Management Plan. Clearcut harvest in Unit 4 (175 ac) is silviculturally and economically justified and complies with the Idaho Forest Practices Act. A clearcut prescription will harvest the existing stand and reestablish seral and intermediate species. Natural regeneration will not accomplish this for the following reasons.

- This stand is dominated by climax species including western redcedar, grand fir and western hemlock. The age of dominant trees ranges from 30 to 120 years old. Due to the age and phenotypic characteristics of the seral species on site, these trees are not expected to produce the seed necessary to fully regenerate these stands.
- 2) This unit has had multiple entries, is over stocked resulting in increased defect and mortality. Additionally there are multiple unstocked areas in this stand filled with brush or grasses.
- Clearcutting will minimize the number of entries into the area, reducing harvest costs and maximize revenue to the Endowments, reduce disturbance and erosion, minimize the spread of disease, and expedite regeneration through planting.
- c) Forest Improvement Activity:

This clearcut unit will require a waving wand herbicide application prior to planting. Once sprayed, the units will be planted with a mix of Douglas-fir 50%, western larch 25%, Ponderosa Pine 15% and western white pine 10 % at approximately 436 trees per acre.



TIMBER MANAGEMENT BUREAU

3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525

MEMORANDUM

TO: Eric Valiquette, Lands Resource Supervisor

FROM: Spencer Hanson, Project Manager Timber Sales

DATE: June 27, 2024

SUBJECT: Signal Hauser Scraps (CR225089) - FY 2026 Timber Sale

On June 12th, 2024, the Timber Management Bureau (TMB), Kyle Seigley (Lands Section Manager – Forest management) and Spencer Hanson (Program Manager – Timber Sales), went with members of the Mica Supervisory area, Eric Valiquette (Lands Resource Supervisor) and Nick Capobianco (Lands Resource Specialist, Forester-in-Charge), to the proposed timber sale, Signal Hauser Scraps. The purpose of the visit was to look at the proposed 175-acre (unit 4) clearcut. The proposed unit exceeds the 100-acre policy for clearcuts and requires Land Board approval.

The proposed timber sale is located in section 36 of Township 52N Range 06W and section 31 of Township 52N Range 05W.

After a previous stop at the Westwood proposed timber sale, the group proceeded to the sale area north of Hauser Lake. After leaving the county road, we went through a couple of cattle gates on private ownership before reaching the sale area. Once on Endowment land, the group stopped along the eastern boundary and walked through the southeastern portion of the proposed timber sale. This unit has had multiple entries and varying degrees of selection harvest leaving the unit to naturally regenerate (Figure 1). With the lack of post-harvest forest improvement activities from previous management, the harvests created an uneven distribution of tree species and multiple cohorts within the stand. There are multiple pockets throughout the unit that have not regenerated, and the brush/forbs have become established (Figure 2).

This stand is primarily composed of grand fir and western redcedar. Douglas-fir, white pine, lodgepole pine, ponderosa pine and western hemlock comprise minor components of the stand. During the walkthrough it didn't appear there was many pathological or entomological concerns.

The TMB asked the FIC about the post-harvest silviculture plan. The plan is to assess the area post-harvest for where a waving wand herbicide spray is needed prior to planting. Due to the current stand structure, it is possible that not all areas will need to be sprayed. Once the unit is sprayed, the unit is planned to be planted with a mixture of Douglas-fir, western larch, ponderosa pine, and western white pine at approximately 436 trees per acre. The TMB also

asked what the plan was for the areas where advanced regeneration is present with no merchantable timber and how that will be handled. The area was planning to handle this administratively with contractual terms to eliminate the need for a separate forest improvement project (slashing).

The TMB and Area personnel noted there appears to still be some good growth in most of the tree species. However, with the lack of previous forest improvement activities (Figure 3) causing an uneven and undesired distribution throughout the unit makes this a candidate for a clearcut unit to reset the stand with proper silviculture management activities. This coupled with the three overstory removal units adjacent to this sale unit will round out timber harvesting in this isolated land parcel till the next rotation. For these reasons, the TMB recommends that the FIC proceed with the 175 acre clearcut and supports this activity in maximizing revenue in the present and the future by regenerating a healthier and productive forest benefiting the Public School and School of Science Endowments.



Figure 1. Multiple cohorts and current stand structure.



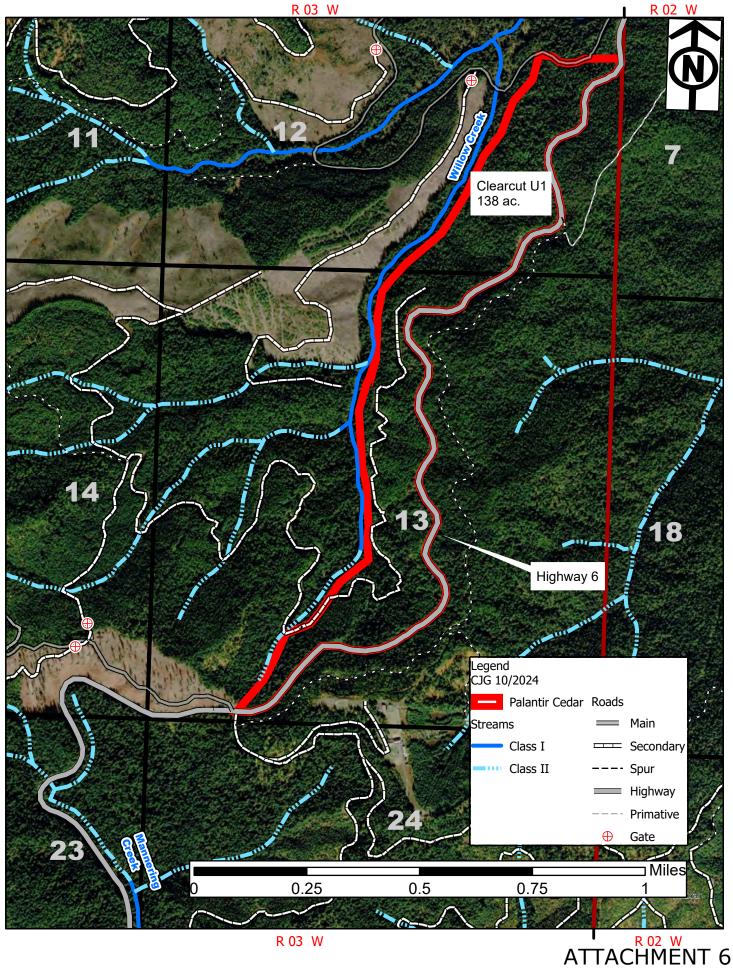
Figure 2. One of many pockets which aren't regenerating naturally. The brush/forbs component have become established in these areas.



Figure 3. Missed forest improvement activity (thinning) opportunity from previous management.

T 43 N

Exhibit A Page 1 of 1



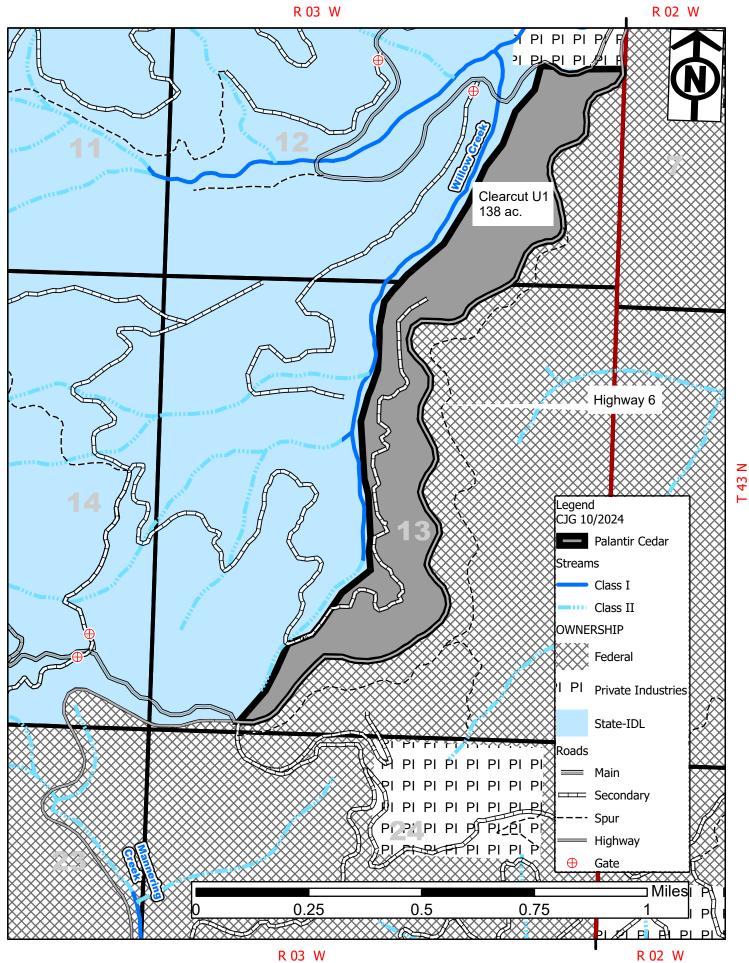
T 43 N

CR300757 PALANTIR CEDAR

T 43 N

OWNERSHIP MAP

Exhibit B Page 1 of 1



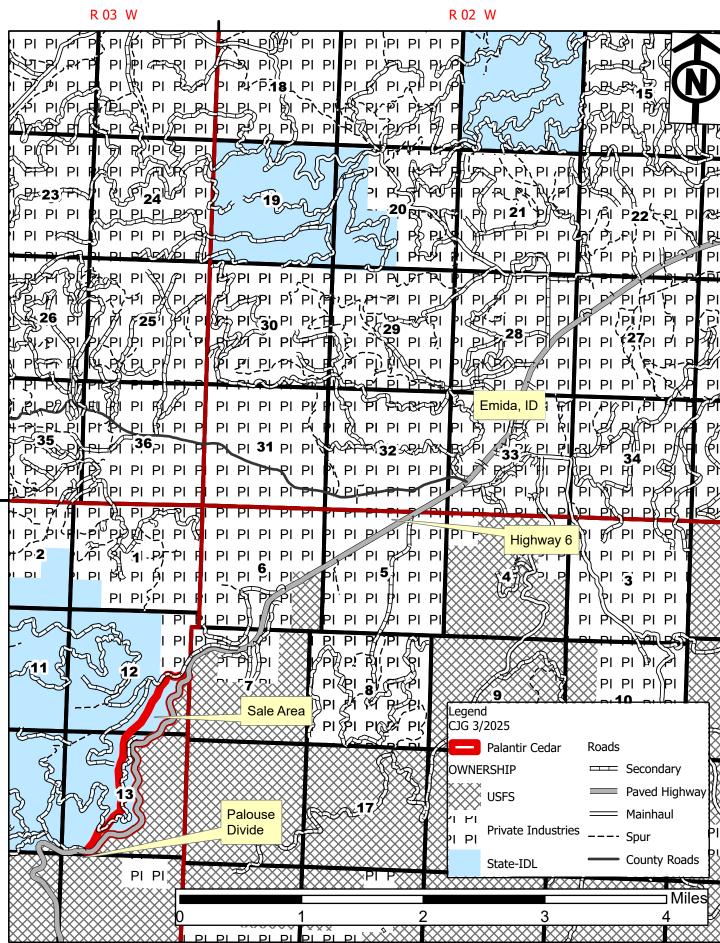
CR300757 PALANTIR CEDAR

4 N

T 43 N

VICINITY MAP

Exhibit C Page 1 of 1



R 03 W



T 44 N

Z

4

Palantir Cedar Clearcut Justification

- 1. Treatment Description:
 - a) The stand is composed of mature grand fir and western larch with lesser components of Douglas-fir, western hemlock, western redcedar and western white pine. The stand will be clearcut and planted following harvest.
 - b) Clearcut Justification:

Clearcuts will help achieve Desired Future Conditions outlined in the St. Joe Supervisory Area's Forest Asset Management Plan. Clearcutting U1 (138 acres) is silviculturally and economically justified and complies with the Idaho Forest Practices Act. A clearcut prescription will be used to harvest existing stands and re-establish site specific species on the site. This prescription will be used for the following reasons:

- 1) This stand is dominated by climax species. The age of dominant trees ranges from 80-100+ years. Due to the age and phenotypic characteristics of the seral species on site, these trees are not expected to produce the seed necessary to fully regenerate the stand. Furthermore, re-establishing the stand with planted nursery stock will likely establish a higher relative stocking of the site and shorten the rotation.
- 2) Endemic levels of fir engraver beetle (*Scolytus ventralis*) are present within the grand fir. Road salt is negatively affecting trees up to one chain into the unit from the highway.
- 3) Clearcutting will minimize the number of entries into the area, reduce disturbance and erosion and expedite regeneration by planting site specific trees. A single entry into the stand will also reduce the amount of coordination of highway flaggers and logging operations.
- c) Forest Improvement Activity:

This clearcut unit will require a waving wand herbicide application prior to planting. Once sprayed the unit will be planted with a mix of Douglas-fir and western white pine at approximately 436 trees per acre.



TIMBER MANAGEMENT BUREAU 3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525/FAX 208-769-1524

MEMORANDUM

TO: Barry Hillman, Lands Resource Supervisor

FROM: Jeremy Shawver, Lands Section Manager Timber Sales/Administration

DATE: July 19th, 2024

SUBJECT: Palantir Cedar (CR300757) FY 2026 Timber Sale

On July 15th, 2024, the timber bureau visited the St. Joe Supervisory Area to review the proposed timber sale, Palantir Cedar. The timber bureau was requested to look at the proposed timber sale. The timber sale is prescribed to facilitate a clearcut prescription. The sale is 138 acres in size which will need Land Board approval.

The timber sale is located in sections 12 and 13 of Township 43N Range 03W. The public school endowment owns this section.

David Greenwood, Spencer Hanson, and Jeremy Shawver Timber Bureau Representatives met Jason Svancara, Tony Brede, Barry Hillman, and Cameron Gehrman, operational personnel at the St. Joe Area Office. The group traveled from St. Maries south on Highway 3 turning onto highway 6 to proceed to the Willow Creek block of endowment timber land.

This block of timber land was acquired in 2008 as a part of the Boise Foothills Land Exchange. This land exchange was a great benefit to the endowment timber program. Willow Creek is a productive site with most of the acreage being either a western hemlock or western redcedar habitat type. A frost pocket in the lower elevations creates an area where lodgepole pine grows well.

This sale runs south to north following Highway 6. It is characterized by a mostly climax stand. This stand is fully closed with little vegetative cover currently existing in the understory. The stand has relic stumps from past harvesting activities. The area mentioned harvesting being done by the United States Forest Service in the early 1900s. They also noted the western white pine that was planted and is now some of the largest trees in the stand with an average merchantable height of 95 feet. The

stand consists of approximately 60% non-seral tree species. The seral species are not evenly distributed or of sufficient quality to naturally regenerate the site.

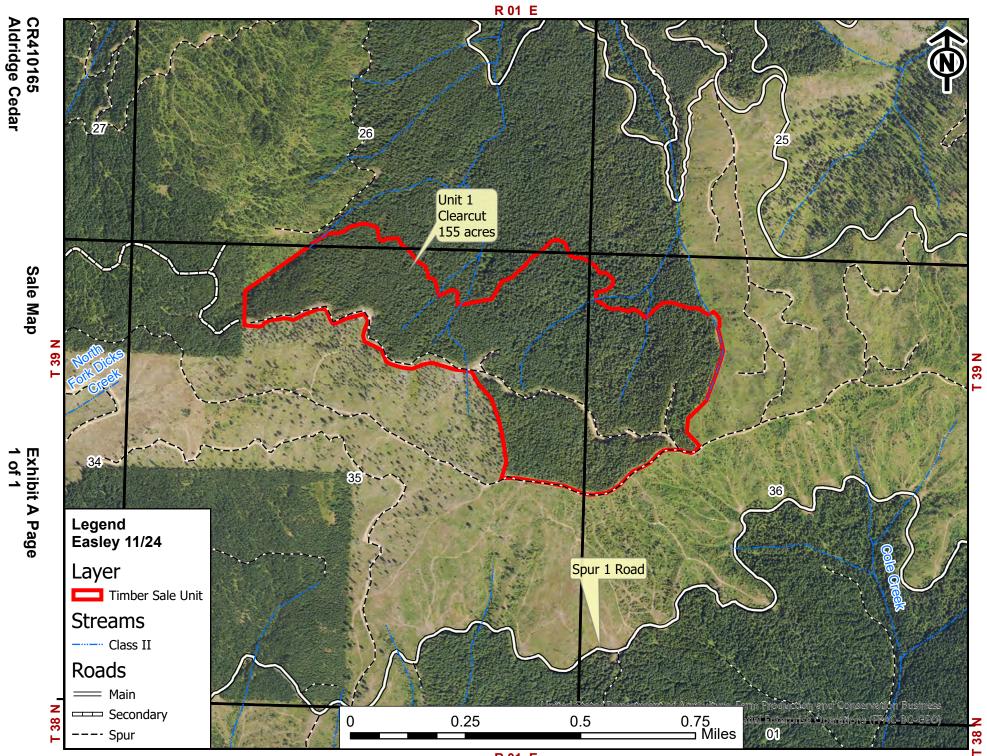
The area discussed the complexity of harvesting along Highway 6. Licensed state flaggers will be used during harvesting operations. This comes as an added benefit for daylighting the road to help in the winter months with snow removal.

The area discussed the Class I stream management along the east side of Willow Creek. The area and bureau staff went and looked at the bottom of the stream to determine if harvesting can occur to manage the stream. Willow Creek is a meandering stream with a broad draw bottom. There are meadows and glades that sporadically extend uphill into the harvest area. The bureau recommends a closer look at the entire length of the stream. Where there are 100 foot stretches of solid timber the area should be managing the outer 10 - 15 feet of the stream maintaining the 75 foot no equipment exclusion zone.

The stand is a productive site with a habitat type of western hemlock / wild ginger. This site has a 50 year site index of 95 feet based on site trees from our inventory data. The bureau asked what the desired trees the Area plans to plant following harvest. The area mentioned planting the north Idaho mix of Douglas-fir and western larch. The bureau recommended not to plant wester larch with the sites high potential. The recommendation would be to plant Douglas-fir and western white pine on the site. The Area will be performing a site prep herbicide application in anticipation of the vegetative competition. The bureau noted that site prep doesn't only help with seedling survival, but it also helps with growth. The additional growth in early silviculture allows the trees to begin their growth curves at a steeper line. This will help returns to the endowments by shortening rotation by reaching merchantability quicker.

We made multiple stops around the area to examine stand dynamics, particularly focusing on past clearcut and seed tree prescriptions. Visually, the clearcut sites had higher and more uniform stocking compared to the seed tree sites. This observation supports the data indicating that clearcutting results in higher yields, justifying the decision to clearcut the Palantir Timber Sale and most sites across this region of Endowment ownership.

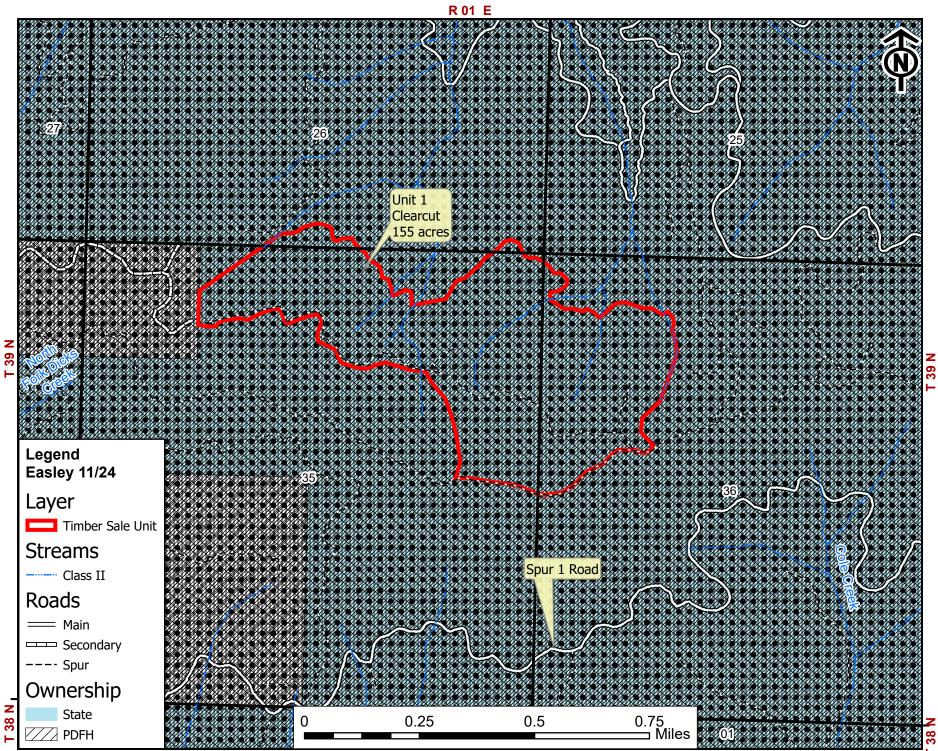
In summary, this stand is an over mature stand of timber with an uneven distribution of quality seed trees to naturally regenerate the site. The timber management bureau supports the Area's decision to facilitate a clearcut prescription on the 138 acre timber sale unit. The timber management bureau supports this activity considering maximizing revenue for the public school endowment.



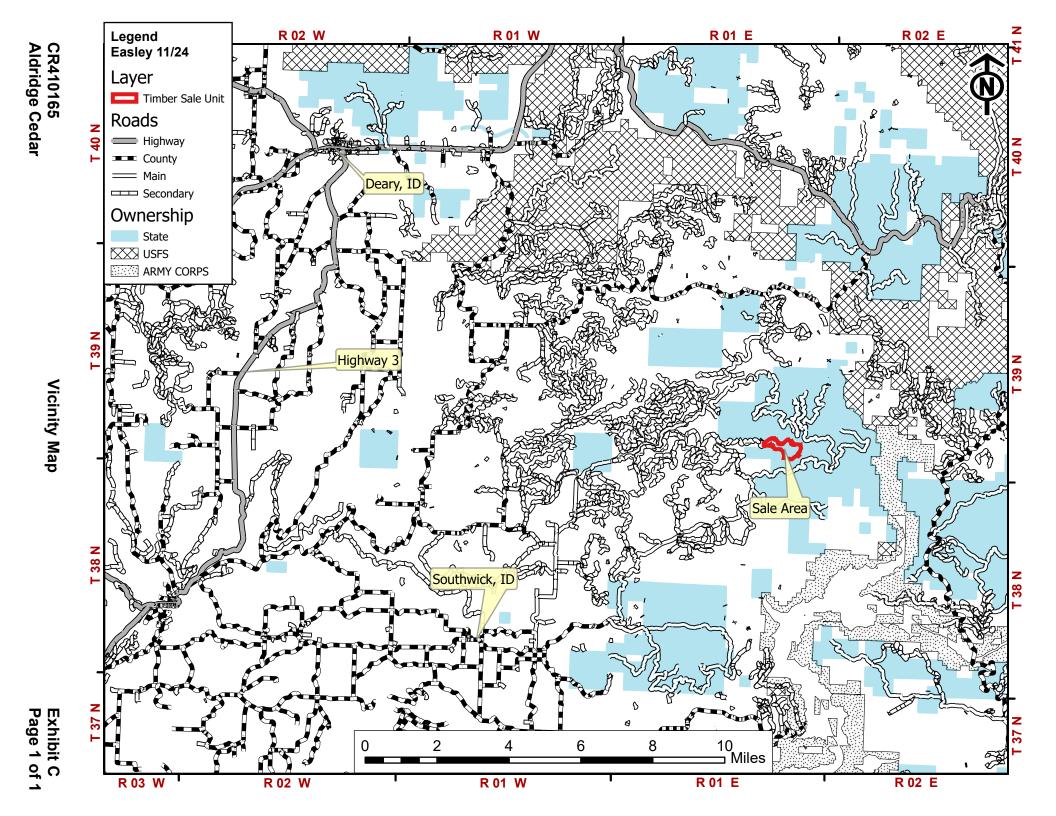
ATTACHMENT 7

Exhibit B Page 1 of 1

H



R 01 E



Aldridge Cedar Clearcut Justification

- 1. Treatment Description:
- (a) This stand is comprised predominantly of overmature Douglas-fir, western redcedar. Grand fir, and western larch comprise minor components of the stands. This stand will be clearcut and planted following harvest.
- (b) Clearcut Justification:

This clearcut will help the Ponderosa Area achieve the desired future conditions outlined in the Ponderosa Area's Forest Asset Management Plan. The clearcut in unit 1 (155 acres) is silviculturally and economically justified and is planned to comply with the Idaho Forest Practices Act. A clearcut prescription will be used to harvest the existing stands and re-establish seral species on the site. This prescription will be used for following reasons:

- The evidence of Indian paint fungus, Douglas-fir bark beetle, larch dwarf mistletoe, and a variety of root rots have reduced the availability of preferred species to be utilized as seed trees. The number of healthy trees of seral species is insufficient to naturally regenerate the stand to desired stocking levels post-harvest.
- 2. Clearcutting will minimize the number of entries into the area, reducing harvest costs and maximizing revenue to the Endowments. Reducing the number of entries into the stand is also expected to reduce disturbance and erosion, minimize the spread of disease, and expedite regeneration by planting genetically superior Douglas-fir, western larch and white pine.
- (c) Forest Improvement Activity:

This clearcut will receive a site prep herbicide treatment if needed and will be planted to seral species as soon as practicable following harvest. Post planting surveys will be conducted immediately following planting at 1 and 5-year intervals, to determine seedling success, ensure the stand meets stocking level targets, and evaluate the need for follow up pesticide treatments.



TIMBER MANAGEMENT BUREAU 3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525/FAX 208-769-1524

MEMORANDUM

TO: Alisa Schotzko, Lands Resource Supervisor

FROM: Jeremy Shawver, Lands Section Manager Timber Sale/Administration

DATE: July 18th, 2024

SUBJECT: Aldridge Cedar (CR410165) FY 2026 Timber Sale

On July 1st, 2024, the timber bureau visited the Ponderosa Supervisory Area to review the proposed timber sale, Aldridge Cedar. The timber bureau was requested to look at the proposed timber sale. The timber sale is prescribed to facilitate a clearcut prescription. The sale is 155 acres in size which will need Land Board approval.

The timber sale is located in sections 26, 35, and 36 of Township 39N Range 01E. The charitable institutions endowment owns section 26, and public school endowment owns section 35 and 36.

David Greenwood, Spencer Hanson, Jeremy Shawver, and Kyle Seigley Timber Bureau Representatives met Chris Tretter, Alisa Schotzko, Eric Berard, and Robbie Easley, operational personnel at the Ponderosa Area Office. The group traveled from Deary south on Highway 3 to the Wauncher Gulch Road past Southwick to endowment owned lands approximately 4 miles north of the Dworshak Reservoir. The group stopped at the beginning of the sale area (Image 1) and proceeded on foot to look at the proposed clearcut.

Along the way the group discussed the different aspects of the sale that would best facilitate a clearcut. The sale is located along the main ridge. An adjacent sale, Alder Awesome (TS414297), facilitated a seed tree harvest prescription and was cancelled in January 2021 (Image 2). Following harvesting operations, the area experienced a significant amount of blowdown. Several small sales followed the timber sale including Alder Direct and Arch Direct. The purpose of these sales was to salvage the trees that blew over. This created extra costs in mobilization and logging. It also decreased the value of the trees due to the salvage efforts. A clearcut prescription would eliminate the need for follow up activities maximizing revenue to the beneficiaries.

The group continued to hike from the lower road up to the upper road through the seed tree unit of Alder Awesome. The group found patchy regeneration unevenly distributed throughout the area. Facilitating a clearcut prescription with this sale, Aldridge Cedar, would provide better stocking across the sale that is evenly distributed. Evenly distributed regeneration will better occupy the site creating better growth and yields for the next rotation.

Lastly, the group discussed insect and disease issues and the post harvest silviculture activities. The insect and disease issues in this stand are mostly at endemic levels. There are signs of root disease and isolated mortality across the stand. There is significant dwarf mistle toe that is affecting the western larch in the stand (Image 3). The area plans to perform a herbicide application to the stand to target the competing vegetation following harvest. The area was asked on the desired trees species that they will plant. They are planning on planting a mix of western larch, Douglas-fir, and white pine. The bureau recommends planting a higher component of Douglas-fir to this stand. Douglas-fir will have higher yields at the next rotation on this site. With a 50-year site index of 89, the stand is better suited for Douglas-fir. The group also discussed performing a release spray to the site if needed following planting.

In summary, the stand has a high site potential. The area's choice to facilitate a clearcut prescription is the best option considering the potential subsequent salvage efforts to clean up blowdown, the ability to fully occupy the site, and the opportunity to plant seedlings that best fit the site. The timber management bureau agrees with the Area's decision to facilitate a clearcut prescription on the 155 acre timber sale unit. The timber management bureau supports this activity considering maximizing revenue for the public school and charitable institutions endowments.

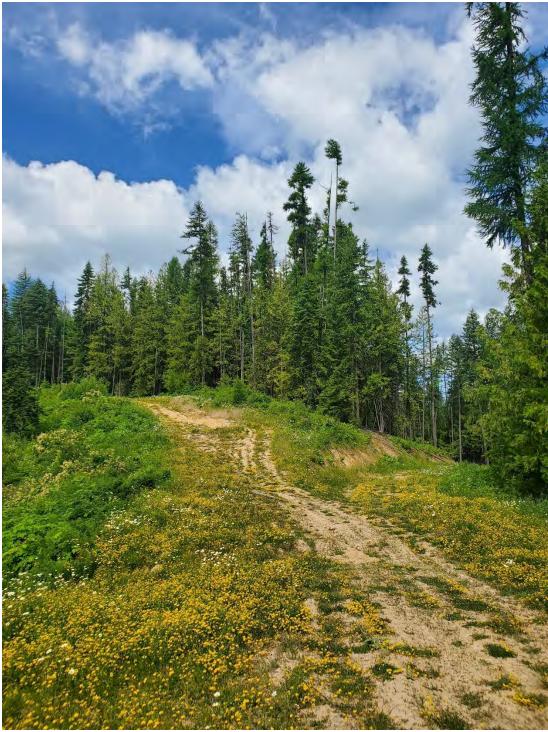


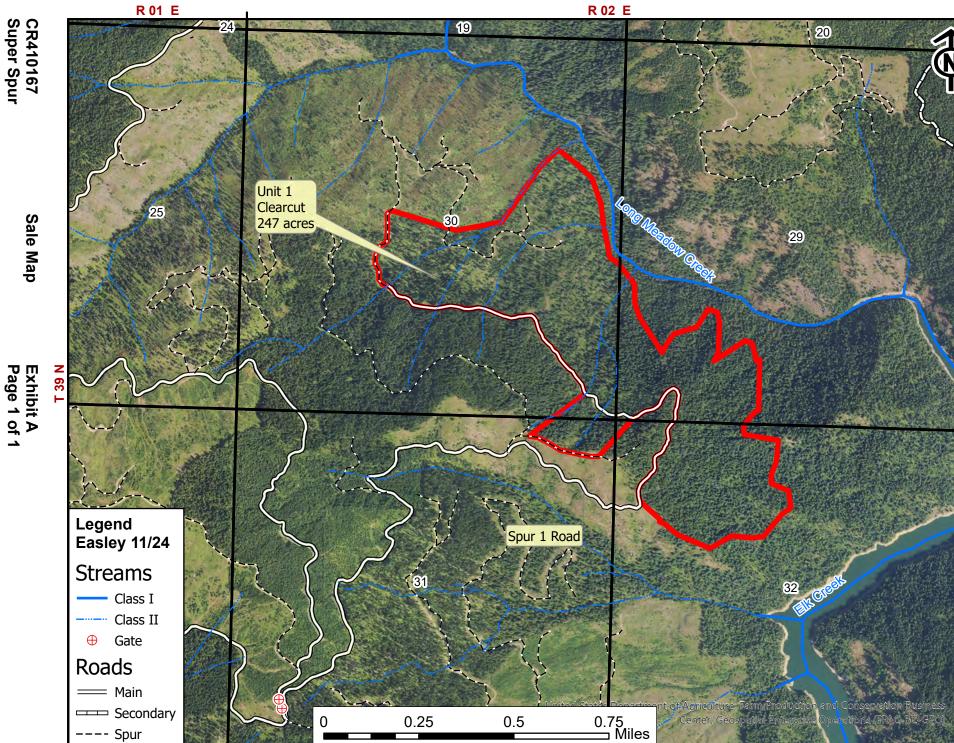
Image 1. Beginning of the Aldridge Cedar timber sale.



Image 2. Adjacent timber sale, Alder Awesome.



Image 3. Mistletoe in the western larch.



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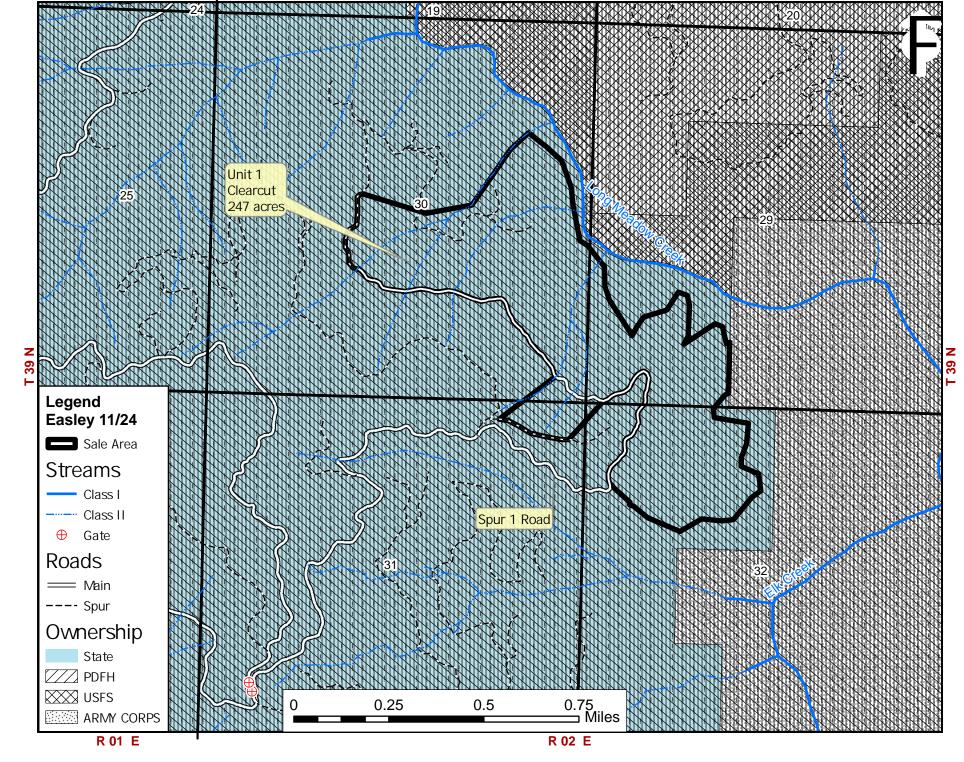
ATTACHMENT 8

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T 39 N



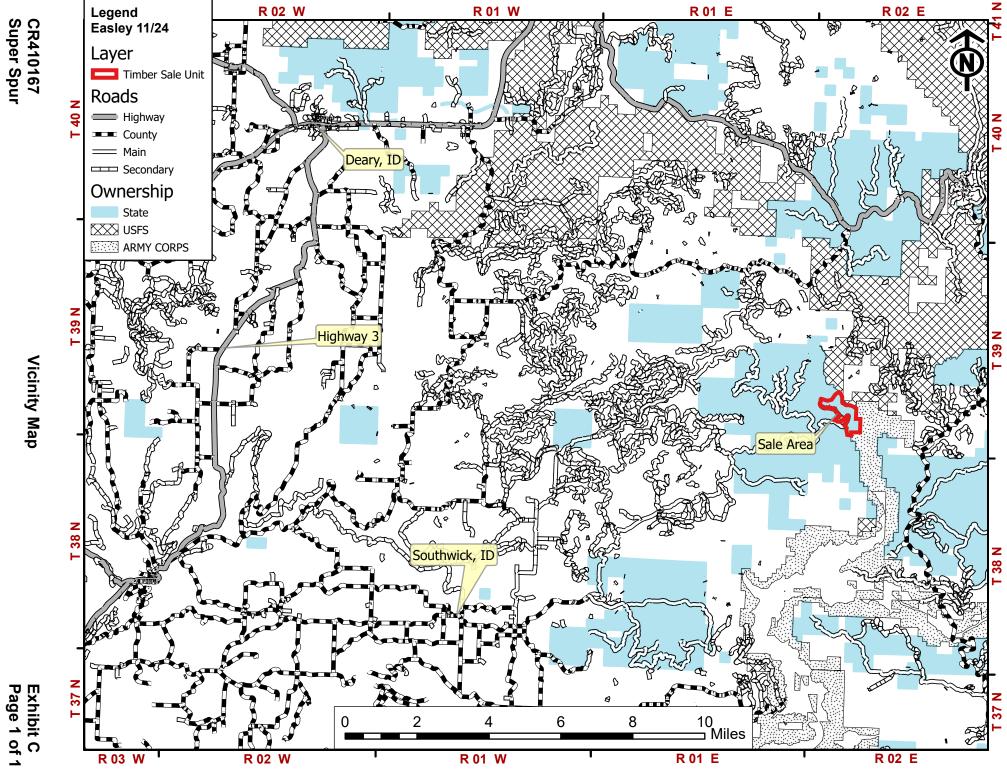
R 01 E



R 02 E

CR410167 Super Spur

Sale Map



Super Spur Clearcut Justification

- 1. Treatment Description:
- (a) This stand is comprised predominantly of overmature grand fir (56% of the standing volume). Western redcedar, Douglas-fir, and western larch comprise minor components of the stands. This stand will be clearcut and planted following harvest.
- (b) Clearcut Justification:

This clearcut will help the Ponderosa Area achieve the desired future conditions outlined in the Ponderosa Area's Forest Asset Management Plan. The clearcut in unit 1 (247 acres) is silviculturally and economically justified and is planned to comply with the Idaho Forest Practices Act. A clearcut prescription will be used to harvest the existing stands and re-establish seral species on the site. This prescription will be used for following reasons:

- The evidence of Indian paint fungus, Douglas-fir bark beetle, and a variety of root rots have reduced the availability of preferred species to be utilized as seed trees. The number of healthy trees of seral species is insufficient to naturally regenerate the stand to desired stocking levels post-harvest.
- 2. Clearcutting will minimize the number of entries into the area, reducing harvest costs and maximizing revenue to the Endowments. Reducing the number of entries into the stand is also expected to reduce disturbance and erosion, minimize the spread of disease, and expedite regeneration by planting genetically superior western larch and white pine.
- (c) Forest Improvement Activity:

This clearcut will receive a site prep herbicide treatment if needed and will be planted to seral species as soon as practicable following harvest. Post planting surveys will be conducted immediately following planting at 1 and 5-year intervals, to determine seedling success, ensure the stand meets stocking level targets, and evaluate the need for follow up pesticide treatments.



TIMBER MANAGEMENT BUREAU 3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525/FAX 208-769-1524

MEMORANDUM

TO: Alisa Schotzko, Lands Resource Supervisor

FROM: Jeremy Shawver, Lands Section Manager Timber Sale/Administration

DATE: July 19th, 2024

SUBJECT: Super Spur (CR410167) FY 2026 Timber Sale

On July 1st, 2024, the timber bureau visited the Ponderosa Supervisory Area to review the proposed timber sale, Super Spur. The timber bureau was requested to look at the proposed timber sale. The timber sale is prescribed to facilitate a clearcut prescription. The sale is 247 acres in size which will need Land Board approval.

The timber sale is located in sections 30, 31, and 32 of Township 39N Range 02E. The public school endowment owns these sections.

David Greenwood, Spencer Hanson, Jeremy Shawver, and Kyle Seigley Timber Bureau Representatives and Chris Tretter, Alisa Schotzko, Eric Berard, and Robbie Easley, operational personnel at the Ponderosa Area Office were present. After the group finished the field tour of the Aldridge Cedar timber sale, the group traveled approximately 2.5 air miles east to the Super Spur timber sale area then continued on foot down a prominent ridge (Image 1).

This sale is located along the breaks of Long Meadow Creek. The sale is characterized as a mixed conifer stand having several cohorts of trees throughout due to past harvesting and mortality. In most of the openings, there is an established component of vegetative competition including ocean spray and ninebark along with other forbs and grasses (Image 2).

The sale will need to be harvested with a long line cable system. The sale's topography is on steep terrain not suitable for other harvesting systems (Image 3). To the north of the sale area across Long Meadow Creek (in section 29), lies a tract of United States Forest Service (USFS) ground that is not suitable for using tailholds. This is due to the rocky, broken ground on a south aspect where suitable trees would be far and few in

between to find. Due to this, some of the bottom reaches of the sale area will be an optional unit that will cut the stand leaving suitable trees to comply with the Idaho Forest Practices Act (FPA) and will seed in that portion of the stand with seedlings overtime.

The portion of the stand that will be clearcut are the upper reaches of the unit that are determined to be more feasible for cable based logging operations. These portions of the stand will be intensively managed to maximize revenue for the beneficiaries. The area will be constructing approximately 0.44 miles of new road to assist with the difficulty of harvesting the sale area. Clearcutting is the most economic option due to the complexity of the logging operations. Prescribing a natural regeneration harvest would nearly double the already expensive logging costs for a second entry to remove the seed trees left for natural regeneration.

The stand is exhibiting some mortality from insect and disease issues. This has created openings that have seeded in with some sapling trees with a heavy component of forbs, grasses, and woody brush species. This existing vegetative competition would impede seedling establishment is a natural pathway was chosen. Facilitating a clearcut prescription will allow for an herbicide application to treat the competition and planted seedlings would better occupy the site creating greater yields for future management.

The area is planning to herbicide site prep spray the unit after the harvesting is complete. The area and timber management bureau discussed the best options for performing an effective site prep spray. With the steep difficult terrain, traditional waving wand herbicide application is not feasible. The area discussed the option for using a helicopter for spraying. The bureau noted that the size and scale of this as a stand alone project might not make economic sense for a helicopter. Kyle Seigley mentioned the new technology of using drones for herbicide applications. This site is a great opportunity to try out and test this mechanism for applying herbicide.

Following the herbicide application, the area plans to plant a mixture of conifer seedlings. The plan will be to match the correct tree species to the site. Douglas-fir, western larch, and white pine will be planted to different areas of the sale depending on aspect and site quality.

In summary, facilitating a clearcut silviculture prescription is the best option for this stand. Due to the difficult, expensive logging systems needed, mortality occurring across the stand, and competing vegetative response when the stand is opened, clearcutting is the most economical option. The timber management bureau agrees with the Area's decision to facilitate a clearcut prescription on the 247 acre timber sale. The timber management bureau supports this activity considering maximizing revenue for the public school endowment.



Image 1. Hiking down prominent ridge (Eric Berard in photo).



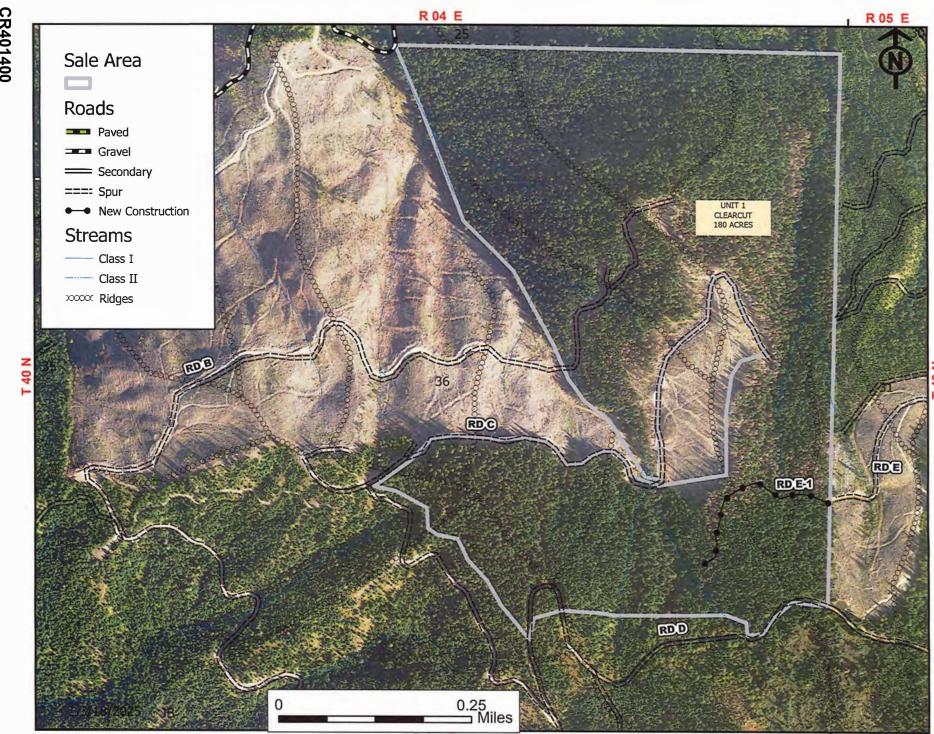
Image 2. Vegetative competition.



Image 3. Side hill of steep cable ground along with brush.

CR401400 EAST TOWN CEDAR

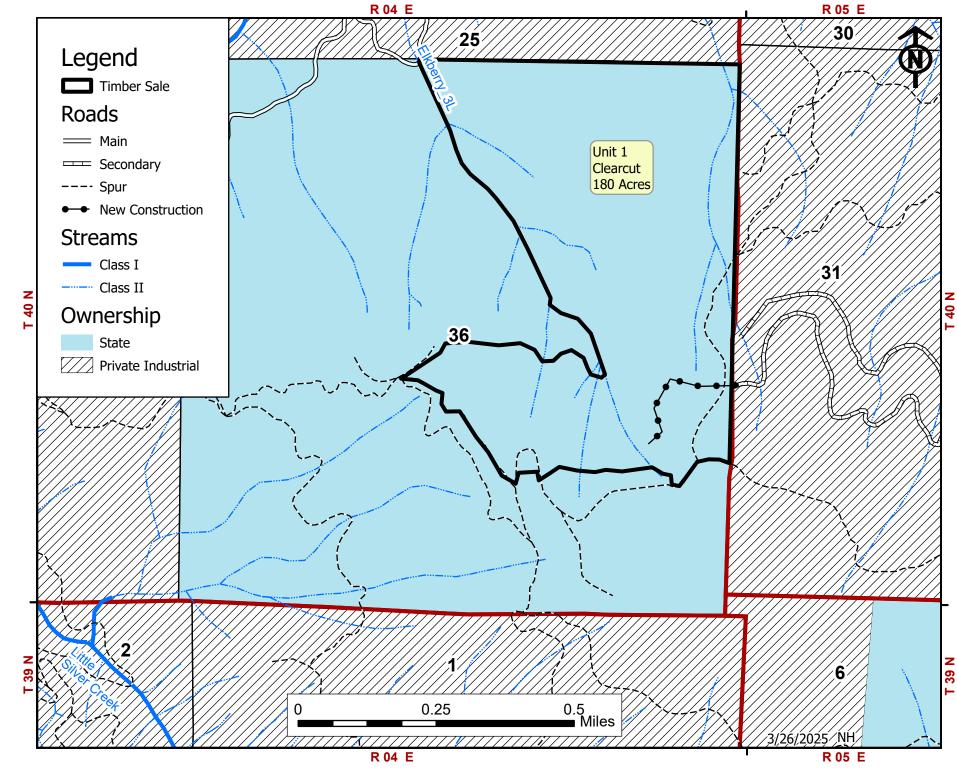




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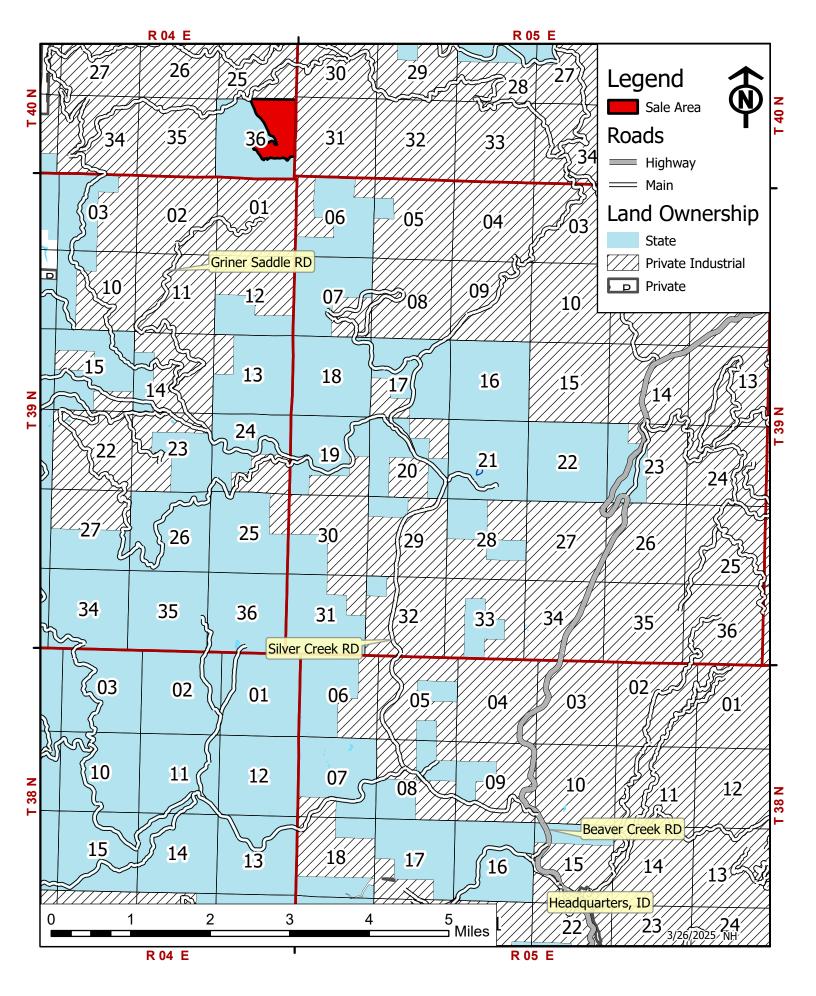




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Exhibit B Page 1 of

CR401400 EAST TOWN CEDAR



East Town Cedar Clearcut Justification

- 1. Treatment Description:
- (a) This stand is mostly comprised of mature grand fir and western red cedar (77% of the standing volume). Douglas-fir, western larch, and western hemlock comprise minor components of the stand. This stand will be clearcut and planted following harvest.
- (b) Clearcut Justification:

This 180 acre clearcut will help the Clearwater Area achieve the desired future conditions outlined in the Clearwater Area's Forest Asset Management Plan. This clearcut is silvilculturally and economically justified and will comply with the Idaho Forest Practices Act. This prescription will be used to harvest the existing stand and re-establish seral species on the site. This prescription will be used for the following reasons:

- Clearcutting will minimize the number of entries into the area, reducing harvest costs and maximizing revenue to the Endowments. Reducing the number of entries into the stand is also expected to reduce disturbance and erosion. Regeneration will also be expedited by planting genetically superior Douglas-fir, western larch and western white pine.
- 2. This stand is located on a steep long slope that is susceptible to wind throw which makes clearcutting the most viable option.
- (c) Forest improvement Activity: Unit 1 will receive a site prep herbicide treatment if needed and will be planted to seral species as soon as practicable following harvest. Post planting surveys will be conducted immediately following planting at 1 and 5-year intervals, to determine seedling success, ensure the stand meets stocking level targets, and evaluate the need for follow-up pesticide treatments. Sites adjacent to the proposed sale have been successfully regenerated with seral species through clearcut, site preparation, and planting operations similar to the proposed plan for this sale.



TIMBER MANAGEMENT BUREAU 3284 W Industrial Loop

Coeur d'Alene, ID 83815 208-769-1525/FAX 208-769-1524

MEMORANDUM

TO: Scott Bonk, Lands Resource Supervisor

FROM: Kyle Seigley, Lands Section Manager FM Projects and Inventory

DATE: June 4th, 2024

SUBJECT: East Town Cedar (CR401400) FY 2026 Timber Sale

On June 4th, 2024, the timber bureau visited the Clearwater Supervisory Area to review the proposed timber sale, East Town Cedar. The timber bureau was requested to look at the proposed timber sale. Unit 1 of the timber sale is prescribed to facilitate a clearcut prescription. The unit is 216 acres in size which will need Land Board approval.

The timber sale is located in an isolated section 36 of Township 40N Range 04E. The public school endowment owns this section. The sale plans to remove the remaining merchantable volume from the section.

David Greenwood, Tyler Nelson, Spencer Hanson, Jeremy Shawver, and Kyle Seigley Timber Bureau Representatives met Keith Brink and Josh Brant, operational personnel at the Clearwater Area Office. The group traveled from Orofino up the Grangemont road and then north on highway 11 past Headquarters to the Silver Creek mainhaul to reach the sale area. Due to recent rains the group used a combination of utility task vehicle (UTV) and all terrain vehicle (ATV)'s the last mile and a half to access the sale area. The first stop was at the recently harvested North Town Cedar timber sale which provided a good view of East Town Cedar's north end (Image 1)

The across basin vantage point provided a great view of the sales steep breaks that will require the use of a line machine with yarding distances exceeding 1,800 feet. Long line logging is costly and few operators with this capability makes a clearcut silvicultural prescription the best option economically. The cost of setting up a skyline for these long yarding distances make multiple harvest silviculture prescriptions economically unfeasible.

Our second stop took us within the sale area at the line/tractor harvest break. The sale area was initially logged in the 1940s-1950s, evidence of stumps, excavated skid trails, and Jammer roads are present throughout. The logging was most likely a selective or diameter limit harvest, some of the larger trees having catfaces or historical mechanical damage within the first log of the tree (image 2). The existing stand is a two cohort stand with ages 70 and 120years of age dominated by grand fir and western redcedar, with an estimated 4,000 cedar poles. Portions of the sale burned in 2021 in the Armstrong fire (image 3). Salvage of some timber happened immediately following the fire. The remainder of the burn scar will be harvested under the proposed sale.

The sale is located on a productive site with an estimated Douglas-fir site index of 85 base age 50. It's a northern aspect with a western redcedar / wild ginger habitat type. Soils are an ashy silt loam transitioning to a gravely sandy loam over a parent material of mica schist. Depth to restrictive feature is greater than 80 inches and available water supply in the first 60 inches is high at about 9.3 inches.

Reforestation: The north fork of the Clearwater River drainage has a reputation for quickly being invaded by competing vegetation, a summer or fall herbicide site prep spray followed by a release spray the year following planting will aid in stand establishment and increase growth of planted seedlings. Areas surrounding Dworshak Reservoir have some of the highest site indexes in the State of Idaho. With proactive vegetation management it is not unfeasible to have established plantations at year 3 with tree heights averaging around 3-4'. Adjacent stand, North Town Cedar, had vegetative competition occupying around 80-90 percent one-two years following harvest. Vegetation included a high component of creeping snowberry, and multiple forb species with a minor component of annual grasses, bracken fern and rocky mountain maple. Although the vegetative competition will most likely give way to tree seedlings due to the high site characteristics it will suppress growth for the first 5 -10 years without treatment. For East Town Cedar the Clearwater Area plans to plant Douglas-fir, western larch and white pine. The Timber Bureau recommends vegetation management through herbicide applications, keeping the vegetation competition below 30 percent will allow the plantation to establish in turn increasing future yields.

In summary, the stand has harvest system challenges that make multiple entries economically unfeasible. The isolated section makes multiple sale harvests impractical at the current time. Anticipated high vegetative competition would slow the establishment of the next cohort following harvest unless treated. The timber management bureau supports the Area's decision to facilitate a clearcut prescription on the 216 acre timber sale unit.



Image 1. Long line yarding, north end of the harvest unit.



Image 2. Historic logging, development of a two cohort stand.



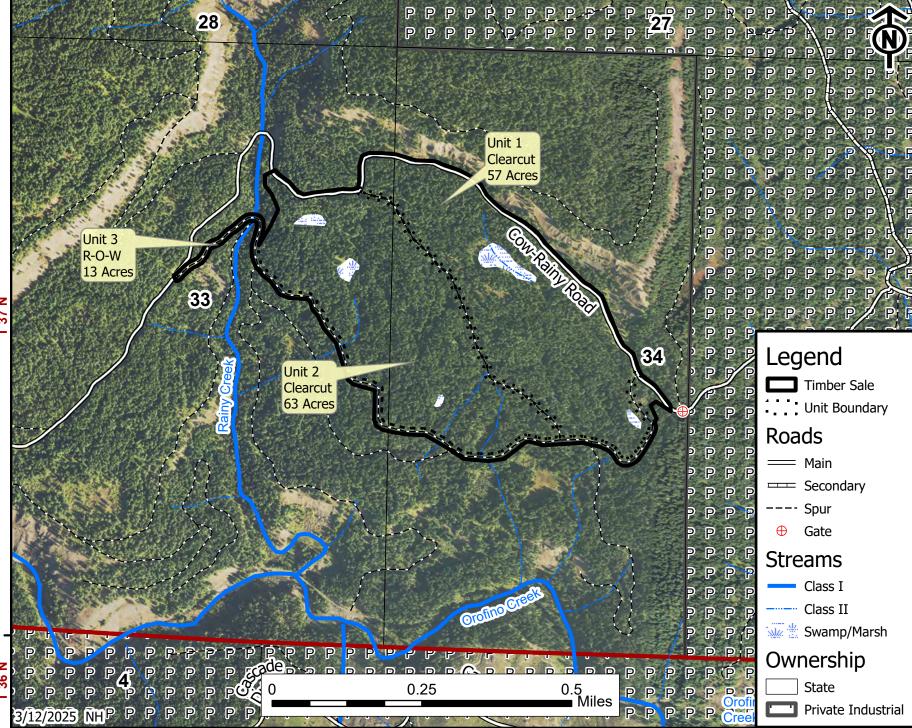
Image 3. Burn scar from the 2021 Armstrong fire.



Exhibit C Page 1 of 1





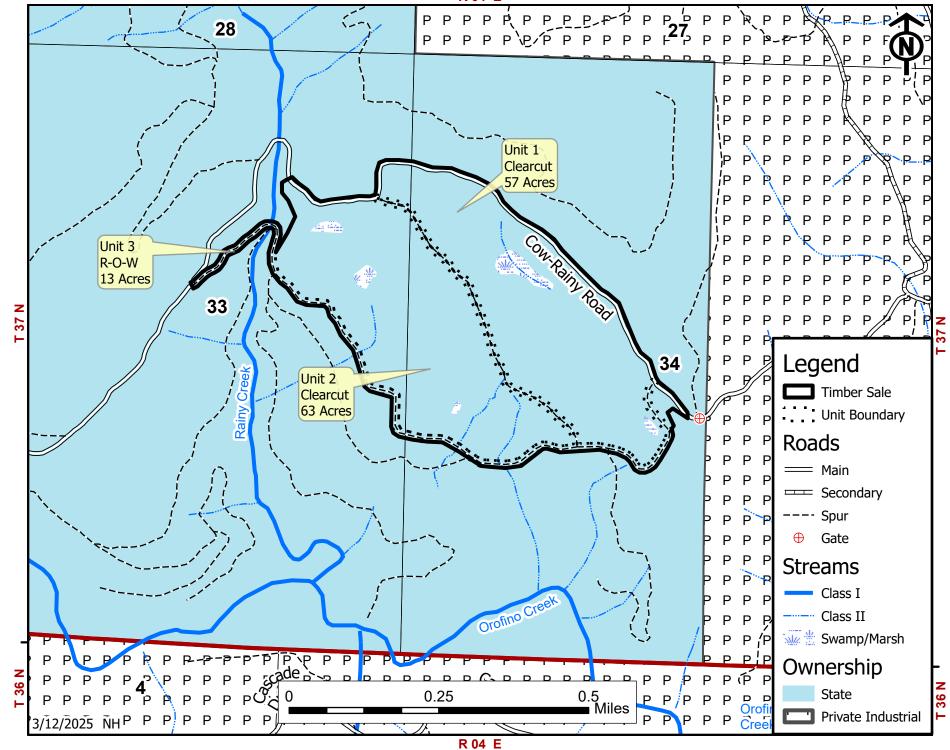


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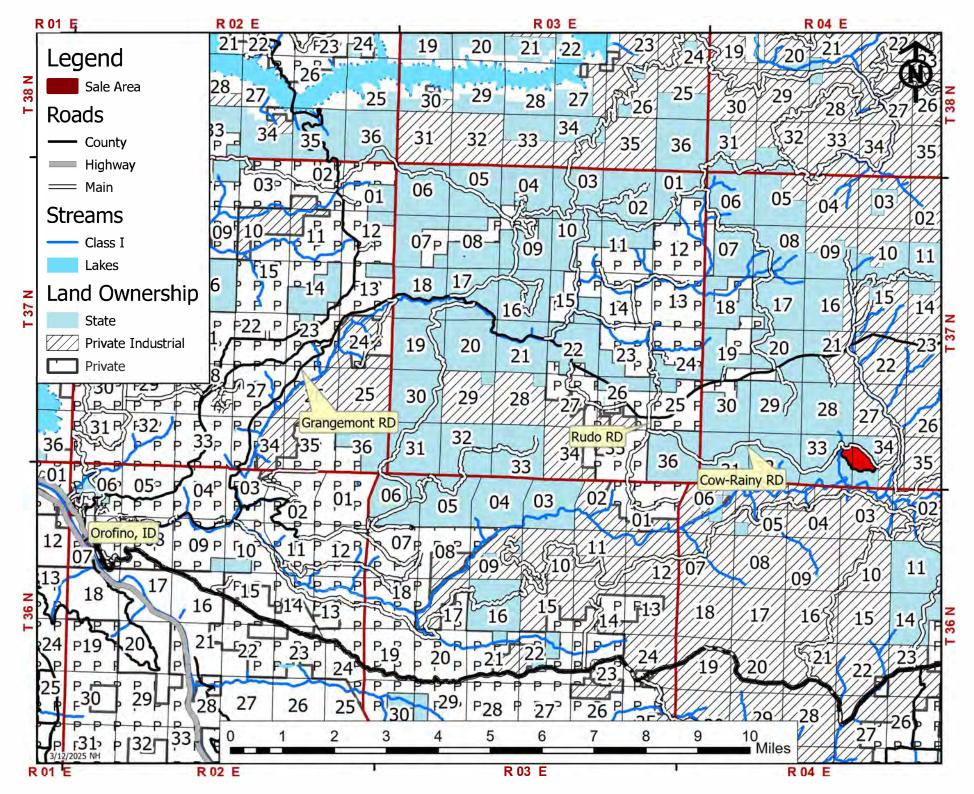
36 N

Exhibit A Page 1 of 1

OWNERSHIP MAP



R 04 E



VICINITY MAP

Lower Rainy Clearcut Justification

- 1. Treatment Description:
 - a) Clearcut Prescription: 120 combined contiguous acres Unit 1 (57 acres), Unit 2 (63 acres)
 The silvicultural objective is to establish a new stand through artificial regeneration (for more information, see 'Clearcut Justification' below).
 - b) Right-of-way: 13 combined acres Unit 3 (13 acres)
 This unit accounts for the right-of-way clearing during new spur road construction and spur road reconstruction.
 - c) Clearcut Justification:

Clearcuts will help achieve Desired Future Conditions outlined in the Clearwater Supervisory Area's Forest Asset Management Plan. Clearcuts Unit 1 (57 acres) and Unit 2 (63 acres) are silviculturally and economically justified and comply with the Idaho Forest Practices Act. A clearcut prescription will be used to harvest the existing stand and re-establish desired seral species on the site. Natural regeneration will not accomplish this for the following reasons:

- 1. The remaining second growth stand consists of 75% grand fir. High species composition of grand fir and lack of continuous seral species (white pine, western larch, and Douglas-fir) will not meet Desired Future Conditions for natural regeneration.
- 2. Armillaria Root Disease *(Armillaria ostoyae)* and early stages of Indian Paint Fungus (*Echinodontium tinctorium*) are evident in small pockets of the grand fir component of the stand.
- 3. The presence of Oceanspray *(Holodiscus discolor)* and Pacific Ninebark *(Physocarpus capitatus)* in both units is expected to reduce the success of natural regeneration.
- 4. Natural regeneration will be challenging on a southwest aspect site with an average elevation of 2,732 feet, combined with the above stated factors. Clearcutting and planting this stand will help maintain the Clearwater Supervisory Area's harvest levels and long-term financial returns by quickly starting growth of the next stand.
- d) Forest Improvement Activity:

After completion of the harvest, the two units will be assessed for hazard reduction work. Once slash mitigation is satisfactory the units will be site prepped with herbicide treatment, then planted with western larch, Douglas fir, and

ponderosa pine. The units will be monitored in the first five years after planting for the need for supplemental planting, chemical release spray, and gopher abatement. Vexar tubes may be installed at the time of planting to prevent browse from big game. This unit will be assessed in approximately 15 years for the need of a precommercial thin.



TIMBER MANAGEMENT BUREAU

3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525

MEMORANDUM

TO: Scott Bonk, Lands Resource Supervisor

FROM: Jeremy Shawver, Lands Section Manager Timber Sales and Contract Admin

DATE: June 11, 2024

SUBJECT: Lower Rainy (CR401398) - FY 2026 Timber Sale

On June 3, 2024, the Timber Management Bureau visited the Clearwater Supervisory Area to review the proposed timber sale, Lower Rainy. The Bureau was requested to visit the timber sale to look at the proposed clearcut units. Unit 1 (57 acres) and unit 2 (63 acres) create 120 acres of contiguous clearcut prescription. This proposed clearcut harvest exceeds 100 acres in size which will need Land Board approval.

The proposed timber sale lies in sections 33 and 34 of Township 37N Range 4E. The University of Idaho endowment is the beneficiary for the sale area.

The Timber Management Bureau (TMB) met the Clearwater (CLW) area staff at the Area office and proceeded to the sale area out the Grangemont Road northeast of Orofino. The group first stopped by a recently harvested sale on the access road to Lower Rainy. The sale was harvested in 2020. The group discussed natural regeneration issues in this area. This endowment ground is lower elevation around 2,800' above sea level (ASL). The prior management facilitated a commercial thin silviculture prescription. However, in certain areas of the sale, the outcome of the harvest opened the stand more than anticipated creating what looked like a typical regeneration including oceanspray and ninebark. The desired establishment of trees species was limited due to the established vegetative competition. This stop was a great segue into discussing the proposed sale, Lower Rainy.

The group continued down the road approximately one mile to the Lower Rainy Timber Sale. The Area staff began by providing an overview of the prior management in the area. The sale area was harvested in the 1940s. The harvest cut the desired commercial tree species at that time leaving the stand to naturally fill in (Image 1). This

created uneven distribution of trees species that slowly filled in the stand with clumpy unevenly distributed trees. The presence of brush inhibited timely establishment of desired trees species. This slow establishment over time was shown in the current stand structure with multiple cohorts of trees from pole sized to overmature trees near each other (Image 2).

The current stand has a high component of grand fir at 76% species by volume. Other minor species consist of Douglas-fir, ponderosa pine, lodgepole pine, and western redcedar. As the group began their hike around the proposed sale area, they discussed some of the insect and disease issues they saw. Most of the insect and disease issues were at endemic levels with scattered mortality seen throughout the stand. Most of the issues identified were affecting the grand fir (Image 3).

The site itself has great potential and can grow healthy trees due to soil characteristics. The site has a 50-year Douglas-fir site index of 76'. The bureau asked the FIC about the post-harvest silviculture plan. Due to the area's knowledge of the surrounding area, they will be facilitating a site preparation herbicide application prior to planting a desired mix of tree species. They plan to plant western larch, Douglas-fir, and ponderosa pine. If a release spray is needed in the area, the bureau recommended using Transline which contains clopyralid as the active ingredient. This will target the early invader species in the Asteraceae family and is safe to spray over their desired tree species.

The area also discussed concerns for animal browse in the area. This area is winter range to large ungulate species. Protection from animal browse is difficult to mitigate due to the potential mechanical damage from vexar tubes or breathable bud caps. Depending on the severity, the bureau also provided information on a newer browse mitigation, Trico. This is a liquid applied to the trees as a spray. The taste and smell repel the animals that would typically browse the seedlings. This control method would provide approximately 6 months of protection and would need to be reapplied biannually if yearlong mitigation is required.

The TMB recommends that the FIC proceed with the proposed clearcut of 120 contiguous acres. The current stand structure, forest health issues, and vegetative competition following harvest justifies the clearcut prescription for the units. The TMB supports this activity considering maximizing revenue for the University of Idaho endowment.



Image 1 – Google Earth image from 2003 showing the harvest area's slow ingrowth since harvest in the 1940s.



Image 2 – Stand growth overtime since harvest in the 1940s.

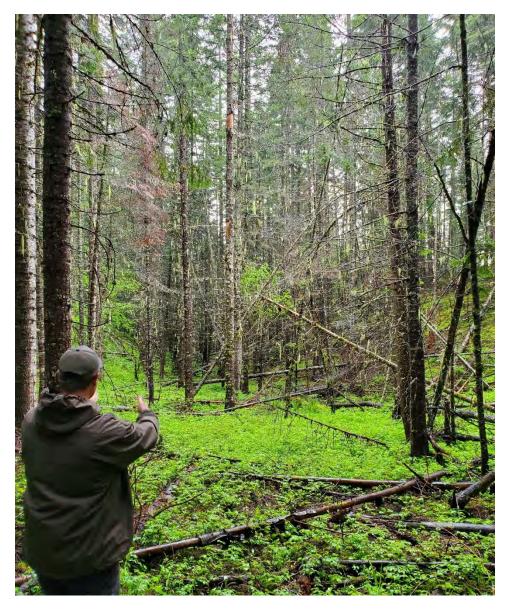


Image 3- Insect and disease issues in the grand fir.

STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Regular Agenda

Subject

Almost Round Cedar Timber Sale with a clearcut harvest unit exceeding 100 acres and that received written citizen concerns.

Question Presented

Shall the Land Board approve the Almost Round Cedar Timber Sale with a clearcut harvest unit exceeding 100 acres and that received written citizen concerns?

Background

At its December 15, 2015 meeting, the State Board of Land Commissioners (Land Board) adopted a timber sale governance structure whereby the Idaho Department of Lands (Department) would only present individual proposed timber sales for Land Board approval that fall outside of established Land Board policies. Timber sales with clearcut harvest units exceeding 100 acres and sales where there are written public comments are both types of sales to be submitted for approval. It is important to clarify that the citizen written concerns were not about the clearcut unit that exceeds 100 acres in size but instead pertained to other units included in the sale package. This distinction is clearly illustrated in the vicinity map in Attachment 3.

Discussion

Clearcut

The Pend Oreille Lake Supervisory Area submitted a timber sale in the FY26 plan that has a contiguous clearcut harvest unit exceeding 100 acres in size. The sale area is surrounded by private ownership that has primarily been developed into residences (Attachments 1 and 2). The sale area is located approximately 4 miles southwest of Sandpoint, Idaho (Attachment 3).

The proposed clearcut harvest in this sale totals 108 acres and is described in detail in Attachment 4. Clearcutting this stand will maximize returns to the endowments by capturing its current value. Replanting and using herbicide after harvesting will help quickly establish new seedlings and increase future yields by reducing competition from other vegetation.

The sale has been prepared to meet the Idaho Forest Practices Act. The proposed clearcut harvest unit is silviculturally and economically justified and was approved by the Timber Management Bureau (Attachment 5).

Written Concerns

Citizen written concerns were received regarding the Almost Round Cedar Timber Sale after the two-year proposed timber sale notification period and before the posting of the Annual Sales Plan. These comments, along with responses, are included in Attachment 6. Many of the comments express opposition to logging in general, particularly concerns about its proximity to Round Lake State Park. A map detailing the sale boundary, silviculture prescription, and its proximity to Round Lake State Park is available in Attachment 7.

Two trails permitted to the Idaho Department of Parks and Recreation run through endowment lands, offering visitors educational opportunities to learn about past timber management practices. Attachment 8 shows past management activities, indicating that most of the sale area, endowment ownership and Idaho Department of Parks and Recreation ownership, have previously undergone timber harvesting. Numerous comments reflect a misunderstanding of the purpose of endowment lands. Responding to these concerns provided an opportunity to share the Department's mission and constitutional mandate.

As with all Department timber sales, this project follows the same management practices applied across endowment lands. The sale is in full compliance with the Idaho Forest Practices Act, which ensures that health of forest soil, water, vegetation, wildlife, and aquatic habitat is managed during the growing and harvesting of forest trees in Idaho. Additionally, the Pend Oreille Lake Area has engaged with the Idaho Parks and Recreation Department on multiple occasions to keep them informed about this timber sale.

Recommendation

Approve the Almost Round Cedar Timber Sale.

Board Action

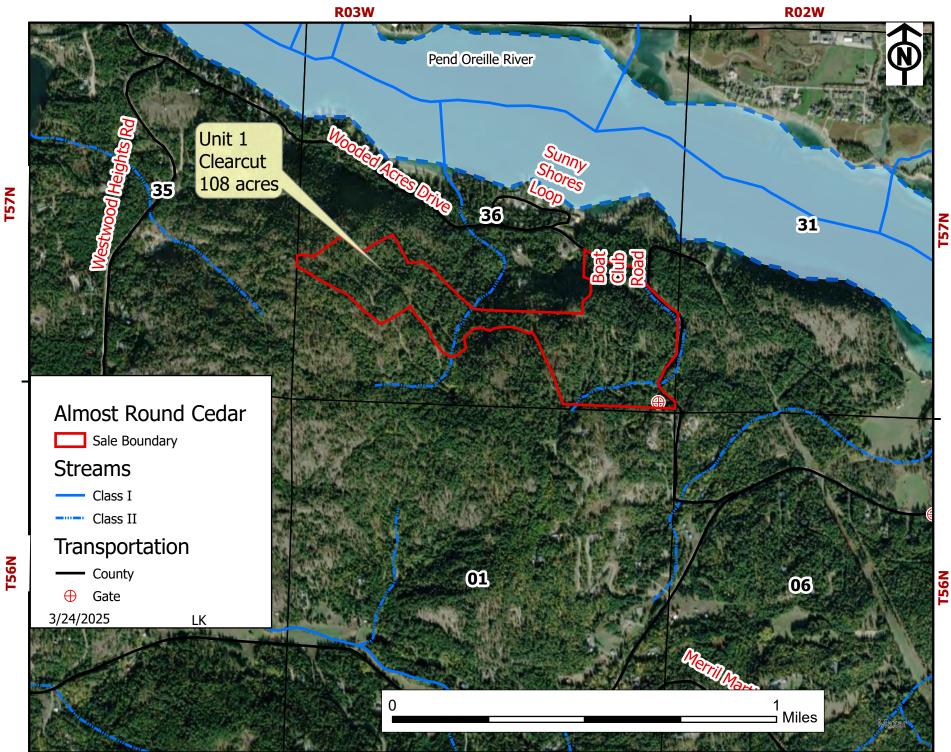
Attachments

- 1. Ortho Map
- 2. Ownership Map
- 3. Vicinity Map
- 4. Clearcut Justification
- 5. Timber Bureau Approval Memo
- 6. Written Concerns with Responses
- 7. Silviculture Map
- 8. Past Management Map

Sale Map

Exhibit A Page # of #

ATTACHMENT 1



R02W

CR200428 Almost Round Cedar

ATTACHMENT

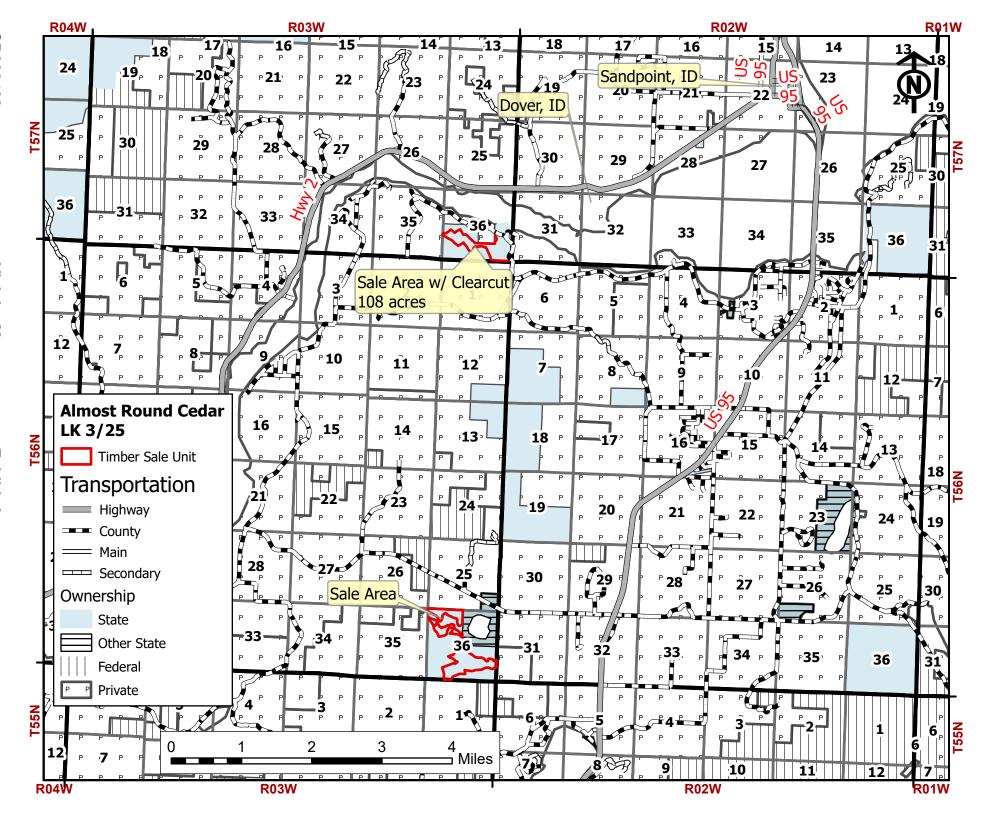
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Almost Round Cedar Clearcut Justification

- 1. Treatment Description:
 - a) This stand is compromised predominantly of overmature Douglas-fir and western redcedar (45% Doulgas-fir and 40% western redcedar of the standing volume). Western larch, grand fir, western hemlock, and ponderosa pine comprise minor components of the stand. This stand will be clearcut and planted following harvest.
 - b) Clearcut Justification:
 - a. Clearcuts will help achieve Desired Future Conditions outlined in the Pend Oreille Lake Supervisory Area's Forest Asset Management Plan. The clearcut in unit 1, (108 total acres), is silviculturally and economically justified and complies with Land Board policy and the Idaho Forest Practices Act. A clearcut prescription will be used to harvest the existing stand and re-establish seral and intermediate species on the site. Natural regeneration will not accomplish this for the following reasons:
 - i. The remaining stand consists of Douglas-fir and western redcedar that are over 50 years old. Due to loss of vigor and reduced crowns these trees are not expected to produce viable seed.
 - ii. Clearcutting this unit will minimize entries into the area, therefore reducing site disturbance and erosion. Clearcutting and planting will promote better site utilization by planting genetically superior seedlings of a more desirable species.
 - c) Forest Improvement Activity: Unit 1 will receive a site prep herbicide treatment if needed and will be planted to seral species as soon as practicable following harvest. Post planting surveys will be conducted immediately following planting at 1 and 5-year intervals, to determine seedling success, ensure the stands meet stocking level targets, and evaluate the need to follow up pesticide treatments. The sites adjacent to the proposed sale have been successfully regenerated with seral species through clearcut, site preparation, and planting operations similar to the proposed plan for this sale.



TIMBER MANAGEMENT BUREAU

3284 W Industrial Loop Coeur d'Alene, ID 83815 208-769-1525

MEMORANDUM

TO: Chad Ramsay, Lands Resource Supervisor

FROM: Jeremy Shawver, Lands Section Manager Timber Sales and Contract Admin

DATE: May 14, 2024

SUBJECT: Almost Round Cedar (CR200428) FY 2026 Timber Sale

On April 30, 2024, the Timber Management Bureau visited the Pend Oreille Lake Supervisory Area to review the proposed timber sale, Almost Round Cedar. The Bureau was requested to visit unit 1 (108 acres) of the timber sale. Unit 1 is a proposed clearcut that exceeds 100 acres in size which will need Land Board approval.

Unit 1 of Almost Round Cedar lies in section 36 of Township 57N Range 3W. The public school endowment is the beneficiary for this portion of the sale area.

The Timber Management Bureau (TMB) met the Pend Oreille (POL) area staff at the sale area to begin the tour of the proposed sale. Area staff began the tour by providing an overview of the prior management in the area. The sale was helicopter logged 2007 with TS203641 that was cancelled in 2008. The sale's objectives were to sanitize the stand using single tree and group selection. The previous management created pockets of openings primarily in the draws where shade tolerant and moderate species regenerated. On the drier portions of the stand, there was little regeneration from the previous harvest along with a flush of woody brush species being released (oceanspray and ninebark). This management was chosen primarily due to the visual concerns of the area at that time.

The group proceeded to discuss the current stand's health and silviculture objectives for the Almost Round Cedar Timber sale. The Forester-in-Charge (FIC), Libby Koch, chose to facilitate a clearcut prescription to treat the stand. The micro aspects of the sale area, mainly in the draws, have pockets of regeneration from the previous sale. However, there is damage anticipated when the remaining merchantable trees are removed. Because the prior management used uneven-aged regeneration methods, there is substantial volume needing to be yarded thus the pockets of regeneration are



not anticipated to be able to be protected. The TMB recommended assessing the damage to the regeneration post-harvest to determine if the natural regeneration would be viable crop trees. The remaining acres of the sale area are undergoing various levels of mortality primarily in the Douglas-fir (Image 1). These areas are showing signs of root disease and insect infestations in varying levels.

Following harvest, the area plans to perform an herbicide application to treat the brush and grass to prepare the site for planting seral species (Image 2). The existing vegetative competition will release further post-harvest. Natural regeneration is not a viable option with the presence of the grass and brush understory. The Area plans to plant Douglas-fir, western larch, and possibly ponderosa pine. The TMB discussed and recommended choosing the appropriate herbicides to use when planning to plant specific seedling species. For example, Velpar-L (hexazinone) works great to treat the brush and grass, however western larch has limited tolerance and exhibits brownout and reduced root egression if planted where Velpar-L is sprayed at rates above 1.3 lbs per acre. Planning out the target tree species for the site will help survival by matching the correct herbicide application to specific areas based on the desired trees species.

The group continued the tour by walking through a portion of the sale area. The group continued to discuss specific site characteristics and regeneration tactics while looking at the various micro sites of the sale area. The stand transitions from a Douglas-fir/ninebark to a western hemlock/queencup beadlily habitat type. This variation across the stand will be factored into the planning process when determining the desired seedlings to plant along with effective herbicides for treating the vegetative competition.

The TMB recommends that the FIC proceed with clearcutting unit 1 (108 acres). The forest health issues, and existing vegetative competition justify the clearcut prescription for the unit. The TMB supports this activity considering maximizing revenue for the public school endowment.



Image 1 – Mortality in Douglas-fir.

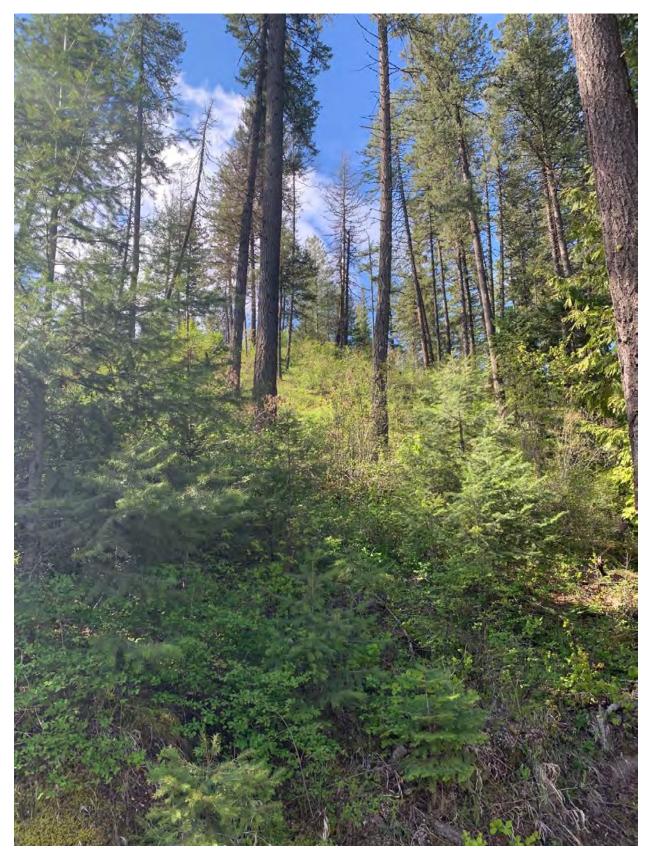


Image 2 – Vegetative competition presence in the understory.

Inland Empire Task Force

77 E Lincoln Ave. Priest River, Idaho 83856 208.217.0609 paul.sieracki@gmail.com



Dustin Miller, Director Idaho Department of Lands Susan Buxton, Director Idaho Department of Parks and Recreation

Jim Fredericks, Director Idaho Fish and Game

Chad Ramsey Pend Oreille Office, Idaho Department of Lands

September 27, 2024

Subject: Concerns regarding the Almost Round Cedar Timber Sale

Dear Directors and Chad Ramsey,

I am writing to express my grave concerns regarding the Almost Round Lake Timber Sale, which is being proposed by the Idaho Department of Lands (IDL) adjacent to Round Lake State Park. This timber sale poses significant threats to wildlife, the park's heavily used trails, as well as the surrounding areas, where the resulting 279 acres of clearcuts and one seedtree clearcut will be clearly visible.

IDL's proposed actions include the clearcut logging of old-growth forests, goshawk nesting stands, and the removal of large, biologically significant western white pine, redcedar, grand and Douglas firs, and western larch. The removal of these ancient trees, particularly the large, fire-resistant, carbon-

storing ponderosa pines and larch, is deeply concerning. A 52-inch diameter at breast height (DBH) western red cedar in an old-growth patch that serves as a fire refugia and a biodiverse larch veteran marking the trail north of the dam are also slated for removal.

What is especially concerning is that the "current stand structure" denoted in the pre sale report ignores patches of old growth and the large old remnant tree components in the proposed clearcuts.

Contrary to IDL's draft analysis, which claims the absence of Idaho Species of Concern, black-backed woodpeckers have been observed and documented in the affected units as recently as mid-September, 2024.



This male was photographed in 2023. Urgent and detailed botanical and biological surveys are needed, especially in moister areas and old-growth patches to fully assess the environmental impact of this timber sale.

The preliminary report makes specious statements about maintaining cover for big game without disclosing any analysis and that seedlings will reach 5 feet 5 years after planting. Please show us logging units where this rapid growth has occurred.

The effects to the park would upset Round Lake State Park campers and day users who use the trail system that would be impacted, physically and visually. The logging operations would disrupt park users, and reduce the number of return campers after they see the devastation. The quality of the Park would be diminished.

This timber sale must be stopped, and adjacent IDL managed land should be transferred to the Idaho Department of Parks and Recreation. IDL's actions are not in the best interest of Idaho's residents or its

forests, nor is IDL being a "Good Neighbor". I urge you to contact Chad Ramsey, Pend Oreille Supervisory Area and Erik Sjoquist Lands Area Manager, and your legislators to demand the immediate cancellation of this sale and the transfer of management to State Parks with a nologging clause. These forests better serve Idaho as climate reserves than for shortterm profit. It is unconscionable to log old growth forests which are becoming increasingly rare.

Thank you for your attention to this critical matter. I look forward to your prompt action to protect Round Lake State Park and the surrounding ecosystems. Below are photographs of old growth forests and large old trees that will be lost with the proposed clearcuts. We will be sponsoring a public field trip to view the propsed sale



in early October, agency representatives are invited to attend, date tba.

Sincerely,

Paul Sieracki Geospatial Analyst/Wildlife Biologist Inland Empire Task Force 208.217.0609 PEND OREILLE LAKE SUPERVISORY AREA 2550 Highway 2 West Sandpoint, ID 83864-7305 Phone (208) 263-5104 Fax (208) 263-0724



STATE BOARD OF LAND COMMISSIONERS Brad Little, Governor Phil McGrane, Secretary of State Raúl R. Labrador, Attorney General Brandon D Woolf, State Controller Debbie Critchfield, Sup't of Public Instruction

October 1, 2024

Inland Empire Task Force 77 E Lincoln Ave Priest River, Idaho 83856 via e-mail: paul.sieracki@gmail.com

Re: Response to concerns regarding the Almost Round Cedar Timber Sale

Dear Mr Sieracki:

Thank you for sharing your concerns regarding the Almost Round Lake Timber Sale. I would like to clarify the Idaho Department of Lands' (IDL) fiduciary responsibility in managing endowment lands and explain the principles guiding timber sales such as this one.

Fiduciary Responsibility and the Purpose of Endowment Lands:

Under Idaho's Constitution, the IDL is mandated to manage endowment lands for the financial benefit of the endowment's beneficiaries, primarily Idaho's public schools. These lands were granted to the state at its admission into the Union with the specific purpose of generating long-term financial returns for these beneficiaries. As fiduciaries, IDL's obligation is to maximize the financial returns from these lands while ensuring that they remain productive for future generations.

This fiduciary responsibility means that every decision made regarding the management of endowment lands, including timber sales, must be evaluated through the lens of its financial benefit to the trust. The revenue generated from timber sales, such as the Almost Round Lake Timber Sale, is crucial for funding public education and other institutions. This revenue provides critical financial support without increasing the tax burden on Idaho's residents.

Principles of Silviculture in Timber Management:

IDL follows scientifically established silvicultural principles to manage forest resources in a way that ensures sustainability and productivity of those resources. Silviculture is the practice of managing the growth, composition, health, and quality of forests to meet diverse needs and values, with a specific focus on timber production in the context these endowment lands.

• **Clearcutting and Stand Regeneration:** One of the core tenets of silviculture is to harvest timber in a way that promotes regeneration and supports long-term forest health. Clearcutting is employed in certain situations to remove older, less productive stands and replace them with

Page 2

new growth, especially for species that require sunlight, such as western larch and ponderosa pine. This practice is critical for regenerating forests that will continue to produce valuable timber for future harvests. While clearcutting may appear dramatic, it is an essential technique for ensuring the forest remains economically viable and productive over time.

- Economic Productivity of the Land: Endowment lands are not simply preserved for their ecological or aesthetic value but are working lands with a mandate to generate financial returns. Forests that have reached maturity or are at risk of decline due to age, disease, or fire vulnerability must be harvested to capture their value before they lose economic viability. By employing methods like clearcutting, followed by replanting with species suited to the site, IDL ensures that these lands will continue to yield timber, and thus revenue, for generations to come.
- **Reforestation:** After timber is harvested, the IDL is committed to reforesting the land quickly and effectively. New seedlings are planted to ensure that the forest is restored and will continue to provide economic benefits. The reforested areas are carefully monitored to ensure rapid growth and long-term forest sustainability.

IDL agrees that these endowment forest lands provide many other environmental and social benefits. The endowment land adjacent to Round Lake State Park is not a part of the park. The management objectives are different. However, on the Pend Oreille Lake Supervisory Area, more than 108,000 acres are publicly accessible for recreation, including the lands adjacent to the park. You mentioned the hiking trails that traverse the endowment lands adjacent to the park. The Stewardship Trail was a collaboration between the IDL and the IDPR. This interpretive trail educates recreationist about the benefits of forest management and purpose of endowment lands. Continuous forest management adjacent to the trail exemplifies these concepts. IDL is proud to demonstrate the success and resilience of working forests.

Aesthetic impacts are subjective and temporary. The upcoming timber sale will reduce tree density the average height of vegetation of the affected stands. Wildfires, wind events, and mortality from forest insect or disease outbreaks also change the appearance of the forest. Those events are unpredictable and can affect much broader areas than what is planned for this timber sale. Natural disturbance is not an acceptable or efficient management tool to meet the objectives stated above. Forest management activities aim to capture the value of forest products before growth rates decline and to replace stagnate, late successional stands with faster growing seral species. In the years following the timber sale, the establishment of planted trees and natural regeneration will recover the mature forest "look" that recreationists are used to.

Wildlife Considerations and Management:

The IDL follows a wildlife policy that recognizes the importance of maintaining habitat diversity while carrying out land management activities. This policy acknowledges that endowment lands are part of a larger ecosystem, and that habitat diversity is influenced by the management practices of all landowners within that ecosystem.

Page 3

State endowment trust lands are managed with an emphasis on sustainable and resilient landscapes, which, as a side benefit, can provide a variety of habitats for wildlife indigenous to the area. IDL's policy ensures that land management activities are designed to provide habitat diversity, with specific consideration for species that may use the area seasonally or intermittently. Timber sales, like the Almost Round Lake Timber Sale, undergo planning to include methods that maintain or improve wildlife habitat, all within the context of our fiduciary responsibility. Habitat components such as food, water, cover, and migration corridors are assessed, and the requirements of endangered and threatened species receive the highest priority.

Thank you again for your attention to this matter. We welcome your involvement in the process and appreciate your understanding of the important role these timber sales play in supporting Idaho's future.

Respectfully,

Chad Ramsay Lands Resource Supervisor Idaho Department of Lands 2550 Hwy 2 West, Sandpoint ID Office: (208) 263-5104 Ext. 5558 Email: cramsay@idl.idaho.gov https://www.idl.idaho.gov



P.O. Box 1092, Sandpoint, ID 83864 www.nativeplantsociety.org

OFFICERS

November 26, 2024 President Shawna Parry Eric Sjoquist, Area Manager <<u>esjoquist@idl.idaho.gov</u>> Vice-President Preston Andrews Idaho Department of Lands Pend Oreille Lake Supervisory Area Secretary 2550 Highway 2 West, Sandpoint, ID 83864-7305 **Rae Charlton** Dear Mr. Sjoquist: Treasurer Shawna Parry The Kinnikinnick Native Plant Society (KNPS) is an active and large group (150+ Arboretum members) based in Bonner County since the late 1990s. We educate the public about Rae Charlton the benefits of native plants, work to identify and protect sensitive plant populations, and engage the public and institutions in the support of native flora, from small to **BOARD MEMBERS** forest-sized landscapes. We appreciate the opportunity to comment on the proposed Almost Round Cedar timber sale. Sherry Ennis As Officers of KNPS, and with full support of our Board of Directors, we are writing to Patty Ericsson express our concerns regarding the Almost Round Cedar timber sale (CR200428). While we fully support the fiduciary responsibilities that IDL provides to benefit the State of John Hastings Idaho, we believe that timber units adjacent to and immediately north and south of Mary Haley Cocolalla Creek should be excluded from this timber sale. Ideally, these timber units, as well as the included area along Cocolalla Creek, could be acquired by Idaho Phil Hough Department of Parks and Recreation to enhance the educational and recreational benefits of Round Lake State Park. If excluding these units from the sale is not possible, FOUNDER we request that this area be shielded from the impacts of this timber sale with a 100-Lois Wythe foot minimum, unlogged "buffer strip" along both the Stewardship and Trapper's Trails (deceased) in order to retain their educational and aesthetic values. Finally, if the timber sale is predicated on existing pest (e.g. Douglas-fir beetle) and/or disease (e.g. Armillaria root rot) issues and cannot be curtailed, then we recommend public engagement as detailed in the final paragraph of this letter.

As stated in the Pre-Sale Report, Cocolalla Creek is a Class I stream that supports threatened bull trout. Therefore, the units adjacent and immediately to the north and south of Cocolalla Creek should be left undisturbed. The proximity of the logging units to Cocolalla Creek, especially near the bridge crossings for the Stewardship and Trapper's Trails, appear to be within the Stream Protection Zone, as defined in *The Forest Practices Act Class I Streamside Tree Retention Rule or "Shade Rule"* (updated March 2022).

The Aesthetics and Affected Interests sections (IV. IMPACT STATEMENT, A and B, respectively) of the Pre-Sale Report fail to mention the hundreds of Round Lake State Park visitors that use the Stewardship and Trapper's Trails in all seasons of the year. Clearcutting those units would certainly adversely affect their interests and the

aesthetics they experience. In addition, Cocolalla Creek contains important wetland species and wildlife regularly used by school and environmental groups to study water quality and riparian habitat. Education and research are essential aspects of the values embodied in parks and public lands.

The timber units adjacent to and immediately north and south of Cocolalla Creek also contain old-growth forest and associated native shrubs and forbs. Their proximity to the park also means that they have educational value. Disturbance from logging will damage these native plant populations and invite noxious weeds, such as hawkweeds (*Hieracium caespitosum* and *H. aurantiacum*) and spotted knapweed (*Centaurea stoebe*), to colonize. As a native plant society, we respectfully request a botany report for these timber units.

If the timber sale goes forward, we encourage more public engagement to educate people who frequent Round Lake State Park and its surrounding areas about the reasons for this sale. Round Lake may be the perfect place for the public to gain a better understanding of forestry practices, how they are implemented, and their impacts.

These engagements could include:

- 1) Updated educational/interpretive signage along the trails to include information relative to the project's objectives and the impacts of existing pests and diseases,
- 2) Conducting field trips both before and after logging, perhaps including University of Idaho's Extension forester, Chris Schnepf <<u>cschnepf@uidaho.edu</u>> to examine the project's intent, desired results, and expected outcomes to develop a greater public understanding and community acceptance of practices which can otherwise appear unwarranted and severe.

Thank you for giving the following suggestions from KNPS serious consideration: 1) Exclude timber units adjacent to and immediately north and south of Cocolalla Creek from the sale, or 2) create "buffer strips" alongside both the Stewardship and Trapper's Trail, and/or 3) conduct public engagement activities before and after logging.

Sincerely,

shawnanbamy

Shawna Parry President, Kinnikinnick Native Plant Society

P. t. K. Cel

Preston Andrews, Ph.D. Vice-President, Kinnikinnick Native Plant Society Emeritus Professor of Horticulture, Washington State University

Cc: Dustin Miller, Director, Idaho Department of Lands <<u>dmiller@idl.idaho.gov</u>> Susan Buxton, Director, Idaho Department of Parks and Recreation <<u>susan.buxton@idpr.idaho.gov</u>> Mary McGraw, Manager, Round Lake State Park, Idaho Department of Parks and Recreation <<u>Mary.McGraw@idpr.idaho.gov</u>> Idaho Department of Lands Pend Oreille Lake Supervisory Area 2550 Highway 2 West Sandpoint, ID 83864-7305 Phone (208) 263-5104 Fax (208) 263-0724



State Board of Land Commissioners Brad Little, Governor Phil McGrane, Secretary of State Raúl R. Labrador, Attorney General Brandon D Woolf, State Controller Debbie Critchfield, Sup't Public Instruction

Dustin T. Miller, Director Working Lands, Trusted Stewards

March 14, 2025

Kinnikinnick Native Plant Society P.O. Box 1092 Sandpoint, ID 83864

Re: Response to email sent November 26th, 2024

Dear Ms. Parry and Dr. Andrews:

Thank you for your letter regarding the Almost Round Cedar timber sale (CR200428). We appreciate the engagement of the Kinnikinnick Native Plant Society (KNPS) and value the opportunity to clarify the mission and obligations of the Idaho Department of Lands (IDL).

Purpose of Endowment Lands

The management of Idaho's endowment lands is directed by the Idaho Constitution, which mandates that these lands be managed primarily to generate revenue for public schools and other beneficiaries. This mission is carried out through sustainable forest management practices that balance economic return with environmental stewardship. Timber sales, including the Almost Round Cedar project, are essential to meeting this constitutional obligation and ensuring long-term funding for Idaho's public education system.

Consideration of Timber Sale Modifications

IDL acknowledges the concerns regarding timber harvest near Cocolalla Creek and Round Lake State Park. While maintaining ecological integrity is important, these lands are not designated for conservation but rather for revenue generation through responsible management. The timber sale design includes compliance with the Idaho Forest Practices Act, including the Class I Streamside Tree Retention Rule ("Shade Rule"), to protect water quality and riparian areas. The buffers surrounding Cocolalla creek will be maintained at 75 feet from ordinary high-water mark. These required buffer zones will remain in place to mitigate environmental impacts while allowing for the necessary harvest.

Addressing Pest and Disease Concerns

Active forest management is necessary to address threats such as Douglas-fir beetle infestations and Armillaria root rot. Without intervention, these issues can lead to widespread forest degradation and reduced revenue potential. The Almost Round Cedar timber sale is designed to improve forest resilience while meeting financial obligations to Idaho's schools.

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Historical Timber Harvests

These IDL-managed endowment lands surrounding Round Lake State Park have undergone multiple timber harvests over the decades, demonstrating a long-standing commitment to sustainable forest management. These past harvests have contributed to Idaho's public school funding while maintaining forest health and productivity. The Almost Round Cedar timber sale is a continuation of this responsible management approach, ensuring that these lands continue to meet their intended purpose under the Idaho Constitution.

Following one of the previous timber sales, the Stewardship and Trappers Trails were created to showcase the importance of forest management. These trails serve as educational resources for visitors to better understand sustainable forestry practices and their role in supporting Idaho's public schools. Following the completion of the Almost Round Cedar timber sale, the informational kiosks along these trails will be updated to reflect the latest forest management practices, ensuring continued educational value for park visitors.

Conclusion

IDL's primary responsibility is to manage endowment lands to generate revenue for Idaho's public schools, as mandated by the state constitution. While we respect and appreciate KNPS's commitment to native plant conservation, these lands must continue to be actively managed for economic return. IDL will ensure that all forestry activities comply with legal and environmental regulations while fulfilling our fiduciary duty to the state's public education system.

Sincerely,

Chad Ramsay Lands Resource Supervisor Idaho Department of Lands 2550 Hwy 2 West, Sandpoint ID Office: (208) 263-5104 Ext. 5558 Email: cramsay@idl.idaho.gov https://www.idl.idaho.gov



Erik Sjoquist

From:
Sent:
To:
Subject:

Sue Koller <vulcanrider.sue@gmail.com> Sunday, October 13, 2024 4:12 PM Erik Sjoquist Round lake timber project

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

You already know the many issues the logging will cause. Let me add one you might not have considered. No matter how careful the trees are selected the damage from the reduced ground cover causes repeated degradation of the soil over time and will impact the source of the surrounding wells, creeks, rivers and lakes. The local deer and elk will be forced to move into private land that are often fenced or must cross Highway 95. The carnage of vehicle killed game is already at an all time high. Please reconsider allowing this project.

There are plenty of woodlots for the timber industry to use without having to clear this much loved location.

The money for who've profits from it will always be in tainted.

Sue 124 Benjamin Lane Cocolalla



[Dr t] Response to email Dated Oct. 13 2024

From

To vulcanrider.sue@gmail.com <vulcanrider.sue@gmail.com>

Sue,

Thank you for reaching out and sharing your concerns regarding the timber sale near Round Lake State Park.

The Endowment Land surrounding the Round Lake State Park is a **working forest** that has been actively managed for decades to generate long-term income for Idaho's **public schools**. Directed by Idaho's Constitution, the Idaho Department of Lands is mandated to manage endowment lands for the financial benefit of the endowment's beneficiaries, primarily Idaho's public schools. As part of this mission, there have been multiple timber sales on this parcel over the years, following sustainable forest management practices designed to maintain forest health, reduce wildfire risk, and protect water resources.

While any forest management activity results in temporary changes to the landscape, careful planning and best management practices are in place to **minimize soil disturbance**, **protect water quality**, **and support wildlife habitat**. Harvesting methods are designed to promote healthy forest regeneration, ensuring that the land continues to provide environmental and economic benefits for future generations.

Regards,

Chad Ramsay Lands Resource Supervisor Idaho Department of Lands 2550 Hwy 2 West, Sandpoint ID Office: (208) 263-5104 Ext. 5558 Email: <u>cramsay@idl.idaho.gov</u> https://www.idl.idaho.gov

Erik Sjoquist

From:	pam duquette <pduquette99724@yahoo.com></pduquette99724@yahoo.com>
Sent:	Monday, October 14, 2024 6:26 AM
То:	Erik Sjoquist
Subject:	IDL proposed logging at Round Lake

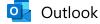
CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Good morning, I am a long term resident of Bonner County and have spent many days at Round Lake. When raising my children, we canoed, and fished the lake, and hiked and cross country skied the trails around. I to this day still enjoy my time in this forest.

The idea that this timber sales will go through, when it threatens some old growth, endangers local wildlife (including black-backed woodpeckers that are an IDL species of concern) and will take away so much of the enjoyment we residents experience here is unacceptable. This is a short drive from Sandpoint, allowing a quick but much needed respite in these forests from day to day struggles.

Please oppose/stop this project from happening.

Thank you, Pam Duquette, 828 Lake St, Sandpoint, ID



[Draft] Response to email Dated Oct. 14, 2024

From

To Pduquette99724@Yahoo.com <Pduquette99724@Yahoo.com>

Pam,

Thank you for reaching out and sharing your concerns regarding the timber sale near Round Lake State Park.

The Endowment Land surrounding the Round Lake State Park is a **working forest** that has been actively managed for decades to generate long-term income for Idaho's **public schools**. Directed by Idaho's Constitution, the Idaho Department of Lands is mandated to manage endowment lands for the financial benefit of the endowment's beneficiaries, primarily Idaho's public schools. As part of this mission, there have been multiple timber sales on this parcel over the years, following sustainable forest management practices designed to maintain forest health, reduce wildfire risk, and protect water resources.

While any forest management activity results in temporary changes to the landscape, careful planning and best management practices are in place to **minimize soil disturbance**, **protect water quality**, **and support wildlife habitat**. Harvesting methods are designed to promote healthy forest regeneration, ensuring that the land continues to provide environmental and economic benefits for future generations.

Regards,

Chad Ramsay

Lands Resource Supervisor Idaho Department of Lands 2550 Hwy 2 West, Sandpoint ID Office: (208) 263-5104 Ext. 5558 Email: cramsay@idl.idaho.gov https://www.idl.idaho.gov



Erik Sjoquist

From: Sent: To: Subject: Erik Sjoquist Wednesday, October 16, 2024 12:12 PM Jean Gerth RE: Logging at Round Lake

Jean,

The Department of Lands is not logging within Round Lake State Park. The harvest will occur adjacent to the park on Public School endowment land. The Idaho Department of Lands manages state endowment lands to generate revenue for the underlying beneficiary or beneficiaries. Timber sales are one way we generate revenue for the beneficiaries.

If you would like to know more about the purpose, management, and history of endowment lands, there are some great resources on our website. Here's a link: <u>Understanding Endowment Land - Department of Lands (idaho.gov)</u>

Regards,

Erik Sjoquist (208) 263-5104

> From: Jean Gerth <jeangerth@gmail.com> Sent: Sunday, October 13, 2024 11:40 AM To: Erik Sjoquist <esjoquist@idl.idaho.gov> Subject: Logging at Round Lake

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I've heard that IDL is planning to log in the State Park. Is that true? If so, why would you log in a highly used recreational area? Thank you.

Jean Gerth Sagle, ID jeangerth@gmail.com (208) 290-1349

Erik Sjoquist

From:	
Sent:	
То:	
Subject:	

robbie71173 <northidahogirl50@gmail.com> Thursday, October 17, 2024 14:41 Erik Sjoquist Round Lake State Park Logging

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Dear Mr. Sjoquist,

I am writing to express my deep concerns regarding the proposed timber sale adjacent to Round Lake State Park, known as **The Around Round Lake Cedar logging project**. This initiative threatens a vital old-growth area that serves not only as a critical wildlife habitat but also as a cherished recreational haven for both Idahoans and visitors from Washington. I live right down the road from the park and use it regularly, especially, when I have out of state visitors who marvel at its beauty.

The targeted area for this timber sale includes old-growth forests that are crucial for fire resistance and carbon storage. These forests also support a diverse range of wildlife, including species of concern such as black-backed woodpeckers and nesting northern goshawks. <u>The proposed clearcutting within these sensitive zones poses a</u> <u>significant risk to these species and the ecological balance of the region.</u>

Moreover, Round Lake State Park is renowned for its natural beauty and recreational opportunities, including hiking, fishing, birding, and camping. The logging project threatens to disrupt these activities by destroying trails and forested habitats, diminishing the scenic vistas that attract numerous visitors each year, and adversely affecting the overall park experience.

It is distressing to observe that the Idaho Department of Lands is moving forward with this project under the guise of a constitutional mandate, potentially overlooking the broader environmental and social impacts. Such actions not only undermine the ecological integrity of our state parks but also disregard the public's trust and the intrinsic value these lands hold.

Therefore, I urge the Idaho Department of Lands to reconsider the proposed logging project near Round Lake State Park. I implore you to prioritize the preservation of our state's natural resources and the well-being of its wildlife and citizens. Engaging with local communities, environmental experts, and stakeholders to find a sustainable solution is crucial.

Please feel free to contact me at 208-627-2983 or via email at <u>northidahogirl50@gmail.com</u> should there be an opportunity for public consultation or to discuss this matter further. I, along with many others, am eager to support efforts that protect and enhance our cherished natural landscapes. I strongly believe in forest

maintenance and recognize that many of our forests are in serious need of 'thinning,' but clear-cutting is NOT the answer.

Thank you for your attention to this urgent matter. I look forward to your response and hope for a positive resolution that aligns with both environmental stewardship and community values.

Sincerely,

Shirley (aka: Robbie) Gleason

240 Platinum Ridge Road

Sagle, ID 83860



[Draft] Response to email Dated Oct. 17, 2024

From

To northidahogirol50@gmail.com <northidahogirol50@gmail.com>

Robbie,

Thank you for reaching out and sharing your concerns regarding the timber sale near Round Lake State Park.

The Endowment Land surrounding the Round Lake State Park is a **working forest** that has been actively managed for decades to generate long-term income for Idaho's **public schools**. Directed by Idaho's Constitution, the Idaho Department of Lands is mandated to manage endowment lands for the financial benefit of the endowment's beneficiaries, primarily Idaho's public schools. As part of this mission, there have been multiple timber sales on this parcel over the years, following sustainable forest management practices designed to maintain forest health, reduce wildfire risk, and protect water resources.

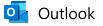
While any forest management activity results in temporary changes to the landscape, careful planning and best management practices are in place to **minimize soil disturbance**, **protect water quality**, **and support wildlife habitat**. Harvesting methods are designed to promote healthy forest regeneration, ensuring that the land continues to provide environmental and economic benefits for future generations.

Regards,

Chad Ramsay

Lands Resource Supervisor Idaho Department of Lands 2550 Hwy 2 West, Sandpoint ID Office: (208) 263-5104 Ext. 5558 Email: <u>cramsay@idl.idaho.gov</u> https://www.idl.idaho.gov





RE: Request for a Meeting about the Around Round Lake Cedar sale.

From Erik Sjoquist <esjoquist@idl.idaho.gov>

Date Thu 10/31/2024 10:58 AM

- To Paul Sieracki <paul.sieracki@gmail.com>
- Cc EXTERNAL Mary McGraw <mary.mcgraw@idpr.idaho.gov>

Mr. Sieracki,

To follow up, we are not going to host a public meeting for the proposed Almost Round Cedar timber sale. The IDL has kept the IDPR informed as we prepare this timber sale.

Regards,

Erik Sjoquist (208) 263-5104

From: Erik Sjoquist
Sent: Thursday, October 24, 2024 15:21
To: Paul Sieracki <paul.sieracki@gmail.com>
Cc: EXTERNAL - Mary McGraw <mary.mcgraw@idpr.idaho.gov>
Subject: RE: Request for a Meeting about the Around Round Lake Cedar sale.

Mr. Sieracki,

I wanted to let you know that I received your email.

Regards,

Erik Sjoquist (208) 263-5104

> From: Paul Sieracki <<u>paul.sieracki@gmail.com</u>> Sent: Thursday, October 24, 2024 09:22

To: Erik Sjoquist <<u>esjoquist@idl.idaho.gov</u>>; Mary McGraw <<u>mary.mcgraw@idpr.idaho.gov</u>> Cc: George Gehrig <<u>GeoGehrig@gmail.com</u>>; Amy Anderson <<u>anderson@scawild.org</u>>; Janet Torline <<u>jctorline@gmail.com</u>>; Melinda Lowe <<u>boisebea@outlook.com</u>>; Mary Costello <<u>mc.costello5@gmail.com</u>>; Regan Kaniksu Land Trust <<u>regan@kaniksu.org</u>>; <u>k.barnowe-</u> <u>meyer@tnc.org</u>; Todd Wernex <<u>twernex@idl.idaho.gov</u>>; <u>adam.zaragoza@idpr.idaho.gov</u>; Chad Ramsay <<u>CRamsay@idl.idaho.gov</u>>

Subject: Request for a Meeting about the Around Round Lake Cedar sale.

Inland Empire Task Force 77 E Lincoln Ave. Priest River, Idaho 83856 208.217.0609 paul.sieracki@gmail.com



CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

October 24, 2024

Dear Eric Sjoquist (IDL) and Mary McGraw (IDPR),

On behalf of the Inland Empire Task Force, we are writing to request a public meeting regarding the proposed logging project named Around Round Lake Cedar in your jurisdiction. As IDL and IDPR knows, the Inland Empire Task Force has serious concerns about the proposed clearcut logging project. These include the extensive clearcut logging of goshawk nesting habitat and an old growth patch. Both stands are irreplaceable in the local area. The area has not been surveyed for rare plants and animals. Fixed carbon will be lost. Converting forests to lumber only offsets 1-3% of carbon emissions globally.

While the short-term economic benefits of logging may be appealing, we are concerned about the long-term consequences of large-scale logging in a sensitive environmental area. Deforestation can lead to soil erosion, water pollution, and the loss of biodiversity, all of which can have lasting impacts on the local ecosystem and the surrounding communities.

The effect to the State Park users would be severe, impacting the visual and non motorized recreational experience. Round Lake is a popular destination for outdoor enthusiasts, offering opportunities for hiking, fishing, camping, birding and other recreational activities. The logging project could significantly impact the natural beauty and tranquility of the area, deterring visitors and negatively affecting the local economy that relies on tourism.

Request for a Public Meeting

In light of these concerns, we are requesting a public meeting with representatives from the Idaho Department of Lands and the Idaho Department of Parks and Recreation to discuss the proposed logging project around Round Lake. We believe that a transparent and inclusive dialogue is essential to ensure that the interests of all stakeholders are taken into consideration.

During this meeting, we would like to have the opportunity to:

- Receive detailed information about the scope and timeline of the proposed logging project.
- Avoid grandstanding about Idaho constitution directives or fire scare tactics.
- Understand the potential environmental, economic, and social impacts of the project.
- Provide our own insights and recommendations based on our knowledge of the local area and the concerns of the Inland Empire Task Force and additional interested individuals and organizations.
- Explore alternative solutions or mitigation strategies that could address the needs of all parties involved.

We believe that a public meeting would be a valuable step in the decision-making process and would help to build trust and foster a collaborative approach to managing the natural resources in this region.

RE: Request for a Meeting about the Around Round Lake Cedar sale. - David Greenwood - Outlook

he Inlan Empire Task Force is com tted to wo king with the Idaho Department of Lands and the Idaho Department of Parks and Recreation towards shifting management from IDL to IDPR or some other suitable arrangement.

We are considering a public field trip of the proposed units and will invite both Departments when a date is firmed up.

Thank you for consideration of this request. I have cc'd other organizations and interested parties to keep them informed of this request.

Paul Sieracki Inland Empire Task Force 208.217.0609

See what our conservation group does.. <u>@InlandEmpireTaskForce</u>

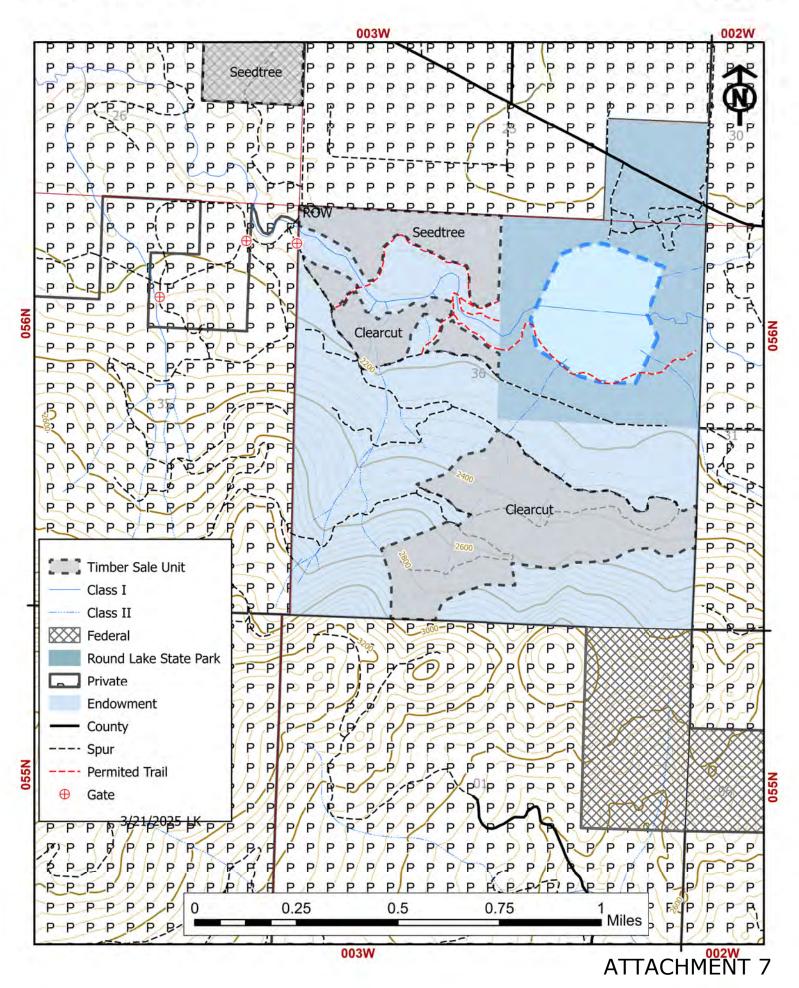
The Northern Rockies Ecosystem Protection Act, NREPA is the answer. <u>https://allianceforthewildrockies.org/nrepa/</u>

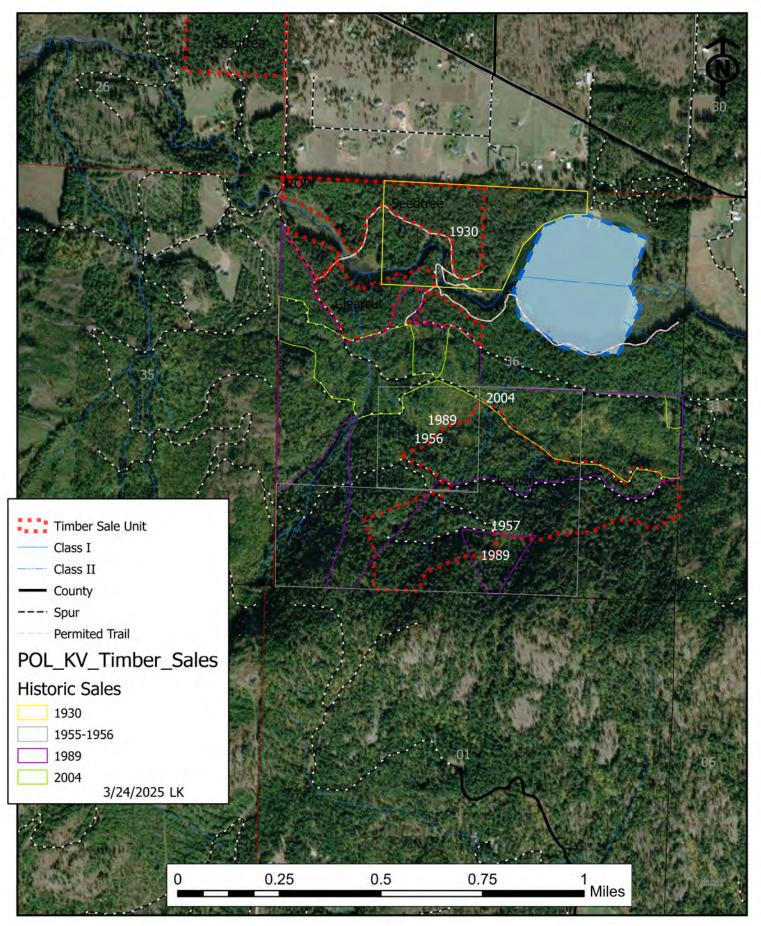
Virus-free.www.avg.com

CR200428 ALMOST ROUND CEDAR

SILVICULTURE MAP

Exhibit A Page # of





ATTACHMENT 8

STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Regular Agenda

Subject

Transfer of Land Bank Funds

Question Presented

Shall the Land Board approve transfer of funds from the Land Bank to the permanent endowment fund as described below?

Background

The State Board of Land Commissioners' (Land Board) adopted the Strategic Reinvestment Plan (Plan) at its May 17, 2016 meeting. The Plan provides direction for reinvestment of Land Bank funds resulting from the disposal of endowment land. The Plan is reviewed every three years; most recently the Land Board reviewed and reaffirmed the Plan in December 2023.

The Land Board's reinvestment strategy also provides direction to promptly transfer Land Bank funds that will mature prior to potential land acquisitions or that exceed what is required for acquisitions.

The Idaho Department of Lands (Department) has reinvested approximately \$99.7 million in five timberland acquisitions including over 54,000 acres of productive timberland. Approximately \$133.3 million has been transferred to the permanent fund for investment in financial assets by the Endowment Fund Investment Board.

As of March 31, 2025 there was a total Land Bank balance of \$85,106,164 (Attachment 1). Funds may remain in the Land Bank for five years before mandatory transfer to the permanent endowment fund.

The next required transfer would occur in the first quarter of FY2026 with another mandatory transfer in the second quarter of FY2026. With Land Board approval of this recommended transfer, the next compulsory transfer would occur in the first quarter of FY2027.

Discussion

The Department continues to seek potential transactions for productive timberland and/or to secure legal access to existing endowment lands in alignment with the direction provided by the Land Board in December 2023:

"...reinvestment of land bank principal and interest through acquisition of suitable and acceptable working timberland that exceeds the hurdle rate and proactive transfers of Land Bank funds to the permanent fund for investment in financial assets when timberland transactions are not available." This recommended transfer includes \$8,234,920 of principal for the Public School endowment and \$1,221,580 of accrued interest for the Agricultural College endowment.

In addition to the Public School principal amount listed above, the transfer would include interest accrued by that principal amount. The accrued interest would be calculated by the Department upon Land Board approval of the transfer and that interest amount would be added to the transfer.

The transfer would also include interest accrued by the Agricultural College Land Bank funds since March 31, 2025, resulting in a zero balance for the Agricultural College Land Bank fund following this proposed transfer.

Transfer of the Land Bank funds is consistent with current Land Board direction and the constitutional mandate to maximize long-term returns. The proposed transfer would allow investment of additional funds in financial assets while maintaining an amount in the Land Bank sufficient for potential acquisition of working timberland and/or legal access to existing endowment lands.

The Land Board's Investment Subcommittee is directed, in part, to "Coordinate consideration of investment issues that cross both the endowment fund and endowment lands." The Investment Subcommittee met on April 11, 2025 and approved the Department recommendation to transfer \$8,234,920 of principal and \$1,221,580 of accrued interest from the Land Bank to the permanent endowment fund.

Recommendation

The Department recommends the transfer of \$8,234,920 of principal and \$1,221,580 of accrued interest, plus any additional interest earned by those amounts, from the Land Bank to the permanent endowment fund, as detailed above.

Board Action

Attachments

1. March 31, 2025 Land Bank Aging Report

					LAN	ID BANK AGIN	IG R	EPORT				
		Current	Ren	naining Princip	al Ba	alance By Qua	rter	Receipted - As	of March 31, 202	5		
FY Quarter IN	P	Public School		Agriculture College	Normal Schools		State Hospital South		University of Idaho	All	Endowments	FY Quarter EXPIRES
2021-01	\$	1,639,920	\$	-	\$	-	\$	-	\$-	\$	1,639,920	2026-01
2021-02	\$	6,595,000	\$	-	\$	-	\$	-	\$-	\$	6,595,000	2026-02
2021-03	\$	-	\$	-	\$	-	\$	-	\$-	\$	-	2026-03
2021-04	\$	-	\$	-	\$	-	\$	-	\$-	\$	-	2026-04
2022-01	\$	1,500,720	\$	-	\$	-	\$	-	\$	\$	1,500,720	2027-01
2022-02	\$	10,140,720	\$	-	\$	-	\$	-	\$ -	\$	10,140,720	2027-02
2022-03	\$	9,890,500	\$	-	\$	-	\$	-	\$ -	\$	9,890,500	2027-03
2022-04	\$	-	\$	-	\$	-	\$	-	\$-	\$	-	2027-04
2023-01	\$	6,125,000	\$	-	\$	-	\$	-	\$ -	\$	6,125,000	2028-01
2023-02	\$	9,848,000	\$	-	\$	-	\$	432,187	\$-	\$	10,280,187	2028-02
2023-03	\$	9,800,000	\$	-	\$	-	\$	-	\$ -	\$	9,800,000	2028-03
2023-04	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-	2028-04
2024-01	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-	2029-01
2024-02	\$	6,006,000	\$	-	\$	-	\$	-	\$-	\$	6,006,000	2029-02
2024-03	\$	-	\$	-	\$	-	\$	-	\$-	\$	-	2029-03
2024-04	\$	2,099,820	\$	-	\$	-	\$	-	\$	\$	2,099,820	2029-04
2025-01	\$	_	\$	-	\$	-	\$		\$ -	\$	-	2030-01
2025-02	\$	10,249,720	\$	-	\$	450,000	\$	5,563,000	\$-	\$	16,262,720	2030-02
2025-03	\$	-	\$	-	\$	-	\$	-	\$-	\$		2030-03
TOTAL PRINCIPAL REMAINING	\$	73,895,400	\$	-	\$	450,000	\$	5,995,187	\$-	\$	80,340,587	
LAND BANK CASH BALANCE (with Interest)	\$	77,311,936	\$	1,221,580	\$	468,628	\$	6,104,019	\$-	\$	85,106,164	

STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Information Agenda

Subject

Development and Management Plan between the Idaho Department of Lands and the Idaho Department of Parks and Recreation for the development and management of endowment land recreation facilities as a subunit of Round Lake State Park.

Background

The State Board of Land Commissioners (Land Board) requested that the Idaho Department of Lands (Department) partner with the Idaho Department of Parks and Recreation (IDPR) to develop managed recreational opportunities to generate revenue and promote public recreational values on Idaho's endowment lands.

In October of 2024 with the support of the Land Board, the Department and IDPR signed a Recreation Opportunities Memorandum of Agreement for this purpose.

The IDPR received grant funds from the Outdoor Recreation Fund Advisory Council (ORFAC) to construct two limited-service treehouse cabins at locations along Cocolalla Creek on endowment land adjoining Round Lake State Park (Attachment 1). Access to the treehouses would be through Round Lake State Park and the approximate locations have been identified by IDPR as having the best access and views of the creek (Attachment 2). The two treehouses (Project) will be managed by IDPR as a subunit of Round Lake State Park.

Discussion

The Department and IDPR drafted a Development and Management Plan (D&M Plan) for the design, development, access, and management of the Project (Attachment 3).

The D&M Plan describes the respective rights and responsibilities with regard to the planning, design, development, and management of the Project for both the Department and IDPR.

Construction of the Project will commence in Spring of 2025 with an anticipated completion timeline for Fall of 2026.

Attachments

- 1. ORFAC Application
- 2. Map-Project Location
- 3. D&M Plan for Round Lake

Outdoor Recreation Fund

APPLICATION

Contact Information

Applicant	Idaho Department of Par	ks and Rec	reation	Contact	Adam Zaragoza Management S	
Address:	5657 E Warm Springs Aven	ue		Phone:	208-590-876	3
	Street address					
	Boise	Idaho	83714	Email:	adam.zaragoza@	idpr.idaho.gov
	City	State	Zip Code			
Supports:	Camping 🕂 Fishing 🗆 Hunti	ng 🗆 Trails	🗕 Other 🖶	Project	Cost \$ 850,0	00.00
Project Locat	ion Round Lake State Park,	Sagle, Idaho)			

Briefly describe the overall project concept:

Common Name	e of Project: Round Lake Tree houses, ARPA Project No. 310333	
Description:	IDPR is currently in the process of building 2 full service tree houses at Round Lake State Park. This project would add an additional 2, limited service tree houses at locations along Cocolalla Creek on IDL endowment land. Access to the tree houses would be thru Round Lake State Park. Approximate locations have been identified by IDPR as having the best access and views of the creek.	

Priority Merit and Scope Questions

- 1. Describe how this project:
 - a. Improves under-utilized outdoor recreation resources. (15 points)
 - Round Lake State Park is currently in the process of building 2 tree houses to be used for public overnight experiences. This proposal will add an additional 2 tree houses to the park, specifically on IDL Endowment Land that is currently under a temporary right of way permit to manage trails and the land thru 2028 (permit attached).
 - b. Enhances recreation access. (15 points) The scope of the request is to add 2 tree houses on IDL endowment land. Access to the proposed tree house locations is thru Round Lake State Park.
 - c. Increases revenue and potential revenue estimates. (15 points) Due to location of utilities, the 2 additional tree houses will be power only with a vault toilet. Those are expected to be at a nightly rate up to \$150 a night with year round access. Potential revenue estimate is \$50,000 annually assuming a 50% occupancy rate.
 - d. Improves long-term outdoor recreation sustainability. (15 points) This project would add additional public use facilities at a popular north Idaho park. IDPR is responsible for maintaining the trails around the lake. Management of the treehouses could fall the existing permit if approved by IDL. The reservations for the treehouses will utilize IDPR's system.
- 2. Describe the current outdoor recreation access deficiencies and how they may be corrected with the development of this project. Explain why this project is needed. (8 points) There is a statewide need for additional public facilities and unique overnight experiences. Round Lake is popular with out of state visitors and the additional 2 tree houses can provide those unique opportunities.
- 3. Project Urgency. Describe the urgency of this project due to potential resource damage or other impacts that may cause an opportunity to be lost if no action is taken. If this project is not funded, what effects will it have? (8 points) IDPR has a current construction contract to build the 2, full service treehouses within the Park. The contract has completion of the original 2 tree houses by May 2025. The additional 2 could be contracted in and IDPR would ensure those would be completed by May 2026 and open for use in summer/fall 2026.
- 4. Justify the need and demand for the project. Describe the current use in the area and the potential use expected with this project. (8 points) Affordable, rentable public facilities in north Idaho can be difficult to find. Round Lake is popular for out of state visitors. These treehouses are intended to be available year round for visitors.
- 5. Describe the provisions for ongoing maintenance and operation of the project (who will be responsible for the maintenance and operation and what is the estimated annual budget to do so)? (8 points) IDPR has already added a ranger to Round Lake State Park in FY2025. Ongoing maintenance and operations of the additional tree houses will be the responsibility of the Park. The estimated \$50,000 in revenue is expected to offset any operating expenses.

6. Describe planning, construction methods and schedule. The scope of work description should line up with budget items in project spreadsheet. (8 points) The tree house designs are permitted and approved. If this is approved, IDPR intends to immediately contract for the power services, enhance the trail, order the vault toilet (long lead item) and work with IDL on advancing their timber sale on the ground. The contracts would be signed to complete the treehouses by May 2026, complying with the federal funding requirements.

Project Elements

- Please provide a location map (where does this project reside within Idaho), site map, and a general description of the area. See attachment for map of Round Lake State Park, the stewardship agreement with IDL, and proposed locations and photos where the additional tree houses could be installed.
- Is there (or will there be) a use fee at this location? If yes, justify the need to charge and specify the amount. How will the fee be collected? Yes, IDPR charges a Motor Vehicle Entry Fee (MVEF) as well as these being public rentable accommodations, IDPR will charge an appropriate rate for the rentals.
- **3.** If applicable, describe how you announced this project to the public in a way to collect public comment. Attach proof that the public had a reasonable public comment period.
- Does this project require any necessary environmental permits or National Environmental Policy Act (NEPA) documentation? If yes, describe: None.
- 5. Ownership. Describe the land ownership of the property where the project is located. The Idaho Department of Lands owns the property. IDPR and IDL have a permit for management of the recreational trails. A copy of the signed permit is attached.
- 6. If available, provide a concept design plan. See attachments for the full service tree houses within the Park.

Funding Note:

- 1. The money is appropriated with IDPR under its Capital Development program budget for FY 2024.
- 2. The winning state agency(s) must demonstrate how they will have sufficient appropriation to spend the funds. There is no mechanism available to IDPR to "transfer" our appropriation. It will be up to the winning agency(s) to address their budget.
- 3. If reimbursement, prior written approval to transfer funds from capital outlay to the T&B classification is required.
- 4. If funds are advanced by the Director of IDPR, applicant must submit an invoice or a quote not to exceed the amount of the award, and, for the services to be provided as outlined in the grant.

BUDGET

Project Name: Round Lake Treehouses, ARPA Project No. 310333

		Source of F		
Project Components	Total Cost	MATCH	GRANT	Amount Approved
Treehouse 3	\$350,000.00		\$350,000.00	
Treehouse 4	\$350,000.00		\$350,000.00	
Trail Enhancements and Power	\$50,000.00		\$50,000.00	
Vault Toilet	\$100,000.00		\$100,000.00	
TOTALS	\$850,000.00		\$850,000.000	
% of TOTAL	100%	%	100%	%

Disclaimer and signature

I certify that my answers are true and complete to the best of my knowledge.

It is hereby mutually agreed and understood that the use of these funds will be for the purposes stated in this document only and are subject to the terms of the Grant Agreement for this project, as signed by the authorized individuals.

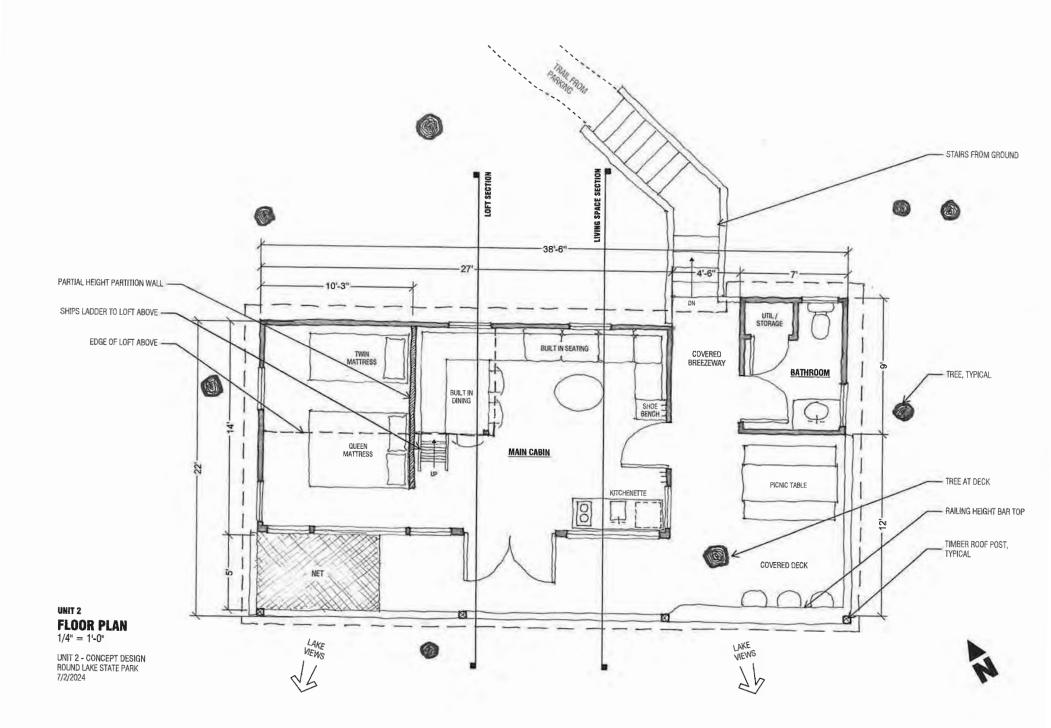
Signature:

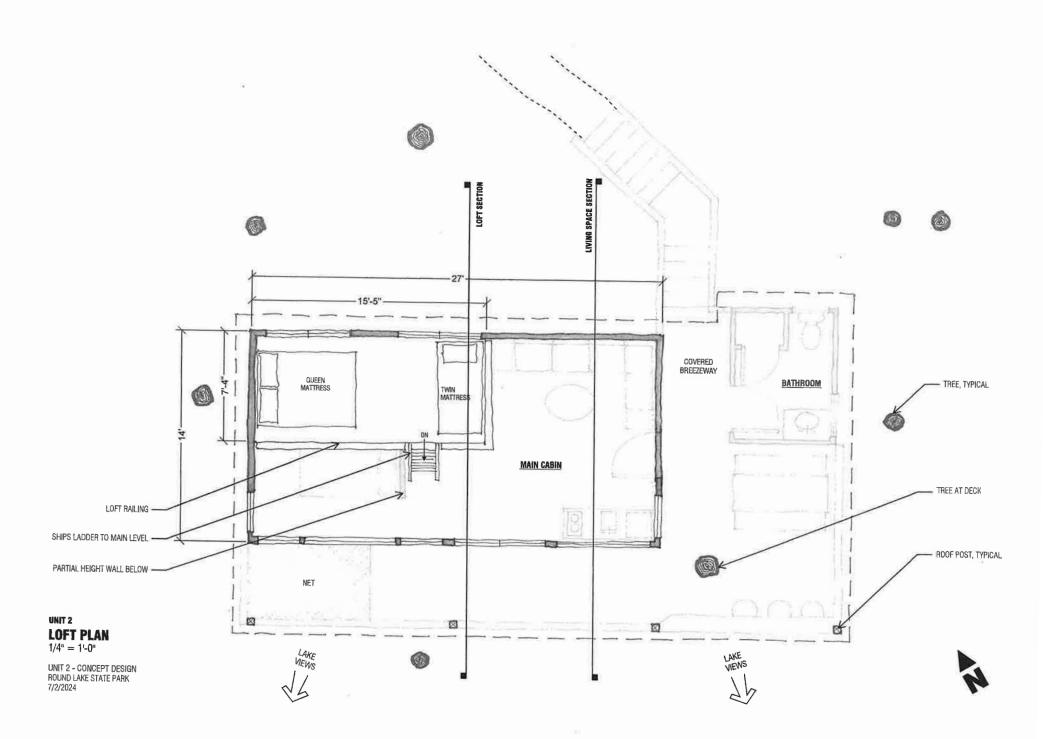
Date:

09/25/2024

ATTACHMENTS









300 N. 6th St., Suite 103 PO Box 83720 Boise, Idaho 83720-0050 Phone (208) 334-0200 Fax (208) 334-3698

Temporary Right-of-Way Permit RU200050

IDL internal use only. Timber harvest volume included? \Box yes oxtimes no

This Temporary Road Use Permit ("Permit") hereby grants permission this day of <u>August</u>, 2025 by and between the Idaho Department of Lands, ("Permittor"), and Idaho Department of Parks and Recreation whose address is <u>1880 Dufort Road Sagle</u>, ID <u>83860</u> and phone number is (<u>208)</u> <u>263-3489</u>, ("Permittee"); to use and maintain <u>an existing road</u> and existing trails as recreation routes on or across the following described Endowment Lands shown in detail on the Map(s) attached hereto and incorporated herein, labeled as Exhibit A:

Township ("Twn") Range ("Rng") Section ("Sec") Legal Description of Idaho Department of Lands ("IDL") Endowment Lands:

Twn	Rng	Sec	Description	County	Acres	Endowment Beneficiary (%)	Road number (if applicable)	
56N	3W	36	Pt NW	Bonner	2.3	PS (100%)	NA	

This Permit creates a temporary Right-of-Way ("ROW") 1.9 miles in length, 10 feet in width (5 feet each side of centerline), containing approximately 2.3 acres, and is shown on the Map attached hereto and incorporated herein (the "Permit Area") labeled as Exhibit A.

A. FEES:

1. Total Permit Fee: This Permit is granted in consideration of \$1,500.

B. GENERAL TERMS AND CONDITIONS:

1. This temporary, conditioned access is granted to Permittee, and Permittee's agents, contractors, licensees, authorized users, and/or operators and employees. No extension of permit rights by Permittee is authorized without written consent of Permittor.

2. This Permit is non-exclusive permission and use of the road and trail will be in common with other users, as Permittor may allow. This Permit is subject to all valid rights existing on the date of this Permit. Permitted uses shall not interfere with nor restrict any management activities of Permittor, which shall take precedence over all other uses.

3. Use of lands under authority of this Permit shall be subject to control by Permittor, and the lands and roads shall at all times be open to use by Permittor, unless other arrangements have been made.

4. This Permit may be amended to include additional permittees only with the express written approval of Permittor. All terms and conditions contained within this Permit shall apply to any additional users.

5. Permittee shall comply with all federal, state, and local laws, rules and regulations, including rules of the State Board of Land Commissioners, and all laws pertaining to State Fire, Forest, Watershed, and Stream Channel Protection Acts, etc. Permittee is responsible for obtaining any other necessary governmental permits for the Permit Area.

6. Permittee shall take appropriate measures to control noxious weeds within the Permit Area in accordance with Title 22, Chapter 24, Idaho Code. Permittee shall cooperate with any state or other agency authorized to undertake programs for control or eradication of noxious weeds within the Permit Area.

Permittee shall take appropriate measures to mitigate fire dangers and avoid causing fires.

8. Permittee shall follow the Idaho Forest Practices Act requirements and implement best management practices to effectively control storm water and erosion within the Permit Area.

9. Permittee shall protect the timber, forage, and watershed resources within the Permit Area.

10. The Permittee shall maintain and leave the Permit Area in a clean and tidy condition. The Permittee shall patrol the Permit Area and remove all trash, litter, or debris that may accumulate as a result of the permitted use.

11. Permittee shall fully repair, at its own expense, any damage to lands, roads, and trails caused by Permittee in exercise of the privileges granted by this Permit.

12. All persons executing this Permit on behalf of Permittee have been duly and validly authorized by Permittee to execute this Permit, and no further action by Permittee is required to approve this Permit or to undertake the obligations contemplated hereby.

13. This Permit does not create a public ROW.

C. EMERGENCY REPAIRS:

1. Permittee is authorized to enter upon Endowment Lands and other lands managed by Permittor bordering the Permit Area for the purpose of performing emergency repairs within the Permit Area for damage due to floods, high winds, and other acts of God, provided that Permittee provides written notice to Permittor within forty-eight (48) hours of the time work commences. Thereupon, Permittor will assess any damage to the lands caused by Permittee, and Permittee shall pay any such assessment for damage within thirty (30) days of the assessment. Permittee shall reimburse Permittor for any emergency repairs that Permittor makes within the Permit Area within thirty (30) days of notice of any such emergency repairs and the costs incurred by or on behalf of Permittor. State of Idaho Temporary Right-of-Way Use Permit No. RU200050 Page 3 of 3

D. SPECIAL TERMS AND CONDITIONS:

1. No merchantable or non-merchantable timber on Endowment Land may be cut without prior written authorization, inside or outside of the Permit Area.

2. Permittee may maintain the Permit Area by means of chemicals only after the Area Supervisor has given specific guidelines and written approval. Application for such approval must be in writing and must specify the time, method, chemicals and the exact portion of the Permit Area to be chemically treated, and be completed by an Idaho licensed applicator.

 Motorized use by the public or State Park Visitors is prohibited except for individuals who have been granted written permission by the Permittee to operate an Other Power-Driven Mobility Device (OPDMD) due to a mobility disability. Class 3 E-bikes are prohibited.

4. The Permittee shall make at least one complete patrol per month of the Permit Area to assess the condition of improvements, soil erosion, stream crossings and the extent of unauthorized use or damage to endowment lands adjacent to the Permit Area, if any.

5. Additions, alterations, or improvements to the Permit Area by the Permittee shall only be made upon prior written approval by the Permittor.

E. TERMINATION:

1. This Permit shall expire on <u>12/31/2028</u>, unless previously terminated as provided herein.

2. This Permit may be cancelled after written notice to Permittee of non-compliance with the terms herein and failure of Permittee to correct noted non-compliance within the time identified in the notice of non-compliance.

3. This Permit may be terminated or suspended upon breach of any of the conditions herein. If at any time either party determines that the entire Permit is no longer needed for the purpose granted, that party shall notify the other party of its intention to terminate this Permit. If mutually agreed by Permittee and Permittor, the terminating party shall furnish to the other party a statement confirming termination.

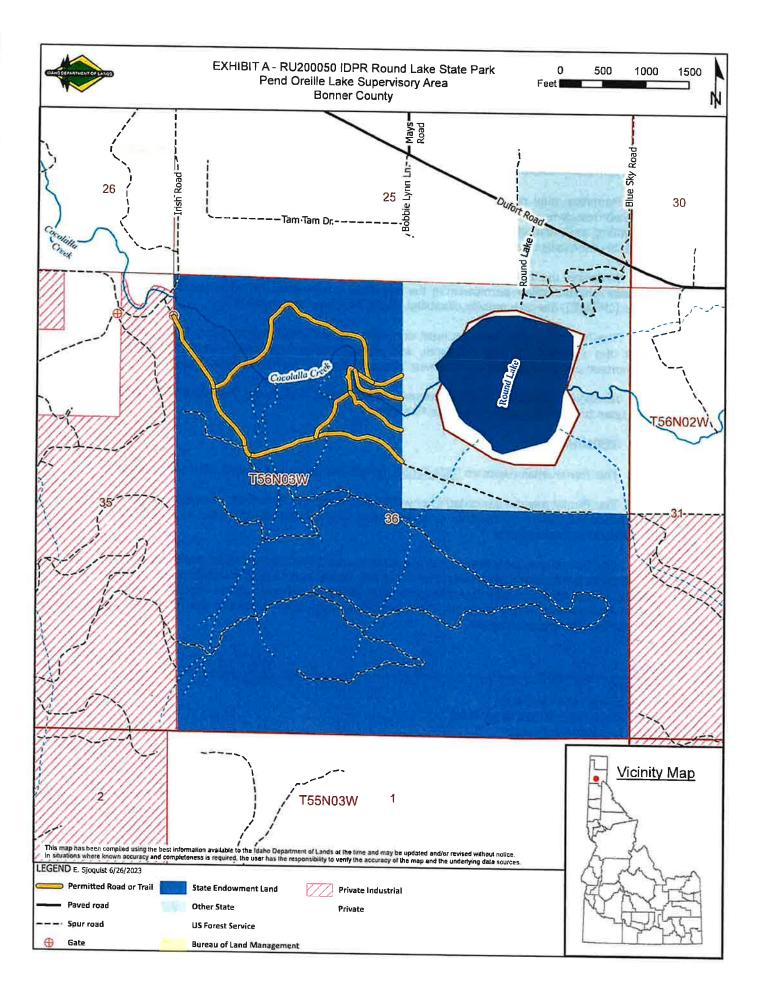
Permittor

8/8/23 Date

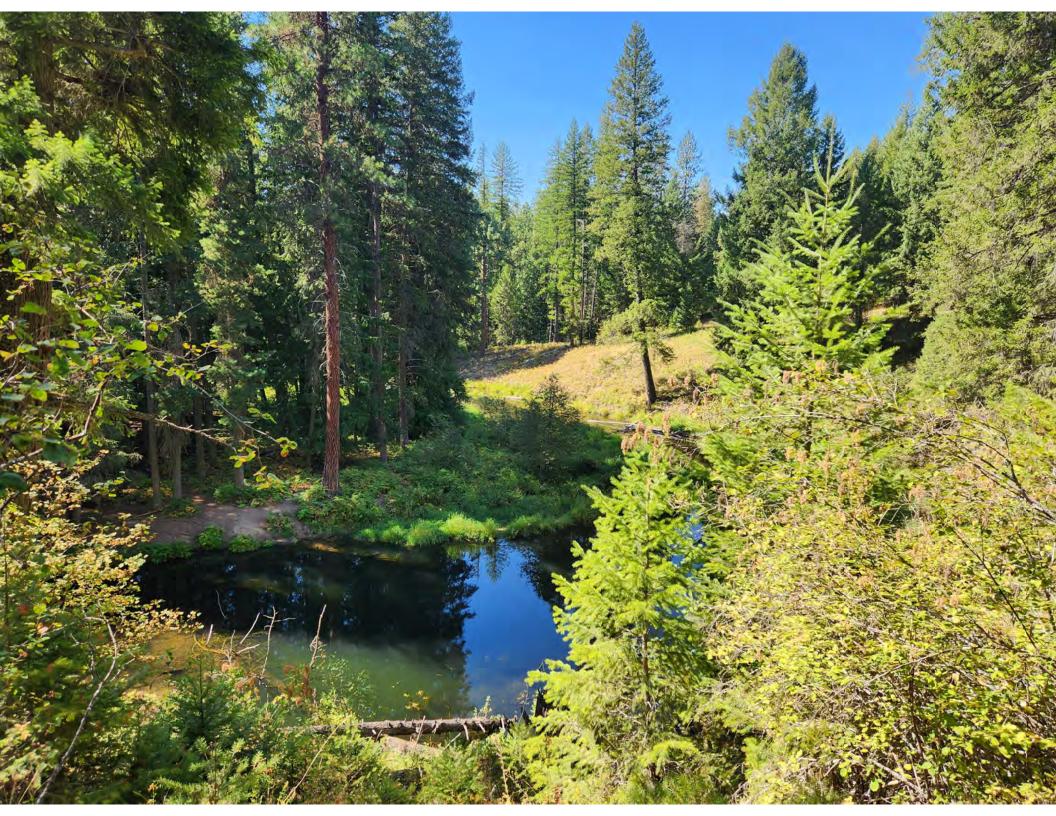
Erik Sjoquist, Area Manager Pend Oreille Lake Supervisory Area Idaho Department of Lands

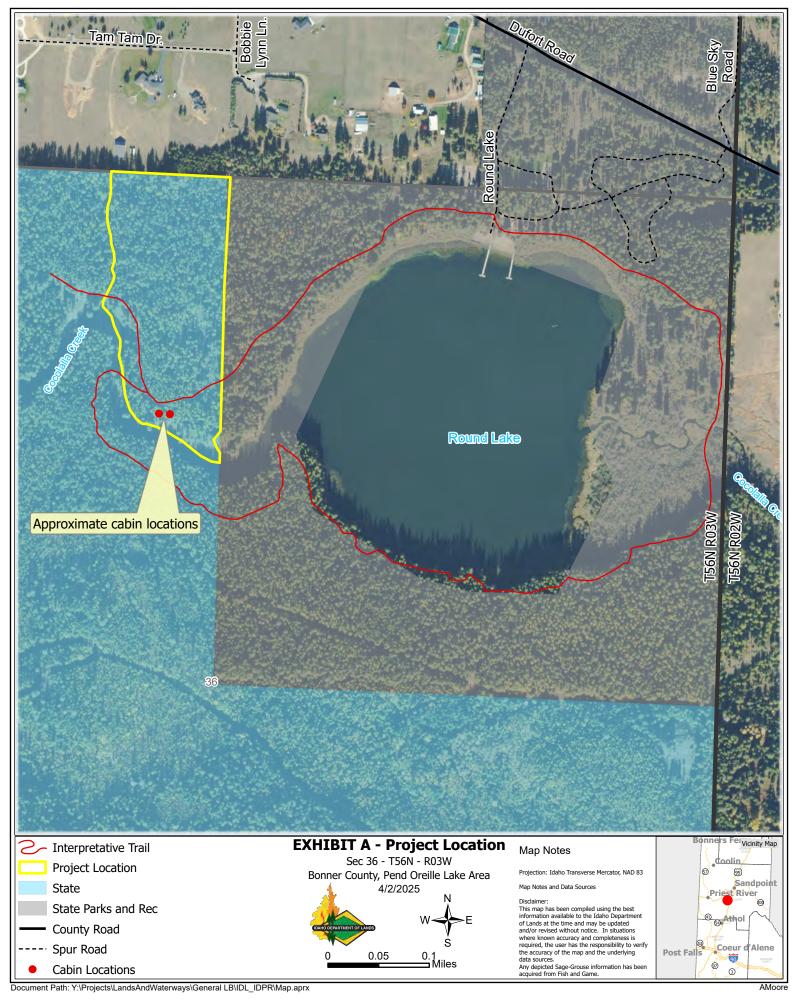
Permittee Susan Buxton, Director Idaho Department of Parks and Recreation

3,202









ATTACHMENT 2

DEVELOPMENT AND MANAGEMENT PLAN BETWEEN IDAHO DEPARTMENT OF LANDS AND IDAHO DEPARTMENT OF PARKS AND RECREATION FOR THE DEVELOPMENT AND MANAGEMENT OF ENDOWMENT LAND RECREATION FACILITIES AS A SUBUNIT OF ROUND LAKE STATE PARK

THIS DEVELOPMENT AND MANAGEMENT PLAN ("D&M Plan") is dated and effective as of the last signature of the Parties ("Effective Date"), and is made by and between the IDAHO DEPARTMENT OF LANDS, an executive department of the State of Idaho and the instrumentality of the STATE BOARD OF LAND COMMISSIONERS, whose mailing address is 300 N 6th Street, Suite 103, Boise, Idaho 83702 (collectively "IDL") and the IDAHO DEPARTMENT OF PARKS AND RECREATION, an executive department of the State of Idaho and the administrative agency for the IDAHO PARK AND RECREATION BOARD, whose mailing address is PO Box 83720, Boise, Idaho 83720-0065 (collectively "IDPR"). IDL and IDPR may be referred to in the singular as "a Party" or collectively as "the Parties". The terms "including" and "include" mean including, but not limited to.

RECITALS

WHEREAS, Idaho Code § 67-2332 provides authority to Idaho public agencies to contract to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized, itself, to perform;

WHEREAS, on October 29, 2024, the Parties entered into the MEMORANDUM OF AGREEMENT BETWEEN IDAHO DEPARTMENT OF PARKS AND RECREATION AND IDL FOR ENDOWMENT LANDS RECREATION DEVELOPMENT AND MANAGEMENT ("**MOA**"), whereby they established mutually agreeable roles and procedures for the Parties to utilize during the development and management of monetized recreation opportunity projects on endowment lands throughout Idaho, including the execution of this D&M Plan;

WHEREAS, the MOA is incorporated herein, in its entirety, by this reference, and is intended to compliment this D&M Plan, with this D&M Plan being the controlling contract;

WHEREAS, the Parties intend for IDPR to enter into contracts for the benefit of IDL, to fulfill IDPR's duties to design and develop all structures, infrastructure, and access for the specified managed recreation opportunity on endowment lands ("**Project**"), which will then be owned by the State of Idaho, State Board of Land Commissioners and managed by IDPR as a subunit of Round Lake State Park pursuant to this D&M Plan;

DEVELOPMENT AND MANAGEMENT PLAN ROUND LAKE STATE PARK PAGE 1



WHEREAS, IDL and IDPR intend to set forth in this D&M Plan their respective rights and responsibilities with respect to the planning, design, development, and management of the managed recreation opportunity project describe herein; and

WHEREAS, grant funding for the Project has been appropriated through the Outdoor Recreation Fund Advisory Council a.k.a ORFAC, as established by Governor Little's Executive Order 2023-03, and awarded by the Idaho Park and Recreation Board.

NOW, THEREFORE, in consideration of the Recitals which are intended to be contractual in nature and part of this contract, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree, as follows:

A. OWNERSHIP AND APPROPRIATENESS FOR MANAGED RECREATION ON ENDOWMENT LAND.

The State of Idaho, State Board of Land Commissioners, is the trustee of the endowment land described in <u>Exhibit A</u> to this D&M Plan ("**Project Location**") and has a constitutional obligation to provide for the location, protection, sale or rental of all the lands heretofore, or which may hereafter be granted to or acquired by the state by or from the general government, under such regulations as may be prescribed by law, and in such manner as will secure the maximum long term financial return to the institution to which granted or to the state if not specifically granted. <u>Exhibit A</u> is incorporated herein by this reference. IDL has identified the Project Location as being a suitable location for the development of a managed recreational opportunity project as a way to generate revenue for the endowment beneficiary, and promote public recreational values. IDPR has also identified the Project Location as being compatible with Round Lake State Park's existing public recreation operations and activities.

B. DEVELOPMENT OF MANAGED RECREATION OPPORTUNITY PROJECT AT THE PROJECT LOCATION.

1. Authority of IDPR to Act for IDL.

a. IDL hereby authorizes IDPR to act as its representative and agent, and agrees to be bound by all acts, authorizations, representations, and decisions of IDPR to design and develop the Project, subject to the terms of this D&M Plan.

b. IDPR, in its delegated capacity pursuant to Idaho Code § 67-5711, will act in compliance with applicable Idaho Department of Administration public works construction statutes and rules. IDPR will fully and faithfully discharge its obligations and responsibilities and will devote sufficient time and attention to ensure the full, prompt, and professional discharge of its duties under this D&M Plan. As such, IDPR will typically utilize its contract templates as the authorized contracts under this D&M Plan.

c. IDPR accepts the authorization to act for and on behalf of IDL in all aspects pertaining to necessary predevelopment requirements, site plans, permitting, development, design, and construction services of the Project. In this capacity, IDPR will enter into all necessary contracts on behalf of IDL (each a **"Professional Services Contract**" collectively **"the Professional Services Contracts**").

d. IDL is intended to be the third-party beneficiary of each Professional Services Contract, and as such and in coordination with IDPR, will have the right to enforce the terms of any Professional Services Contract as the benefitted third party.

2. **Objectives for Development of the Project.** IDPR will administer the design and construction of the Project at the Project Location consistent with the Outdoor Recreation Fund Application submitted to ORFAC, attached hereto and incorporated herein by reference as <u>Exhibit B</u>, which will be substantially completed in every material aspect, including as follows:

a. Two "dry" overnight "treehouse" cabin facilities.

b. Each cabin will have electricity including electric heat. Utility lines may be installed underground.

i. For any portion of utility line that crosses Round Lake State Park, IDPR will recommend to the Idaho Park and Recreation Board to grant an electrical utility access easement to the State Board of Land Commissioners for the installation, use, maintenance, repair, improvement, and replacement of the electrical utility. The electrical utility access easement will be a separate contract from this D&M Plan. Prior to the installation of the electrical utility line, the Parties will assist their respective Boards in reaching mutual agreement on the terms of the electrical utility access easement. The electrical utility access easement should be entered into before or concurrent with final installation and survey of the as-built electrical utility line. c. At least one vault toilet will be constructed for use related to the cabins.

d. Each cabin may be provided potable water by developing a well, from the installed water tanks, or by other means if determined fire suppression is required at each cabin. IDL reserves its rights to any and all water from any source developed from the Project Location. IDL will be identified as the owner on any well permit application to the Idaho Department of Water Resources.

e. Non-motorized public access to each cabin via the existing Stewardship Trail. Vehicle parking at the Round Lake State Park parking lot.

f. As needed, alteration including widening or smoothing of the Stewardship Trial from the parking lot to the cabins.

3. IDL Development Responsibilities.

a. IDL's designated project manager for the Project shall be the Area Manager for the Pend Orielle Lake Supervisory Area or their designee. ("**IDL Recreation Advisor**"). The initial IDL Recreation Advisor shall be:

> Erik Sjoquist Area Manager of the Pend Oreille Lake Supervisory Area Phone: 208-263-5104 Email: esjoquist@idl.idaho.gov

b. The IDL Recreation Advisor, or their designee, will be IDL's authorized representative under this D&M Plan, and will do the following:

- i. Represent IDL in all public forums regarding this managed recreation opportunity at the Project Location.
- ii. Coordinate and consult with IDPR during all phases of this D&M Plan.
- iii. Provide clear, written cost, development, and management objectives to IDPR for the Project.
- iv. Attend all meetings related to the advertising, planning, design, and construction of the Project. Prior to IDPR submitting the Construction Plans under its delegated authority pursuant to Idaho Code § 67-5711, review and provide written approval or rejection, including any needed changes, within ten (10) days as outlined in paragraph B.4.c. of this D&M Plan.

- v. Review all proposals, designs, construction meeting minutes, Project costs, and other development related documents for the Project; timely identify if and what clarification is needed; and work collaboratively with IDPR to decide necessary changes.
- vi. Represent IDL's interest in the annual Management Plan review under <u>Section D</u> of this D&M Plan.

4. **IDPR Development Responsibilities.**

a. **Inclusion of IDL Recreation Advisor.** IDPR will include the IDL Recreation Advisor in all scheduled meetings for every aspect of the Project's development.

b. **Copy of Professional Services Contracts.** IDPR will provide the IDL Recreation Advisor a copy of each Professional Services Contract following the final signature.

c. **Final Design and Approvals.** IDPR will secure the completion of the final plans (the "**Construction Plans**") for all parts of the Project, which will include detailed plans and specifications suitable for construction. Final plans will be submitted to the IDL Recreation Advisor for approval prior to IDPR's submission to the Idaho Department of Occupational and Professional Licenses. After construction begins, any material change to the Construction Plans or scope of construction shall require the IDL Recreation Advisor's approval within ten (10) days or other reasonable timeframe provided by IDPR. If the IDL Recreation Advisor does not provide input in a timely manner, IDPR will proceed with the recommended changes.

d. **IDPR Administration of Development.** IDPR will provide qualified personnel to perform all services in the administration of the Professional Services Contracts and in the inspection and acceptance of work and services through the design and development of the Project.

5. **Project Development Costs and Completion Schedule**.

a. The total anticipated development cost under this D&M Plan is Eight Hundred and Fifty Thousand dollars (\$850,000.00) and includes all costs relating to IDPR's solicitation, advertising, and administration of each Professional Services Contract.

b. ORFAC grant money in an amount sufficient to pay all anticipated development costs has been awarded for this Project and is held by IDPR in an appropriated project fund. The Parties agree that it is their intent that the Project be

completed using only the awarded ORFAC grant money and that all efforts will be made to ensure that Project costs do not exceed the amount of ORFAC grant money awarded for the Project. In the event that IDPR becomes aware that final development costs may exceed the grant money awarded, IDPR will notify the IDL Recreation Advisor as soon as possible. If the actual costs will exceed the ORFAC grant money, the Parties will meet and IDL will determine a reduction of the scope of work for the Project; alternatively, IDL can elect to pay for the cost increase to maintain the original scope of work.

c. IDPR will establish a design and construction schedule of the Project that establishes timelines of development and provide it to the IDL Recreation Advisor.

d. IDPR will prepare a written cost estimate for the Project and provide it to the IDL Recreation Advisor. IDPR will timely pay all costs from the project fund.

6. **Construction Progress Certifications.** Upon request, IDPR will furnish to the IDL Recreation Advisor certifications signed by the design professional or general contractor, as applicable. Such certifications will be in accordance with the certificates required by and pursuant to the Professional Services Contract, and subject to the rights and obligations of the design professional, general contractor, and IDPR thereunder. The certification will state that the amount applied for fairly represents the value of work then performed, and will further state that:

a. The work represented thereby has reached the stated percentage or degree of completion; and

b. To the best of IDPR's knowledge and information, all work performed substantially complies with the applicable Professional Services Contract, the Construction Plans, and this D&M Plan, or if any work does not substantially comply, the certification must include a report specifying in reasonable detail all areas and aspects in which the work does not conform.

7. **Conveyance of Construction Plans and Project to IDL.** IDPR hereby assigns, grants, and conveys to IDL all of the following:

a. The ownership and copyright interest of IDPR in and to the Construction Plans, including all drawings and design documents and materials of every kind or nature relating to the design and construction of the Project. However, IDPR will retain the right to use the Construction Plans, drawings, and other materials to expand, alter, modify, repair, or improve the Project during the duration of this D&M Plan.

b. All construction materials needed for the work in progress, including building materials, equipment, supplies, utility meters, and other personal property of every kind or nature, whether or not stored at the Project Location, furnished under a Professional Services Contract, paid for from the project fund, or paid for directly with funds furnished by IDL.

c. The Project and all furnishings, appliances, and fixtures within the Project Location to the extent paid for from the project fund or IDL.

8. **Notice Upon Default by Contractors.** In the event of a material default by any professional or contractor under a Professional Services Contract and prior to IDPR taking action to (i) terminate such contract or suspend performance of the work, (ii) employ a separate contractor to perform portions of the work, or (iii) otherwise take action with respect to such, defaulting contractor, IDPR shall provide the IDL Recreation Advisor written notice of its intended actions prior to taking any such action.

9. Access to Construction Site. IDL through its agents or employees, will have reasonable access to the construction site, to all documents and information held by IDPR or any project representative or any third party employed by, representing, or acting in any way as the agent of IDPR, and to all documents, plans, and other information held by any design professional or contractor or its agents, subcontractors, or suppliers that are legally or in fact available to IDPR.

10. **Facility Specifications and Manuals.** Upon completion of construction of the Project, both IDPR and IDL shall maintain (i) one complete set of "as-built" Construction Plans (drawings and specifications) of the Project, (ii) one complete set of operating manuals, and (iii) a copy of all written warranties.

11. **Construction Insurance.** IDPR shall require proof of insurance, in amounts recommended by the State of Idaho Risk Management Program, and performance bonds from the general contractor including Builder's All Risk Insurance insuring the Project against loss or damage from insurable perils, including flood, wildfire, and earthquake in an amount equal to the total anticipated costs. At a minimum, such insurance shall be in the amount of the full replacement cost of the Project and shall include loss of use or loss of rents. All such insurance shall include IDPR and IDL as additional insureds and contain a loss payable clause providing for

payment of proceeds to IDL and the trustee of the bonds to the extent of their interest therein. Upon request, IDPR will provide IDL each certificate of insurance.

C. MANAGEMENT OF THE PROJECT LOCATION BY IDPR.

1. Development of the Project is expected to be completed by the end of 2026. Once completed, IDPR will manage the Project Location as a subunit of Round Lake State Park.

2. The managed recreation opportunities at the Project Location will be added to IDPR's online reservation system for visitor bookings and fee collection.

a. IDPR will charge and collect a base rate fee for each managed recreation opportunity at the Project Location. The base rate fee will be determined according to the fee schedule approved annually by the Idaho Park and Recreation Board. The base rate fee may be changed at IDPR's discretion through the dynamic pricing function of IDPR's online reservation system. All base rate fees collected will be retained by IDPR for ongoing operations, management, and maintenance of the state park, including the Project Location.

b. In addition to IDPR's base rate fee, an IDL Fee will be charged to users of the Project Location and collected by IDPR. The IDL Fee may be collected through IDPR's online reservation system, at the Round Lake State Park's visitor center, or by authorized representatives of Round Lake State Park as deemed appropriate by IDPR.

- i. The IDL Fee will be a specific fixed amount set on a per night basis for each managed recreation opportunity at the Project Location. The initial IDL Fee will be set by IDL given consideration of market conditions, in their sole discretion, prior to August 2026, for implementation in 2027.
- ii. The IDL Fee will not be adjusted when IDPR's base rate fee changes due to dynamic pricing.
- iii. The IDL Fee will be evaluated and set by IDL given consideration of market conditions, in their sole discretion, prior to the annual Idaho Park and Recreation Board meeting, as provided in <u>Section</u> <u>D</u> of this D&M Plan. IDPR will incorporate any change to the IDL Fee across all information and fee collection platforms.

iv. At the start of each Fiscal Year, IDPR will remit all collected IDL Fees of the prior fiscal year to IDL via cash transfer routed through LUMA, or other state-wide fiscal procedure.

3. The Project Location will be incorporated into Round Lake State Park's regular operations, management, and maintenance schedule. Regularly used soft goods and supplies will be supplied by IDPR as budgeted items paid for through collection of IDPR's base fee rate.

4. IDPR will apply IDAPA 26.01.20, *Rules Governing the Administration of Park and Recreation Areas and Facilities* to all activities at the Project Location, including the issuance of citations, as authorized.

a. No dispersed camping will be allowed on the endowment lands within the area of the Project Location, as depicted in Exhibit A.

5. The managed recreation opportunities at the Project Location will be included in IDPR's advertisements, including virtual and printed platforms.

D. ANNUAL REVIEW BY THE PARTIES.

1. Each year prior to August 1st the Parties will meet and review the recent and current activities under this D&M Plan. The objective of this meeting is to determine each Party's resource requirements for the upcoming fiscal year.

2. The Parties will develop an agenda that includes review of the development and management activities that have occurred during the previous fiscal year, and that are expected to occur during the next fiscal year, which may include the following:

- a. Status of development or maintenance issues;
- b. Estimated reservation numbers for next fiscal year;
- c. Review actual reservation numbers for prior fiscal year;
- d. Review prior season IDL Fee and given consideration of market conditions, at IDL's sole discretion, set next season's IDL Fee;
- e. Review operating costs as applicable;
- f. Review planned maintenance schedule activities and related costs; and
- g. Review any needed capital maintenance or improvements and estimated costs. IDL shall retain the responsibility for capital

maintenance and improvements, unless otherwise agreed on by the Parties. However, IDL is under no obligation to undertake any such capital maintenance and improvements. IDL shall, in its sole discretion, determine whether it will expend funds for capital maintenance or improvement projects and determine the associated timeline for such projects, unless otherwise agreed by the Parties.

3. The Parties will find consensus regarding all action items, save and except IDL fee, and indicate all mutually agreed upon items by initialing a written summary of the meeting, which will be included with this D&M Plan.

E. ADDITIONAL PROVISIONS.

1. **Duration of D&M Plan.** The duration of this D&M Plan is from its Effective Date through the completion of development of the Project, and for 25 years of management after addition to IDPR's reservation system.

2. Access through Round Lake State Park. This D&M Plan does not create or include any permanent easement or permanent right-of-way across IDPR's land, whether necessary or preferred, for the ingress and egress to the Project Location. Upon termination of this D&M Plan, for any reason, IDL will be solely responsible for negotiating all ingress and egress access, including trails, into Round Lake State Park.

3. **Termination for Cause.** Either Party may terminate this D&M Plan if the other Party commits a material violation of this D&M Plan and fails to cure such violation within sixty days of written notice, which must specify with reasonable detail the nature of the claimed violation. In the event the material violation is not cured, termination would be effective after ninety days.

4. **Termination without Cause.** Either Party may terminate this D&M Plan after the unanimous decision of its governing Board to terminate. Such termination shall be effective no sooner than 180 days after written notice to the non-terminating Party of the decision of the terminating Party's governing Board.

5. **Termination Due to Lack of Appropriations.** IDL and IDPR are each government entities, and this multi-year D&M Plan shall in no way or manner be construed to bind or obligate IDL or IDPR beyond the duration of any twelve-month appropriation of funds by the Idaho Legislature. IDL and IDPR reserve the right to terminate this multi-year D&M Plan in whole or in part, or any incomplete order placed under it, if, in the Parties' mutual agreement, the Idaho Legislature fails, neglects, or

refuses to appropriate sufficient funds as may be required to continue the Parties' performance under this D&M Plan. Termination for this reason would be effective ninety days after the Parties' mutual agreement.

6. **Days; Performance on a Saturday, Sunday, or Holiday.** Whenever the term "day" is used in this D&M Plan, it refers to a calendar day unless otherwise specified. A "business day" means any weekday except for those weekdays that have been declared a state holiday by the State of Idaho. Should this D&M Plan require an act to be performed or a notice to be given on a Saturday, Sunday, or Holiday, the act will be performed or notice given on the following business day.

7. **Apportionment of Liability.** IDL and IDPR shall be responsible only for the acts, omissions or negligence of such agency's own employees. The term "employee" is defined for the purposes of this section as set forth in Idaho Code § 6-902. The parties acknowledge that both IDL and IDPR participate in the State of Idaho Risk Management Program comprehensive liability plan utilizing the Retained Risk Account ("**Risk Program**"). Each of the Parties is obligated to notify the Division of Risk Management and the other Party upon receipt of notice or in the event it has knowledge of any claim or damage arising out of this Agreement.

a. Nothing in this D&M Plan will extend the tort responsibility or liability of either IDL or IDPR beyond that required by the Idaho Tort Claims Act, Idaho Code § 6-901 et seq. Any covered third-party tort liability claim, suit or loss arising from this D&M Plan will be allocated to one or both Parties by the Division of Risk Management for purposes of the respective loss experiences and subsequent allocation of self-insurance assessments.

b. Each Party will be responsible for damage to property of the other Party caused by its employees in the performance of this D&M Plan. If property damage arises in the performance of this D&M Plan and is covered by the Risk Program, the Division of Risk Management will charge the damage or loss to the responsible Party's loss history, and the responsible Party will pay the deductible, if any.

c. If a claim or damage is not covered by the Risk Program, the responsible Party will pay the costs arising from such claim or damage. If a claim or damage arises from both Parties' performance of this D&M Plan and the claim or damage is not covered by the Risk Program, each Party will pay its allocated costs arising from the claim or damage.

8. **Non-Assignment.** Neither Party may assign this D&M Plan. In the event IDPR delegates any of its obligations under this D&M Plan to an independent third party engaged for services by IDPR in connection with the Project, no such delegation will reduce or in any way limit IDPR's obligations hereunder.

9. Notice to Parties. Notices required or contemplated under this D&M Plan must be in writing. Notices will be deemed given and delivered when handdelivered; deposited in the United States Mail, and mailed by regular or certified mail, postage prepaid, and correctly addressed to the other Party. Notices must be mailed to the following respective addresses, or such other addresses as a Party may, by notice to the other Party, designate. Any such notice may, in the alternative, be sent by electronic transmission to a below-designated email address, or to such other email address as may, by notice, be designated. If any type of "undeliverable" message is received by the Party transmitting an email, delivery shall be presumed to not have occurred. If a Party shows that the person assigned to an email address was no longer employed by the Party at the time of transmittal, delivery shall be presumed to not have occurred. Either Party may change the place for giving notice by written notice to the other Party. Notices shall be sent, as follows:

Idaho Department of Lands Attn: Division Administrator for Operations 300 N 6th Street, Suite 103 Boise, Idaho 83702 Phone: (208) 334-0200 Idaho Department of Parks and Recreation Attn: Development Bureau Chief 5676 Warm Springs Ave Boise, Idaho 83716 Phone: (208) 514-2456

10. Authorized Representative. The Parties each represent and warrant that they possess full and complete authority to covenant and agree as provided in this D&M Plan. The signatories for IDL and IDPR respectively represent and warrant that such signatory possesses the authority from their governing Board to covenant and agree as provided in this D&M Plan. In the event any other person or entity asserts any interest in or the right to pursue claims under this D&M Plan, the related Party shall promptly and fully defend the other Party against any and all such claims.

11. **Attorney Fees.** In the event either Party to this D&M Plan is required to initiate or defend litigation with respect to the terms hereof or to enforce any of its rights hereunder, the prevailing party in such litigation shall be entitled to reasonable attorney's fees incurred in such litigation, including all discovery costs and costs of expert witnesses, together with all reasonable litigation expenses.

12. **Time of Essence.** Time is expressly declared to be of the essence of each provision, covenant, condition, duty, and obligation of this D&M Plan.

13.Force Majeure. If IDPR is delayed, hindered, or prevented from performing any act required under this D&M Plan by reason of any of the following: act of God; failure of electricity or any utility through no fault of IDPR; fire, flooding, earthquake, explosions, unusually severe weather, or other natural disasters; restrictive government laws or regulations, including moratorium on the issuance of government approvals; prohibitive governmental authority, proclamations, orders, laws, rules, or actions; freight embargoes or blockades; strikes, lockout, labor stoppages or slowdowns, or other industrial disturbances; inability to procure materials; war, riot, insurrection, escalation of hostilities; or any other reason beyond the IDPR's control making performance impossible, then performance of that act will be excused for the reasonable period of the delay upon notice to IDL. IDPR must notify IDL within five business days of any force majeure event. In that event, the period for the performance of the act shall be extended for a reasonable period equivalent to the period of the delay. IDPR shall work diligently to eliminate the delay and immediately notify IDL when the reason for the force majeure event has ceased.

14. **Entire D&M Plan.** This D&M Plan (including all Exhibits) contains the entire agreement between the Parties concerning the subject matter hereof and supersedes any and all prior agreements or plans. The execution of this D&M Plan has not been induced by either Party, or any agent of either Party, by representations, warranties, promises, or undertakings not expressed herein and, further, there are no collateral agreements, stipulations, covenants, promises, inducements, or undertakings whatsoever between the Parties concerning this D&M Plan except those which are expressly contained herein.

15. Written Modifications. Except as provided in <u>Section D</u>, this D&M Plan may only be amended, modified, or supplemented by an agreement in writing signed by an authorized representative of each Party.

16. Nothing in this D&M Plan shall be construed as limiting or transferring any of the authority of IDL or the State Board of Land Commissioners to manage endowment land, including the Project Location, nor shall it be construed as requiring IDPR to undertake any activities more than its statutory authorities and agency resources.

17. **Severability.** In the event any provision of this D&M Plan shall be held invalid or unenforceable under applicable Idaho law, the validity, legality, or

enforceability of the remaining provisions, and the application thereof, shall not in any way be affected or impaired. In such event, the remaining provisions of this D&M Plan shall be interpreted as closely as possible to provisions held invalid or unenforceable.

18. **Counterparts.** This D&M Plan may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which together will constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Development and Management Plan as of the date of the last signature, below:

IDAHO DEPARTMENT OF LANDS

Date: _____

DUSTIN T. MILLER Director

IDAHO DEPARTMENT OF PARKS AND RECREATION

Date: _____

SUSAN E. BUXTON Director STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Information Agenda

Subject

AUM Grazing Lease Rate for Calendar Year 2026

Background

In 1993, the State Board of Land Commissioners (Land Board) adopted a formula to determine the annual grazing fee for leases on state endowment trust land. The formula is based upon four indices used to approximate the value of forage on state endowment trust land and is applied on an Animal Unit per Month (AUM) basis. These indices include prices received for beef cattle, forage values, and the price of inputs to produce beef cattle. The indices are published each December and January by the USDA National Agricultural Statistics Service (NASS) and reflect information gathered for the previous 12-month period.

Discussion

Based on the most recent indices reported, the grazing fee for 2026 will be **\$8.98 per AUM**. The new rate represents an increase of approximately 13% from the current rate of \$7.93/AUM. The primary causes of this increase were a significant increase in beef cattle prices and an increase in the Forage Value Indices.

Formula value changes are as follows:

Value	% Change
FVI – Forage Value Index	Increase of 4.8%
BCPI – Beef Cattle Price Index	Increase of 12.8%
PPI – Prices Paid Index	Increase of 4.1%
IDFVI – Idaho Forage Value Index	Increase of 5.4%

All grazing lessees will be notified of the 2026 rate within 6 months of the new rate taking effect in accordance with IDAPA 20.03.14.041.

The AUM fee formula as approved by the Land Board states that if the previous 12 month (October 1–September 30) average lamb price is less than or equal to 70% of the price for calves under 500 pounds during the same period, the sheep AUM rate will be reduced by 25%. Price data will be reviewed in October 2025 to determine if the lamb and calf price difference is sufficient to result in a lower AUM rate for sheep operators in 2026. Current price trends show that a reduction will likely not be necessary.

Attachments

- 1. 2026 AUM Rate Calculation
- 2. Historical Rate Graphs

2026 AUM Rate Calculation

Land Board Adopted AUM Formula

 $IDFVI_{t+2} = -6.92 + (0.13 \times FVI_t) + (0.60 \times BCPI_t) - (0.33 \times PPI_t) + (0.74 \times IDFVI_t)$

AUM Rate = IDFVI $_{t+2}/100 \times 1.70$

Where

IDFVI (t_{+2}) is the predicted value of the Idaho Forage Value Index for the year the grazing fee is to be set;

FVI_t is the most recent published Forage Value Index for the 11 western states;

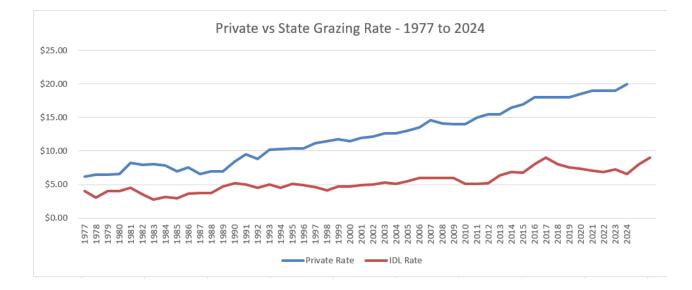
 $BCPI_t$ is the most recent published Prices Received for Beef Cattle Index for the 11 western states;

PPI_t is the most recent published Prices Paid Index for the United States;

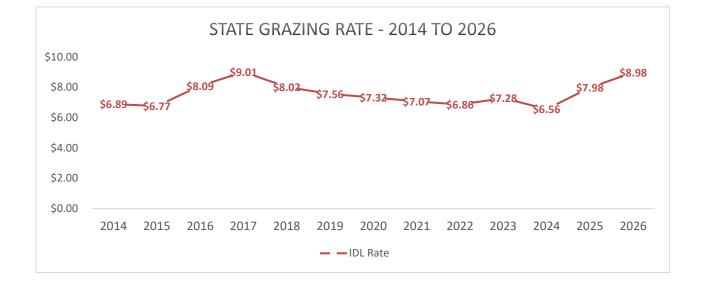
IDFVI_t is the most recent published value for the Forage Value Index for Idaho.

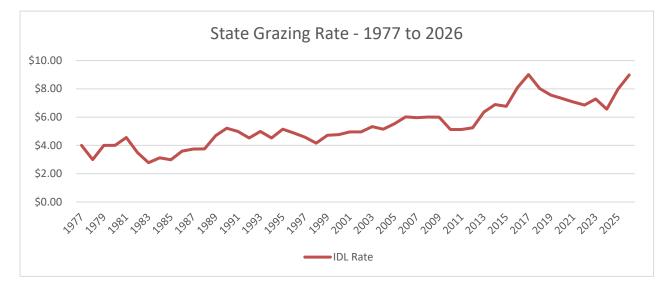
2026 Indices and Calculation

Forage Value Index (FVI) Beef Cattle Price Index (BCPI) Prices Paid Index (PPI) Idaho FVI (IDFVI)	= = =	655 787 1391 590		
-6.92 + (.13 x 655) + (.6 x 787 528	') - (.	33 x 139	91) + (.74)	x 590)
528/100 x \$1.70 Base Value \$8.98/AUM				



Historical Rate Graphs





ATTACHMENT 2

STATE BOARD OF LAND COMMISSIONERS

April 15, 2025 Information Agenda

Subject

Strategic Plan for Managing Wildland Fire

Background

Wildfire is a persistent and escalating threat to Idaho's communities, landscapes, and economy, and the Idaho Department of Lands (Department) plays a critical role in protecting the state's forests and rangelands. Developing a robust and adaptive fire management structure within the Department is crucial to safeguarding Idaho's communities, natural resources, and economic assets in the face of escalating fire threats.

The State Board of Land Commissioners (Land Board) requested a strategic plan to adapt the Department's wildland fire program to a changing fire regime that focuses on changes to the fire organization structure, training, staffing, and equipment to respond effectively to predicted increases in wildfire size, intensity, duration, and complexity.

Discussion

The draft Strategic Plan for Managing Wildland Fire is included as Attachment 1. It outlines a comprehensive approach to strengthening the Department's fire program to meet current and future challenges.

This plan is the first draft in what will be an ongoing, iterative process. The Department seeks the Land Board's input to ensure that the Department's vision for the fire program is aligned with the Land Board's vision. The Department will continue to engage with the Land Board and other stakeholders as the planning process continues.

This forward-looking plan is built around five strategic themes that help guide our mission for the next 10 years:

- 1. Strengthen organizational capacity for evolving wildland fire challenges.
- 2. Enhance fire prevention and mitigation efforts.
- 3. Build adaptive infrastructure to address increasing fire occurrence and severity.
- 4. Foster interagency collaboration and resilience.
- 5. Expand existing funding streams.

As wildfire seasons grow longer and more intense—complicated by population growth, expansion of the wildland urban interface, and a reduction in federal

firefighting resources—the Department is being called upon to do more. This plan addresses this reality with strategies to modernize fire operations, improve workforce recruitment and retention, invest in early detection and response technologies, expand prevention efforts, and ensure sustainable funding mechanisms.

The plan is designed to be a flexible, working document—able to evolve with emerging issues, policy changes, and resource demands. With a continued focus on protecting property and natural resources, and a commitment to responsible stewardship of taxpayer dollars, this strategy positions the Department to lead the state in effective, accountable, and resilient wildfire management. It is the Idaho way.

Given the trends of increasing acres burned and rising costs of fire suppression, the Department's wildland fire program must evolve to meet current and future challenges and provide the wildland fire program Idahoans expect.

By implementing this strategic plan, the Department will build a more resilient, self-sufficient wildland fire suppression program capable of addressing the evolving challenges. Through investments in personnel, infrastructure, technology, and collaboration, the Department will be better positioned to protect Idaho's communities, landscapes, and natural resources from the growing threat of wildfires.

Attachments

1. Strategic Plan for Managing Wildland Fire

Idaho Department of Lands Strategic Plan for Managing Wildland Fire



March 31, 2025

DRAFT

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Abbreviations

GPIFC	Great Plains Interstate Fire Compact
FSO	Fire Service Organization
IDL	Idaho Department of Lands
IOEM	Idaho Office of Emergency Management
NWCG	National Wildfire Coordinating Group
TPA	Timber Protective Association
USDA	United States Department of Agriculture

Executive Summary

Wildfire is a persistent and escalating threat to Idaho's communities, landscapes, and economy. The Idaho Department of Lands (IDL) plays a critical role in protecting the state's forest and range lands, and this Strategic Plan for Managing Wildland Fire outlines a comprehensive approach to strengthening IDL's fire program to meet current and future challenges.

This forward-looking plan is built around five strategic themes that help guide our mission for the next 10 years:

- 1. Strengthen organizational capacity for evolving wildland fire challenges.
- 2. Enhance fire prevention and mitigation efforts.
- 3. Build adaptive infrastructure to address increasing fire occurrence and severity.
- 4. Foster interagency collaboration and resilience.
- 5. Expand existing funding streams.

As wildfire seasons grow longer and more intense—driven by population growth, increasing wildland urban interface, and a reduction in federal firefighting resources—IDL is being called upon to do more. This plan addresses this reality with strategies to modernize fire operations, improve workforce recruitment and retention, invest in early detection and response technologies, expand prevention efforts, and ensure sustainable funding mechanisms.

The plan is designed to be a flexible, working document—able to evolve with emerging issues, policy changes, and resource demands. With a continued focus on protecting property and natural resources, and a commitment to responsible stewardship of taxpayer dollars, this strategy positions IDL to lead the state in effective, accountable, and resilient wildfire management. It's the Idaho way.

Idaho Department of Lands Statutory Responsibility

Statutory responsibility for the Idaho Department of Lands (IDL) fire program is described in Idaho Code Title 38, Chapters 1 and 4, also known as the Idaho Forestry Act and Fire Hazard Reduction Law.

Under current Idaho law: Every owner of forest lands in the state shall furnish or provide therefore, throughout the closed season, protection against the starting, existence or spread of fires thereon... (Idaho Code 38-111). Under Idaho Code 38-111, each forest landowner has the option to provide adequate fire protection individually or join other landowners to provide protection as a member of a Timber Protective Association (TPA). For landowners that choose neither option, state law directs IDL to provide fire protection and assess the landowner for the service. State law also requires the Director of IDL to: "...divide the state into districts to be known and designated as forest protective districts, having due regard in establishing the boundaries thereof, to the adequate, effective and economical protection of forest and range lands therein." (Idaho Code 38-110). These statutes form the basis of the current IDL Forest Fire Protection Districts and the two TPAs: Clearwater-Potlatch TPA (CPTPA) and Southern Idaho TPA (SITPA). In recent history no forest landowners, other than the federal government, have met the legal requirements for providing their own fire protection other than by joining a TPA.

For state lands, the law states: "The provisions of this chapter shall be applicable to the forest and range lands belonging to the state with the same force and effect as they apply to privately owned forest and range lands within the state; except that for the protection of state-owned range lands, the state board of land commissioners may enter into agreements or otherwise provide for a reasonable arrangement assuring the timely suppression of fires on or threatening state-owned range lands whether or not said lands are adjacent to or intermingled with forest lands." (Idaho Code 38-105). Funding for the suppression of fires on state range lands is provided for in law: "The state board of land commissioners may authorize the issuance of deficiency warrants for the purpose of paying the costs of fire suppression on state-owned range lands whether or not said lands are adjacent to or intermingled with forest lands. When so authorized, the state controller shall draw deficiency warrants against the general fund." (Idaho Code 38-131A). IDL has protection responsibility on all state-owned land and all private forest lands that are not part of a TPA. IDL also has protection responsibility for some federal land through the Master Cooperative Wildland Fire Management and Stafford Act Response Agreement (Master Agreement).

Introduction

Wildfire remains the primary recurring threat and hazard to Idaho communities and landscapes.

The dynamics of the wildland fire and wildfire environments continue to evolve and grow. In response, IDL is implementing new approaches to address these challenges and bridge existing gaps in the wildland fire program, ensuring continued success in protecting property and natural resources by containing fires to 10 acres or less.

As Idaho has seen an increase in population, wildland urban interface, and human-caused fires, there has been a decrease in federal wildland fire participation throughout the country. IDL staff expect further decreases in federal resource availability in Idaho. It is critical that IDL has the appropriate level of staffing in the right locations to be as effective as possible in minimizing the impact of fire on property and lives.

Within IDL protection, wildfire season has increased 32.4 days over the past 15 years, based on average days between first and last fires from 2010-2014 (210.6 days) and 2020-2024 (243 days). Nationally, that trend is similar. The Master Agreement with the federal cooperators expires in 2027, and IDL is expecting further change in our statewide fire responsibility as a result.

This plan will provide a forward-looking analysis that evaluates the future organizational changes required to successfully address population growth and the growing challenge of wildland urban interface fires.

The plan addresses the following problem statement:

Problem Statement: The Department's fire program is operating on the edge of its capabilities during periods with multiple ignitions, extended attack and long duration fire seasons. Fire seasons are increasingly severe and prolonged, federal fire programs are reducing their capacities and transferring more responsibility for wildfire suppression to state agencies, and the amount of coordination needed to acquire resources during a busy season has dramatically increased. Additionally, the fire environment is growing more complex and is further impacted by rapid population growth, highlighting the need for an effective and modernized fire management program.

The Department believes that this vision statement describes the desired future state of the fire program:

Vision Statement: Meeting future wildland fire challenges through effective initial attack and robust incident management capabilities.

Strategic Plan

The plan to strengthen IDL's fire program to meet current and future challenges is built around five organizational themes:

- 1. Strengthen organizational capacity for evolving wildland fire challenges.
- 2. Enhance fire prevention and mitigation efforts.
- 3. Build adaptive infrastructure to address increasing fire occurrence and severity.
- 4. Foster interagency collaboration and resilience.
- 5. Expand existing funding streams.

Under each theme's section, this plan describes why each theme is important, the key strategies to make the theme a success, and a description of actions already taken. The Appendix includes a table template which describes the tasks that will be necessary to implement the key strategies. The tables in the Appendix will be populated for the next iteration of the document. The Appendix is included in this draft to provide the reader an example of future additions to the plan.

Theme 1. Strengthen organizational capacity for evolving wildland fire challenges

There is less alignment between what IDL expects/needs and what the workforce requires in order to pursue the career field. This includes tools to address the physical and mental stresses of the work, work-life balance, and scope of work/responsibilities. Hurdles related to workforce readiness include approval for additional full-time equivalent positions (FTEs); funding personnel at a competitive pay rate; and recruiting, training, and retaining personnel with the ability to learn and use desired skill sets.

Beyond the firefighter workforce, Fire Bureau employees have historically been tasked with supporting multiple programs, such as one person overseeing aviation and fire investigation. As each program has become more complex, expansion of critical program management is necessary for success and staff retention.

Under Idaho Code 38-107, Fire Wardens are to abate the nuisance of fire. With significant population growth throughout the state and consequently an increase in unwanted human-caused fire ignitions, IDL has experienced an increase in nuisance fire responses. IDL policy and procedures require the investigation of all abated fires. This added workload has resulted in more investigations than the program can handle.

Aviation support personnel are not provided by IDL and are solely funded and provided by our federal counterparts at federally operated air centers across Idaho. These support personnel are required under the National Wildfire Coordinating Group (NWCG) and the industry standards for the safe oversight and management of aviation operations.

The fire business program is responsible for auditing and authorizing wildfire billings from vendors and cooperators. The program supports incident business training, tracks wildfire billings (including negligent wildfire cases), oversees wildfire audits, coordinates federal grant applications, and provides oversight for wildfire-related financial and operational processes to ensure accuracy and compliance.

In the 2024 season alone, the program processed 1,110 vendor payment packages totaling \$33,364,114.89, which is a sharp increase compared to 687 packages and \$12,161,350.27 in 2023. The financial scale of these operations is also evident in the five-year average for suppression spending, which stands at \$48,370,800.

The fire logistics program is integral to firefighting and assists with wildland fire suppression nationwide. The demand for cache resources and support has grown considerably, yet infrastructure and staffing have not kept pace. The Coeur d'Alene National Fire Cache provides annual support to 300 wildfires at the national, state, and local levels, warehouses \$15 million of supplies, provides critical repair and refurbishment services of vehicles and equipment, and manages and maintains IDL's response and distribution fleet. Additionally, it provides support for local fire departments through the Firefighter Property and Federal Excess Property Program to supply them with surplus military equipment that is converted for use by the departments.

Key Strategy – Increase workforce readiness and compensation

- Provide competitive pay on par with Western states through an increase of entry-level engine captain rate that is in alignment with state policies, while addressing pay compression and equity between job classifications.
- Improve recruitment and retention strategies focused on entry-level and seasonal personnel through targeted mentorship programs.
- Establish appropriate staffing of initial attack, aviation, engine modules, and crew resources.
- Establish additional dedicated fire suppression modules.
- Conduct job classification analysis and review to determine if primary and support fire job classifications align with IDL policy and industry standards.
- Continue to recruit and promote collateral duty firefighting and support duties across IDL non-primary fire positions.
- Develop IDL Differential Pay Policy to incentivize collateral duty firefighters and firefighter support roles. Implement differential pay for fire suppression personnel time.
- Analyze and adjust the IDL Hazard Pay Policy to align with industry standards (federal and other states).
- Develop a self-reliant training program that supplements, instead of being dependent upon, federal training offerings.
- Assess need for IDL specific NWCG training compatible courses across the Department.
- Develop fire qualification training curriculum and 5-year schedule for recurring required courses (e.g., guard school, engine academy, basic faller).

Key Strategy – Expand Fire Bureau leadership and program management

- Enhance aviation program expertise and capacity to continue to support fire aviation resource needs and to navigate state/regional/national aviation strategies and complexities across the industry including development of Idaho aviation operating plans, policies, procedures, and guidance with consideration to NWCG standards.
- Evaluate and ensure competitive pay structures and classifications for aviation-specific positions.
- Conduct a comprehensive review of aviation contracting support to understand the distinctions between state procurement and fire procurement processes, along with a statutory and policy analysis to optimize operational efficiency and effectiveness.
- Gap/needs analysis for IDL programs that are currently reliant on federal resources, specifically prevention, fire business, and incident support (fire cache and logistics).
- Support, evaluate, and implement early detection technologies such as satellite detection, lightning detection, and fire detection cameras. Seek funding for implementation.
- Coordinate with partner agencies and other interested parties to ensure maximum effectiveness and efficiency with detection capability and interoperability.
- Keep pace with the rapid evolution of radio technology.
- Analyze IDL's organizational structure, with efficiency and effectiveness of the wildland fire program in mind.
- Evaluate the role of the TPAs in Idaho's suppression responsibilities.

Key Strategy – Expand program delivery

- Strengthen aviation program air support operations to ensure continued management of contracted aviation assets. Develop a transition plan for a self-reliant aviation program, consistent with the Governor's 2024 Wildfire Report Recommendation #10.
- Develop dedicated program capacity for grant, agreement, procurement management and oversight.
- Increase investigation program capacity. Add dedicated qualified investigators across the state for rapid response.
- Continue to implement automated financial systems, standardize billing procedures, and invest in workforce expansion and training.
- Increase cache logistics staff support.

Theme 1 Actions Already Taken

• FY26 Budget Enhancements: Fire Aviation Section Manager, firefighter bonuses.

Theme 2. Enhance fire prevention and mitigation efforts

Fire prevention and mitigation are critical aspects of reducing starts, or if ignition occurs, keeping fires small therefore reducing the impact of incidents while increasing responder safety.

Fire prevention is a crucial component of hazard mitigation by recognizing the risk of wildfire and then communicating that risk to the public. By raising awareness, promoting safe behaviors, and providing clear guidance on reducing ignition sources, prevention efforts address the hazard at its source—ultimately decreasing the likelihood of wildfire starts and improving overall mitigation outcomes.

Through outreach, education, and public engagement, fire prevention protects Idaho's landscapes, communities, and resources while reducing wildfire costs. **Research from the USDA Forest** Service shows that every \$1 invested in prevention can save up to \$35 in suppression and post-fire rehabilitation expenses, underscoring the value of proactive efforts.

The fire mitigation program provides pass-through awards to cooperators throughout Idaho to reduce the threat and impact of wildfire on communities and landscapes. Mitigation improves the probability of effective suppression efforts, while also decreasing community and natural resource damage through reduced intensity and severity of wildfire.

In Idaho, for every \$1 spent on mitigation, between \$15 and \$32 dollars is saved in suppression expenses (Estimating Suppression Productivity of Reducing Wildfire; T. Holfeltz, 2004).

IDL has long managed administrative code related to forest practices to include slash management as an enforcement obligation. Many of these codes have not changed in decades and have not been updated to address changes in fire occurrence or advancements in scientific understanding.

Key Strategy – Strengthen prevention programs

- Implement systemic statewide scale-up of state and federal funded prevention efforts by reclassifying current staff to a full-time program manager and adding regional prevention support staff.
- Expand advertising/messaging, reader boards, billboards, and gas station television (GSTV); modernize the Idaho Burn Permit system; and migrate funding streams from federal funds to state funds.

Key Strategy – Strengthen mitigation programs

- Assess the optimal organizational structure and location of the fire mitigation program, expand cooperative program delivery through contracting and shared positions, enhance area and district implementation with education and private land projects, increase the use of prescribed fire, and transition funding sources from federal to state funds.
- Review administrative codes and policies to identify areas for updates or new additions to ensure wildfire reduction efforts can be expanded across all lands, not just state lands.

Key Strategy – Analyze and update IDL's fire hazard management program

• Review and identify alternatives for enhancing IDL's fire hazard program implementation guidance.

Theme 3. Build adaptive infrastructure to address increasing fire occurrence and severity

Adaptive infrastructure, such as response-ready facilities, robust communication systems, and advanced firefighting technology, can help IDL respond more efficiently to changing fire dynamics, protect communities, and safeguard vital resources.

A substantial gap exists between current resources and the necessary facilities, modern technology, and equipment required for optimal operations. Fire operations facilities are inadequate in square footage and function (e.g., fire cache was built in 1974), while detection infrastructure has not kept pace with increased wildfire occurrence. In both cases, this has led to increased maintenance costs, operational inefficiencies, safety concerns, and a reduction in the effectiveness of our fire response capabilities.

Historically, IDL based contracted aviation assets at federally controlled interagency fire aviation facilities and did not contribute appropriately with funding or personnel to the facility operations. Coupled with unequal contribution, federal agencies have less flexibility with purchasing and leasing facilities, and changes are on the immediate horizon for federal aviation facilities across the state. More responsibility must be taken for the facilities supporting IDL's fire aviation program.

IDL needs modern tools and systems to keep pace with the evolving nature of wildfires and improve the efficiency of response efforts. Outdated equipment and manual processes hinder the Department's ability to respond quickly and effectively. By integrating advanced technologies such as real-time data analytics, satellite imaging, and automated firefighting systems, the agency can enhance situational awareness, improve decision making, and streamline operations.

Modernized tools also facilitate better coordination among agencies, quicker resource allocation, and faster communication, ultimately minimizing damage and saving lives.

Without addressing infrastructure needs, other tasks and their associated resources will be difficult to implement as the Department simply runs out of space to do the work.

Key Strategy – Develop and implement a comprehensive fire facilities plan

- Build fire facilities across forest protective districts, aviation sites, and for the Fire Bureau to accommodate current and future program expansion, thus improving readiness.
- Analyze response times associated with area of responsibility and identify total need across all state forest protective districts and timber protection association districts, Coeur d'Alene Interagency Fire Cache, aviation, and regional dispatch centers.
- Upon completion of analysis, consider leveraging interagency relationships, co-location possibilities, and establishing satellite remote guard stations to improve response times where appropriate (e.g., Avery).
- Evaluate if the one centralized fire cache still makes sense or if a more distributed regional model or a combination would add value.

Key Strategy – Modernize tools, equipment, and systems

- Increase early fire detection capabilities. Early wildfire detection aids in quick response and rapid wildfire suppression, minimizing suppression cost and damages. There are numerous technologies today that require coordinated deployment and use. These technologies include AI-enabled wildfire detection cameras, advanced lightning detection, and satellite detection. IDL will need funding for hardware, software, maintenance, and other programmatic costs such as training. This buildout will be a multi-year approach, increasing capabilities after discussion with utility companies, federal fire agencies, local entities, and other state agencies.
- Consistent with the Governor's 2024 Wildfire Report Recommendation #4, create an Interoperability Committee with the intention of coordinating wildland fire detection cameras.
- Acquire an advanced integrated, centralized software platform to enable the aggregation of geographic, environmental, and predictive wildfire data to aid in decision making, resource allocation, and firefighting strategies. A single source of information is critical to real-time decision making and shared situational awareness. Technology is more refined and is a needed tool for wildfire suppression and planning in an increasingly complex environment. These software solutions allow for inclusion of resource tracking, detection data, active wildfire mapping, wildfire modeling, etc.
- Additional strategies include modernizing our radio communications infrastructure to include interoperability with all fire departments in the state and being prepared for advancement in technology. This will include increasing our radio coverage to accommodate new protection areas, decrease system redundancy, and work with consolidated dispatch centers. Periodic gap analysis will be needed to determine the best value solutions due to rapidly evolving technology.
- Complete the implementation of the electronic Fire Business System by developing integration with statewide Luma system.

Theme 3 Actions Already Taken

• FY26 Budget Enhancements: Fire Burn Permit System replacement, fire detection cameras, satellite fire detection and mapping.

Theme 4. Foster interagency collaboration and resilience

Interagency collaboration is essential for successful wildfire suppression operations. No single agency has all the required resources and capabilities to deal with large-scale wildfires or multiple ignition days and must rely on collaboration from other agencies to address these challenges.

Wildfires frequently span large and complex areas that require a coordinated effort from multiple organizations to effectively manage. Different agencies bring unique expertise, resources, and capabilities to the table, such as local resources, state resources, federal resources, and emergency management organizations.

By working together, these agencies can share critical information, pool resources, and align strategies, ensuring a more efficient and unified response. Effective collaboration also ensures quicker mobilization of resources, better communication during the incident, and the ability to address both immediate firefighting needs and long-term recovery efforts.

Local Fire Service Organizations (FSOs) represent a significant resource in Idaho's wildland fire response. The Idaho Office of Emergency Management (IOEM) also plays a critical role in emergency response of all types within the state of Idaho. Leveraging IOEM and FSOs' resources for wildfire suppression in return for supporting emergency response embodies the Idaho way.

The impacts of wildfires on Idahoans are particularly felt through smoke. Every citizen has been exposed to unhealthy particulate levels associated with smoke, both from out of state sources and incidents in Idaho. Additionally, as the use of prescribed fire continues to grow, the impacts of these planned, short duration events still have significant localized impacts to communities.

While IDL has staff members across the state who unofficially track the smoke during the wildfire season, there is no smoke management program at IDL to monitor and manage the effects of smoke or to interface with other supporting regulating agencies such as Idaho Department of Environmental Quality.

Key Strategy – Expand coordination with Fire Service Organizations, the Idaho Fire Chiefs Association, and the Idaho Office of Emergency Management

- Cultivate, enhance, and maintain interagency relationships. Leverage these relationships as a force multiplier for IDL's suppression mission by assisting partners in executing their respective missions.
- Increase programmatic capacity and leadership to support Emergency Support Function #4 (ESF#4) responsibilities and coordination with IOEM and the Idaho Fire Chiefs Association for the strategic movement of fire resources to increase response and support capacity statewide.
- Consistent with the Governor's 2024 Wildfire Report Recommendation #8, develop a statewide memorandum of understanding between firefighting entities at the local, state, and federal level to ensure capacity, coordination, and mutual aid response during wildfire events.

Key Strategy – Expand coordination with regulatory agencies for smoke management

• The establishment of a smoke management program supported by a full-time program manager will ensure the efficient coordination of this increasingly impactful effect of wildfires for Idahoans. This position could be shared between Idaho Department of

Environmental Quality and IDL to further increase the regulatory coordination associated with smoke management in Idaho.

Key Strategy - Increase ability to exchange resources with other states

- Current federal law does not allow for reciprocal billing between the eight existing regional forest fire compacts. IDL must execute multiple compact agreements and enter into state-to-state agreements with numerous other states. Support and promote the National Association of State Foresters Wildland Fire Committee efforts towards allowing reciprocal billing between forest fire compacts to streamline IDL's ability to leverage resources from all 50 states.
- Join the Great Plains Interstate Fire Compact (GPIFC). In the absence of reciprocal billing between compacts, joining the GPIFC would allow IDL access to wildland fire resources from neighboring states directly to the south and east as well as from North Dakota to Texas.
- Secure state-to-state agreements to augment fire suppression resources and to clarify billing procedures with other states to increase the overall resiliency of the fire program.

Theme 4 Actions Already Taken

• FY26 Budget Enhancement: Fire Emergency Support Program Manager.

Theme 5. Expand existing funding streams

Funding for IDL's wildland fire preparedness or pre-suppression is used for training and equipping firefighters. This includes everything from engine oil changes to utility bills to personnel time in classroom training. This budget also supports prevention at the forest protective districts as well.

Funding for preparedness currently comes from three sources: dedicated funding from assessments (38%), general fund (48%), and federal grants (14%). The funding from assessments has generally remained the same throughout the years due to the assessment rate being unchanged since 2009. While the general fund portion has increased over the past four years, federal funds have steadily decreased due to national program cuts and changes in allocation methodologies.

Funding from assessments is intended for supporting pre-suppression and preparedness functions. Idaho Code specifies that forest landowners will pay up to \$0.65 per acre of forestland and up to \$40 per improved parcel. These assessments are managed by the Fire Wardens and audited routinely.

The software system, Private Fire, is antiquated and using older technology that has not kept up with the scope and scale of today's landscape. Private Fire is unable to be updated and could have security concerns. The software is at the end of its life and work arounds are required for continued operation.

Due to changes in protection responsibility in the 2023 Master Agreement, IDL has experienced an increase in rangeland fire protection. Under Idaho statute, this ground is not assessed but contributes to significant resource consumption for pre-suppression, suppression, and resource consumption.

There are several challenges to funding Idaho fire preparedness. One of these items is uncertainty and availability of federal grant funds. In FY25, \$2.2 million out of the total \$10.8 million preparedness allocation was federal grant funds. Recent changes have indicated there may be significant shortfalls in federal grant funding in years to come.

IDL has increased protection responsibility by approximately 3 million acres over the past 3 years, including adding the East Idaho Forest Protective District in Idaho Falls. This has strained IDL resources. IDL still has approximately 350,000 acres in offset protection. These acres could go back to state protection under a future Master Agreement and IDL must be ready to take on the additional workload.

The assessments are currently insufficient for rapid program growth. IDL needs to develop a forest assessment program that will better address these resource shortages and increased resource commitments, in addition to exploring other options for expanding preparedness funding streams. This will require stakeholder engagement and change to Idaho Code.

Key Strategy – Assessments audit and modernization: Modernize software, conduct a financial and forest assessment audit, and reform assessment rate

- Hire a program manager to oversee and serve as a subject matter expert for assessments.
- Conduct a systematic statewide review of all assessed parcels, beyond the annual audits conducted by the forest protective districts. Use audit results to drive statewide consistency calibration and identify necessary process/procedure changes.
- Deploy a spatially enabled centralized software system for analyzing and capturing data related to assessed parcels capable of interfacing with county tax roll records. Evaluate ability to record payments received by parcel. Using the new Fire Assessment Management System, evaluate assessed fees vs. suppression expenses vs. fire starts in the wildland urban interface.
- Conduct assessments rate audit to ensure that the rate is appropriate for today's wildland fire challenges and expectations. Evaluate if the correct acres and fuel types are being assessed and if a single rate for all acres makes sense.

Key Strategy – Explore other options for expanding preparedness funding streams

Theme 5 Actions Already Taken

• FY26 Budget Enhancement: Statewide Forest Assessment Program Manager.

Conclusion

Given the trends of increasing acres burned and rising costs for fire suppression, IDL needs to make changes in the fire program to meet current and future challenges and provide the fire program Idahoans expect.

By implementing this strategic plan, IDL will build a more resilient, self-sufficient wildland fire suppression program capable of addressing the evolving challenges posed by climate change and increased wildfire activity. Through investments in personnel, infrastructure, technology, and collaboration, IDL will protect Idaho's communities, landscapes, and natural resources from the growing threat of wildfires.

Measures of Success

Success for IDL's wildland fire program means a resilient and responsive organization capable of meeting the state's evolving fire challenges with efficiency, agility, and foresight.

It will be reflected in reduced fire size and severity through timely and effective initial attack, improved firefighter safety, and robust interagency coordination.

Investments in prevention, mitigation, infrastructure, and workforce development will lead to more fires being kept under 10 acres, lower suppression costs, and fewer impacts to communities and natural resources.

A modernized assessment and funding system will ensure financial sustainability and readiness.

Ultimately, success means Idahoans are safer, landscapes are healthier, and the Department continues to be a national leader in state-led wildfire response. To that end, we will measure success by:

- A continued measure of initial attack success. Keep 95% of fires at or below 10 acres.
- The ability to manage multiple ignitions on one or more forest protective districts during a lightning event without exceeding IDL's fireline leadership capability.
- The Department and its cooperators are able to manage multiple type 3 incidents simultaneously without drawing on the national coordination system for Incident Management Teams.
- The Department's engines are fully staffed with qualified engine bosses and firefighters.
- Trained temporary fire staff are likely to return to IDL for multiple seasons.
- Facilities provide adequate and efficient space for personnel and equipment and improved response time.
- Increased retention and recruitment of skilled firefighters.
- Enhanced ability to sustain operations without federal dependency.
- Reduced human-caused fire ignitions through targeted prevention efforts.
- Improved community resilience against wildfire threats.
- More effective mitigation efforts through stable funding streams.
- Improved safety, efficiency, and effectiveness of fire suppression resources.
- Improved regulatory coordination for smoke management.
- Increased access to funding and firefighting personnel.
- More predictable and sustainable fire suppression funding.
- Greater financial independence for Idaho's wildland fire program.
- Enhanced capacity for long-term wildfire risk reduction initiatives.

Appendix

DRAFT

This Appendix is included to provide the reader an example of future additions to the plan. The tables in this Appendix will be populated for the next iteration of this document.

Theme 1. Strengthen organizational capacity for evolving wildland fire challenges

Key Strategy 1.1 – Increase workforce readiness and compensation

Key Strategy 1.2 – Expand Fire Bureau leadership and program management

Key Strategy 1.3 – Expand program delivery

Theme 1 Key Strategy/Task Table

Key Strategy	Task	Resources Needed	Priority (1, 2, 3)	FY Line Item Request	Precursor
1.x					
1.x					

Theme 2. Enhance fire prevention and mitigation efforts

Key Strategy 2.1 – Strengthen prevention programs

Key Strategy 2.2 – Strengthen mitigation programs

Key Strategy 2.3 – Analyze and update IDL's fire hazard management program

Theme 2 Key Strategy /Task Table

Key Strategy	Task	Resources Needed	Priority (1, 2, 3)	FY Line Item Request	Precursor
2.x					
2.x					

Theme 3. Build adaptive infrastructure to address increasing fire occurrence and severity

Key Strategy 3.1 – Develop and implement a comprehensive fire facilities plan

Key Strategy 3.2 - Modernize tools, equipment, and systems

Theme 3 Key Strategy/Task Table

Key Strategy	Task	Resources Needed	Priority (1, 2, 3)	FY Line Item Request	Precursor
3.x					
3.x					

Theme 4. Foster interagency collaboration and resilience

Key Strategy 4.1 – Expand coordination with Fire Service Organizations, the Idaho Fire Chiefs Association, and the Idaho Office of Emergency Management

Key Strategy 4.2 – Expand coordination with regulatory agencies for smoke management

Key Strategy 4.3 – Increase ability to exchange resources with other states

Theme 4 Key Strategy/Task Table

Key Strategy	Task	Resources Needed	Priority (1, 2, 3)	FY Line Item Request	Precursor
4.x					
4.x					

Theme 5. Expand existing funding streams

Key Strategy 5.1 – Assessments audit and modernization: Modernize software, conduct a financial and forest assessment audit, and reform assessment rate

Key Strategy 5.2 – Explore other options for expanding preparedness funding streams

Theme 5 Key Strategy/Task Table

Key Strategy	Task	Resources Needed	Priority (1, 2, 3)	FY Line Item Request	Precursor
5.x					
5.x					