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6 SUPERIOR COURT FOR THE STATE OF WASHINGTON
7 IN AND FOR THE COUNTY OF SPOKANE

8 RESPONSIBLE GROWTH *NE WASHINGTON;
9 CITIZENS AGAINST NEWPORT SILICON
10 SMELTER; THEODORE & PHYLLIS KARDOS;
11 DENISE D. TEEPLES; GRETCHEN L. KOENIG;
12 SHERYL L. MILLER; JAMES W. &
13 ROSEMARY CHANDLER; AND PAMELA
14 BYERS LUBY,

Plaintiffs,

vs.

15 PEND OREILLE PUBLIC UTILITY DISTRICT
16 NO. 1; PEND OREILLE COUNTY; and HITEST
17 SAND, INC.,

Defendants.

Case No. 18-2-02551-1

**DECLARATION OF RICK
EICHSTAEDT**

18 I, RICK EICHSTAEDT, state and declare as follows:

19 1. I am the attorney of record for the Plaintiffs in the above-captioned action, am
20 over the age of eighteen, and make this declaration based on my personal knowledge and under
21 penalty of perjury.

22 2. Attached to this declaration are the following true and correct copies of the
23 following documents, submitted in connection with the Plaintiffs' Motion for Summary
Judgment:

Ex. A: Letter from HiTest to Colin Willenbrock, General Manager Public Utility District
dated April 18, 2017

DECLARATION OF RICK EICHSTAEDT

Page 1 of 3

Responsible Growth NE Washington\Pleadings\Declaration of Rick
Eichstaedt\111618\mm\ab\rke\vly

UNIVERSITY LEGAL ASSISTANCE
721 North Cincinnati Street - P.O. Box 3528
Spokane, Washington 99220-3528
(509) 313-5791 Telephone
(509) 313-5805 Facsimile
(509) 313-3796 TTY

- 1 Ex. B: Appraisal Report from Valbridge Property Advisors – Report Date: August 4,
2017
- 2 Ex. C: Notice of Public Hearing - Surplus and Sale of Real Property Public Utility
3 District
- 4 Ex. D: Minutes of Public Utility District - March 15, 2016
- 5 Ex. E: Notice of Sale - Surplus Real Estate Properties for Sale by Public Utility District
- 6 Ex. F: Treasurer's Record No. 907 – Tax Title Property Deed
- 7 Ex. G: Letter from Colin Willenbrock, General Manager Public Utility District to Jason
8 Tymko, President HiTest Sands, Inc date April 25, 2016
- 9 Ex. H: Letter form Colin Willenbrock, General Manager Public Utility District to Jason
Tymko, President HiTest Sands, Inc dated June 13, 2016
- 10 Ex. I: Pend Oreille County Resolution No. 2017-22
- 11 Ex. J: Resolution of Public Utility District No. 1399
- 12 Ex. K: Receipt No. 2017-00003077 for the sale of Parcel #19182 from Pend Oreille
13 County to Public Utility District
- 14 Ex. L: Letter from Frontier Title & Escrow Company, Inc to Public Utility District
- 15 Ex. M: Special Warranty Deed September 18, 2017
- 16 Ex. N: Letter from University Legal Assistance to Daniel I. Peterson, President, Public
Utility District of Pend Oreille County
- 17 Ex. O: Resolution No. 1411 of Public Utility District
- 18 Ex. P: Map of Counties Served by Public Utility Districts
- 19 Ex. Q: *PUD Sells Property to HiTest Sands, Inc, THE MINER ONLINE (9/20/2017); Becky*
20 *Kramer, Smelter Opponents Challenge Sale of Public Land to HiTest, THE*
SPOKESMAN-REVIEW (4/24/2018).
- 21 Ex. R: Samantha Wohlfell, *Anti-Smelter Groups File Suit Against Pend Oreille,*
22 *Proposed Silicon Smelter HiTest, INLANDER (6/7/2018); Mayor Shelby Rognstad,*
Proposed Smelter in Newport Would Be Bad For Sandpoint, SANDPOINT READER
23 *(11/2/2017).*

1 Ex. S: E-mail from John Carlson, Vice President, PacWest Silicon, to Grant Pfeifer,
2 Regional Director, Department of Ecology (July 26, 2018, 9:45 PDT).

3 Ex. T: Real Estate Purchase and Sale Agreement

4 I declare under the penalty of perjury under the laws of the state of Washington that the
foregoing is true and correct.

5 DATED this 16th day of November, 2018.

6 By: 
7 RICHARD K. EICHSTAEDT

Exhibit A



HiTEST SAND
Responsibly supplying Hi-quality silica

COPY

April 18, 2017

Mr. Colin Willenbrock
General Manager, Pend Oreille PUD
PO Box 190
Newport, WA 99156

RE: REQUEST FOR POWER SERVICES

Mr Willenbrock:

HiTest Sand, Inc through Silicon Investments, Inc. ("SI") has been investigating potential sites and is interested in the PUD owned property located south of Newport. This property is approximately 186.3. The Property is one parcel of 13.83 acres (Property ID # 19182) which is currently owned by Pend Oreille County and three parcels owned by the District (Parcel # 19183) of 39.0 acres, (Parcel # 17036) of 80 acres, (Parcel #19193) of 53.47 acres. The four parcels together combine to a total of 186.3 acres. The purpose of these combined 186.3 acres are for the purpose of operating a silicon smelter plant. Our plant would bring substantial environmentally sustainable economic benefits to the community including up to 170 full time family wage jobs at the site plus several hundred indirect jobs in supporting industries (trucking, wood chip production, retail, etc.) Our business plan, economic model, engineering and offtake agreements are fully developed. We have been highly involved with local and state legislators, the Washington State Department of Commerce, and the Governor's office and have their full support and commitment to expedite the permitting process.

Accordingly, HiTest would like to formally request power supply services from Public Utility District No. 1 of Pend Oreille County (the "District"). Our general requirements are expected to happen in two phases and are as follows:

Phase 1

100 aMW of energy supply
105 MW of capacity
95% power factor
98% load factor
Minimal interruption requests from the PUD
Projected full operation 9/2019

#1402 10035 Saskatchewan Dr. Edmonton, AB, T6E 4R4
Phone: 780-328-6542



HiTEST SAND
Responsibly supplying Hi-quality silica

Phase 2

Additional 100 aMW of energy supply for a total of 200 aMW

Additional 105 MW of capacity for a total of 210 MW

95% power factor

98% load factor

Minimal interruption requests from the PUD

Projected full operation 9/2022

SI believes our plant, power supply needs and economic benefit could provide a beneficial and well timed solution for the District as well as Pend Oreille County. We look forward to a formal offer of contract for power supply services from the District.

Sincerely,

Jayson Tymko

President

HiTest Sand, Inc.

Exhibit B



Valbridge
PROPERTY ADVISORS

Appraisal Report

Pend Oreille PUD Property
500 Block of N. Stateline Road
Newport, Pend Oreille County, Washington 99156

Report Date: August 4, 2017



FOR:

Public Utility District No. 1 of Pend Oreille County
Ms. Kimberly Gentle
P.O. Box 190/130 N. Washington Avenue
Newport, Washington 99156

Valbridge Property Advisors |
Auble, Jolicoeur and Gentry, Inc.

1875 N. Lakewood Drive, Suite 100
Coeur d'Alene, ID 83814
208-292-2965 phone
208-292-2971 fax
valbridge.com

Valbridge Job Number:
ID01-17-0148-000



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Public Utility District No. 1 of Pend Oreille County. The intended users of this report are you and representatives from HiTest Sand Inc., and no others.

Intended Use of the Appraisal

The intended use of this report is to negotiate the potential sale of the property to HiTest Sand, Inc.

Real Estate Identification

The subject property is located at 500 Block of N. Stateline Road, Newport, Pend Oreille County, Washington 99156. The subject property is further identified by Assessor Parcel Numbers 463130010001, 463130020001, 463130500001 and 453125000005. The property is a rectangular site that is primarily cut over timberland, and has gentle to moderate slopes with some scattered rock outcrops. It has access by a 20' wide recorded easement across the adjacent property to the west. The easement access is a narrow, rough dirt road.

Legal Description

According to the Pend Oreille County Assessor's Office, the abbreviated legal description is as follows: 1-56 GOV'T LOTS 1, 2, 3, 4 30-31-46; 1-56 E1/2NE1/4 25-31-45.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was forest land property.

Use of Real Estate as Reflected in this Appraisal

Forest land property.

Ownership of the Property

According to Pend Oreille Assessor, title to the majority of the subject property is vested in Public Utility District #1/Pend Oreille County. The exception is the 13.8-acre parcel, held by Pend Oreille County, as of the effective date, but scheduled to transfer to the utility district, as outlined below.

History of the Property

Ownership of the subject property has not changed within the past three years; however, there is a pending sale on a portion of the subject as noted below. The remainder of the assemblage was acquired by the utility district in 1995 and 1996, for the potential development of a gas-powered generating facility. This did not occur, and the property has been declared surplus property by the district.

Listings/Offers/Contracts

Parcel 463130010001 with 13.8 acres is currently owned by Pend Oreille County, acquired during a tax foreclosure auction. It is my understanding the county has agreed to sell this property, which is essentially land locked, to the PUD for \$27,744 which is essentially the assessed value, plus excise tax fees for the recording of the sale. This transfer was scheduled to occur on August 1, 2017.

Exhibit C

Surplus Sale Real Property/ PUD

Published•

201675

PUBLIC NOTICE

NOTICE OF PUBLIC HEARING

PUBLIC UTILITY DISTRICT NO.1

OF PEND OREILLE COUNTY

SURPLUS AND SALE OF REAL PROPERTY

DISTRICT OWNED LANDS

A public hearing will be held at 11:00 a.m., March 15, 2016, so that the Board of Commissioners may consider public comments related to the surplus and sale of real property District owned lands.

The hearing will be held at the PUD's Administrative Building, in the Newport Conference Room, located at 130 N. Washington, Newport, Washington.

The public is invited to attend and be heard.

Karen Willner

Clerk of the Board

Published in the Newport Miner on March 2 and 9, 2016. (5-2)

Exhibit D

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
March 15, 2016
NEWPORT CONFERENCE ROOM, NEWPORT, WA

Present: Richard A. Larson, President
Daniel L. Peterson, Vice President
Curtis J. Knapp, Secretary

Staff Present: Colin Willenbrock, General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Others: Matt Andersen, Winston & Cashatt Lawyers, via teleconference
Steve Kiss, Member of the Public
Geoffrey Thompson, Member of the Public

The meeting was called to order at 8:04 a.m. by Richard A. Larson, President.

CONSENT AGENDA:

The minutes from the March 1, 2016 meeting and today's revised agenda were reviewed.

Vouchers audited certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified by RCW 42.24.090, have been recorded on a listing, which has been made available to the Board. As of this date, March 15, 2016, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Peterson approved the following:

- The minutes of March 1, 2016 meeting and the revised agenda for March 15, 2016.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 92635 through 92744 in the total amount of \$463,407.28; Wire Transfer Nos. 1328 through 1332 in the total amount of \$140,438.48; and ACH payroll transactions in the total amount of \$221,265.98 for the payroll ending February 29, 2016.
- Reserve for Bad Debt in the total amount of \$5,430.44; Electric System total is \$5,189.36 and the Metaline Falls Water System total is \$241.08.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 40-minute attorney/client privileged executive session on pending and/or potential litigation commenced at 8:05 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; and Matt Andersen, Winston & Cashatt Lawyers, via teleconference. The executive session adjourned at 8:45 a.m. and the Board returned to open session. There was no final action taken.

BOARD WORKSHOP:

Bryant Kramer, District Senior System Operator, appeared before the Board with an education tuition reimbursement request. He explained the program details. Discussion was held. A motion was made by Commissioner Peterson and seconded by Commissioner Knapp to approve the employee education tuition reimbursement. The motion passed unanimously.

Discussion was held regarding a Cowlitz PUD draft resolution for Initiative 732.

COMMISSION REPORT:

Commissioners Knapp and Peterson attended a Northwest Open Access Network Board Meeting on March 9 in Spokane. They provided an overview of the meeting.

Commissioner Peterson attended a Colville National Forest Plan Revision public meeting on March 8 in Ione and provided an overview. He attended a Northwest Public Power Association (NWPPA) Government Relations Committee meeting on March 10 in Coeur d'Alene.

Commissioner Larson attended a North Pend Oreille County Chamber meeting on March 10 in Ione and provided an overview. Discussion was held.

COMMISSION BUSINESS:

Discussion was held regarding Board attendance to the NWPPA Annual Conference.

- Cusick's Annual Easter Egg Hunt Funding Request. There was no action taken due to a lack of a motion.
- Northwest Public Power Association Annual Conference Voting Delegate. A motion was made by Commissioner Knapp and seconded by Commissioner Larson to nominate Commissioner Peterson as the District's voting delegate. The motion passed unanimously.

Commissioner Peterson will attend a Washington Public Utility Districts Association meeting on March 16 – 18 in Olympia. He will tentatively attend a Spokane River Forum on March 23 – 24 in Coeur d'Alene.

Commissioner Larson will attend an Economic Development Council (EDC) meeting on March 16 in Ione, a Forest Service recreation meeting on March 17 at Sullivan Lake, a Mill Pond Dam meeting on March 23 at the Cutter Theatre, and another EDC meeting on March 24 in Newport.

SAFETY FIRST:

Colin Willenbrock, District General Manager, provided background information on the District's membership with Energy Northwest and the safety audit.

Cecil Taylor, District Safety & Environmental Coordinator, provided an overview of Energy Northwest's safety audit of the District. Discussion was held.

CUSTOMER FIRST:

Discussion was held regarding a customer's request to the District to do a collar installation on their generator.

MANAGEMENT REPORT:

Colin Willenbrock, General Manager:

- He attended a Public Power Council meeting on March 3 in Portland..
- He attended a Manager's meeting with Elliot Mainzer, Bonneville Power Administration (BPA) Administrator, on March 2 in Portland and provided an overview.
- He had a meeting with Chad Jensen, Inland Power & Light CEO, on March 11 in Spokane. Discussion was held.

Eileen Dugger, Contracts & Public Information Administrator:

She is working on the District's 2015 Annual Report and the quarterly customer newsletter which will be distributed in April.

She reported the District received four bid submittals for the architectural design of the customer service and engineering areas. The bids were due today.

She reported that information regarding a Foundation for Water and Energy Education Hydropower and Science, Technology, Engineering, and Math Career Academy was sent to all District employees and the local school districts. The event will be held on June 20 – 24 at Rocky Reach Dam in Wenatchee. Discussion was held.

Kim Gentle, Director, Power & Risk Management:

She reminded staff that the District has three customers who generate into our system. The third customer recently submitted the necessary paperwork that was needed to participate.

She and Christy Parry, District Utility Data Analyst, attended a WSPP meeting on March 2 – 4 in Banff, Canada and reported there was good conversation and information. Discussion was held.

Sandra Pea, Compliance Manager:

She reported that the Federal Energy Regulatory Commission has granted an extension for the effective date of the revised Critical Infrastructure Protection Reliability Standards from April 1, 2016 to July 1, 2016.

Robert Fritz, Community Network System Supervisor:

He reported fiber crews are doing installs and turn ups. Staff is working on fiber quotes and has three new fiber builds to do when the weather permits.

He reported staff is getting ready to do the wireless implementation in Metaline Falls and Ione. They are working to secure easements and the project timeframe is this fall. They are preparing to do switching on the Metaline Falls cell tower and will have a full crew on site.

He reported maintenance on substations will be done in the next few weeks.

Discussion was held regarding an offer on the cell tower in Metaline Falls.

Cecil Taylor, Safety & Environmental Coordinator:

He provided a safety update and reported there were two recent incidents where a member of the public backed their vehicle into a District vehicle and a member of the public made a u-turn in front of a District employee causing the employee to run into that person's car.

He reported the District has an average 90% safety meeting attendance with a couple of groups at 100%. He reported the safety meetings are going well and provided the safety meeting topics for the month of April.

Chris Jones, Director, Distribution, Engineering & Operations:

He reported the line crews are doing franchise work on Highway 211 by Davis Lake, building the underbuild on Deer Valley Road, and installing more underground on Westside Calispell Road. Maintenance work is occurring for the Geographic Information System mapping and crews are adding fuses and changing out poles in Metaline. The tree trimming crews are working on danger tree removal.

He has been working on revising the budget.

He reported that crews are also working on a light emitting diode lighting retrofit project for street lights and customer yard lights. This project is funded by BPA energy conservation money.

He reported Shawn Ellsworth, District System Operator Trainee, has been training in System Operations and should be ready in late fall.

He reported line crews, tree trimming crews, and mechanics are now on a four day-10 hour a day work shift working 6:00 a.m. – 4:30 p.m.

April Owen, Director, Finance/Auditor:

She and staff are finishing work on the District's audit and Olga Darlington, Moss Adams Auditors, will provide a review to the Board and staff in April. A major focus is on the Governmental Accounting Standards Board Statement 68 which relates to the District's Public Employees' Retirement System pension plan. Discussion was held.

She will attend a Public Generating Pool meeting on March 24 in Seattle.

She and staff are working on changes to the financial reporting system which will improve the timeliness of the monthly financial report package. Discussion was held.

BREAK/BUSINESS FROM THE PUBLIC:

The meeting recessed for a 10-minute break. There was no business from the public.

MANAGEMENT REPORT (continued):

Mark Cleveland, Power Production Manager:

He reported that Autumn Rice, District Administrative Secretary/Customer Service Representative, was selected to fill the Administrative Assistant, Regulatory Affairs job position when Nancy Thompson retires from the District in June. Ms. Rice will start transitioning into that job position tomorrow.

He reported north Pend Oreille County has received low level rain which has decreased the low level snowpack causing the Calispell Creek flows to increase and the necessity to lower the Pend Oreille River in the Ione area. Box Canyon Dam drawdown occurred yesterday.

He will attend a meeting with the Army Corps of Engineers on March 21 at Box Canyon Dam to discuss the Albeni Falls Dam operations.

He reported that an internal audit of the Supervisory Control and Data Acquisition System will be done on March 21.

He provided an update on the status of turbine unit #1 and reported the turbine shaft and control rod need to be repaired. A letter was sent to Andritz to fix the defective work. Discussion was held.

Paul Boxleitner, Human Resources Manager:

He thanked Mr. Cleveland for his support in Ms. Rice's job transition from the Box Canyon office to the Newport office.

He reported that Lloyd Clark has been hired as the new Human Resources Manager and will start at the District tomorrow. He will attend the staff meeting at Box Canyon on Thursday as an introduction to the staff.

He reported the District will have one new summer student helper job opening at Box Canyon this summer.

Sarah Holderman, Treasurer/Customer Services Manager:

She has been working on the amended budget and gathering data related to 2015 storm damage to submit to the Federal Emergency Management Agency. She reported that all data related to fiber has been submitted, and electric damages should be submitted in the next few weeks.

Mark Cauchy, Director, Regulatory & Environmental Affairs:

He reported the hiring process for Ms. Thompson's job was difficult as the District has many talented employees who applied for the position.

He will attend a public meeting to discuss the Mill Pond Dam on March 23 at the Cutter Theatre.

He and Scott Jungblom, District Resource Biologist, recently had an opportunity to see a WHOOSHH Transport System for fish passage in Coeur d'Alene. This application may have some potential in the future for the District. Mr. Jungblom explained how the system works.

Mr. Cauchy reported the District will do its annual fish plant in late spring at Power Lake and Campbell Pond.

He reported the District has received interest in the purchase of the Sullivan Powerhouse.

Tommy Petrie, Wildlife & Habitat Specialist:

He reported the District has an opportunity to partner with Gonzaga University students in doing a wood duck reproduction. He provided an overview of the District's wildlife management areas and the process. Discussion was held.

Scott Jungblom, Resource Biologist:

He will be collecting fish on the Pend Oreille River to do a downstream fish study. He explained there are changes on lessening restrictions for how the District can collect fish. He will start collecting fish next week. Discussion was held.

PUBLIC HEARING – SURPLUS REAL PROPERTY DISTRICT LANDS:

Pursuant to notice given to the Newport Miner a public hearing to surplus real property District lands commenced at 11:00 a.m. There were two members of the public in attendance.

Mr. Cauchy gave a presentation on the District's real property lands that the District is proposing to surplus and sell. The properties are: Newport South; Calispell Lake East; and these properties in the Sullivan Lake area: Harvey Creek, Mill Pond Flume, Sullivan Creek Flume, and North Fork Sullivan Creek. He provided the locations and details of each property. Discussion was held.

Commissioner Larson asked for public comments/questions. Public comments included that these properties are valuable assets and provide county revenue now and in the future.

The public hearing adjourned at 11:29 a.m.

PUBLIC HEARING – 2016 BUDGET AMENDMENT:

Pursuant to notice given to the Newport Miner a public hearing to amend the 2016 Budget commenced at 11:30 a.m. There were no members of the public in attendance.

Ms. Holderman explained the District wants to be proactive in growing reserves. She gave a presentation on cost reductions in labor due to attrition and on current projects. She reported the District will go out for bond funding in October and the District will be looking to increase the Box Canyon and Electric System reserves. She reported the District is proposing a \$62 million consolidated revised budget.

Commissioner Larson asked for comments/questions from District staff. Comments/questions included information on the District's bond agency. The public hearing adjourned at 11:56 a.m.

ACTION ITEMS:

- Declaration of Surplus Real Property – District Lands. Based on staff recommendation, a motion was made by Commissioner Knapp and seconded by Commissioner Peterson to declare various District lands as being no longer necessary, material to, or useful in the operations of the District and, therefore, surplus to the needs of the District. The motion passed unanimously.
- Resolution No. 1383 – 2016 Budget Amendment. A motion was made by Commissioner Knapp and seconded by Commissioner Peterson to adopt the resolution. The motion passed unanimously.
- Bid Award – Box Canyon Upstream Fish Passage, Contract No. 16-002. Mr. Willenbrock provided an explanation. Based on staff recommendation, a motion was made by Commissioner Peterson and seconded by Commissioner Knapp to award the bid to the low apparent bidder, J.W. Fowler Company in the total amount of \$36,327,912.00. The motion passed unanimously.
- Damage Claim. Mr. Jones explained the details. Based on staff recommendation, a motion was made by Commissioner Knapp and seconded by Commissioner Peterson to pay the damage claim in the total amount of \$220.58. The motion passed unanimously.

Following a 60-minute working lunch, the meeting resumed.

There being no further discussion to come before the Board, the meeting adjourned at 2:00 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form

Exhibit E

NOTICE OF SALE
SURPLUS REAL ESTATE PROPERTIES FOR SALE
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY

Public Utility District No. 1 of Pend Oreille County (District) has declared the following real estate properties as no longer necessary, material to, or useful in the operations of the District and, therefore, surplus to the needs of the District:

- Property No. 1 (Newport South): Three tax parcels (Pend Oreille Prop. IDs 17036, 19183, 19193), 172.47 acres located about one-half mile south of the Newport city limits. Brief legal description: E1/2 NE ¼ of Sec. 27, T31N, R45E; Gov't Lots 2, 3, and 4 of Sec. 30, T31N, R46E, W.M. Fair Market Value: \$245,000
- Property No. 2 (Mill Pond Flume): One tax parcel (PID 7915), 52.6 acres located about 2.5 miles southeast of Metaline Falls just south of Mill Pond. Brief legal description: NW1/4 SE1/4, N1/2 SW1/4 N1/4E, Portion SE1/4 NW1/4, Sec. 25, T39N, R43E, W.M. Market Value: \$33,000.
- Property No. 3 (Sullivan Creek Flume): Not a separate tax parcel and contains approximately 100 acres. It is located about one-half mile east of Metaline Falls. Brief legal description: Parcel 1 of RS 2400 in S1/2 SW1/4 of Sec. 22 and NE1/4 NW1/4 of Sec. 27, 39 43, and part of Sections 22, 23, 26 and 27 T39N, R43E, W.M. Fair Market Value: \$228,000.
- Property No. 4 (North Fork Sullivan Creek): One tax parcel (PID 7914), 74 acres located about two miles east of Metaline Falls. Brief legal description: W1/2 SW1/4 of Sec. 24, T39N, R43E, W.M. Fair Market Value: \$313,000.
- Property No. 5 (Pee Wee Falls): Two tax parcels (PIDs 8292 & 8293) 191.15 acres located 7 1/2 miles north of Metaline Falls. Brief legal description: Gov't Lots 2, 5 and shorelands on lots 1, 2, 3, 4, 5, 6 and 7 in Sec. 14; Gov't Lots 1 & 2 including shorelands, SE1/4 NE1/4 of Sec. 15, T40N R43E. W.M. Fair Market Value: \$846,000.

These real estate properties will be sold as is, without surveys and/or title insurance. Bidders must obtain a Surplus Real Estate Bid Form, which are available on the District's website at www.popud.org, or by contacting the District's Contract Administrator at (509)447-9345. The Surplus Real Estate Bid Form must be used when submitting bids. Bid amounts shall be no less than the fair market, as listed above, for each property. Sealed bids will be received at the District's Newport office, 130 N. Washington, P.O. Box 190, Newport, WA 99156 or at the Box Canyon Dam Visitor Center, 7492 Hwy 31, P.O. Box 547, Lone, WA 99139 until 5:00 p.m., Tuesday, September 28, 2016.

The sealed bid process will be conducted in one or two phases described as follows: The first phase will consist of sealed bids received, as specified above, on or before Tuesday, September 28, 2016. Each bid MUST be accompanied by an individual surety deposit, for the amount of \$500.00, in the form of: Cashier's Check, Certified Check, or Money Order, payable to Public Utility District No. 1 of Pend Oreille County. In the event that more than one bid for any of the properties is received, a second phase of the bid process will be conducted for the property(ies). The second phase will consist of advertisement of the bid results of the first phase, with the opportunity for subsequent bids to be submitted in an amount no less than 10 percent more than the highest bid for each property that was submitted in the first phase. If a subsequent offer is received, the first offeror shall be informed by certified mail sent to the address stated in his or her offer. The first offeror shall then have ten days, from the date of mailing the notice of the increased offer, in which to submit a higher bid of no less than 5 percent more than that of the subsequent offeror. After the expiration of the ten-day period, the properties will be sold to the highest bidders.

Interested persons may contact Mark Cauchy at (509) 447-9331 for more information.

Exhibit F

Excise Tax on Real Estate Sale
Amount Paid \$ 0
Date 8-2-2017
Treasurer
Pend Oreille County, Washington
By Diane Nye Deputy

Treasurer's Record No. 907

TAX TITLE PROPERTY DEED
(RCW 36.35.130)

WITNESSETH, That whereas, pursuant to an order of the Board of County Commissioners of the County of Pend Oreille, State of Washington, duly made and entered on the 11th of July, 2017, and,

PID #19182/Parcel # 463130010001. Legal Description: Government Lot 1, Section 30, Township 31 North, Range 46 E.W.M.

Given under my hand and Seal of Office this 2nd day of August, 2017.

Terri Miller, Treasurer
Pend Oreille County

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

W. P. Child

Exhibit G



Pend Oreille County Public Utility District

Administrative Offices - P.O. Box 190 • Newport, WA 99156 • (509) 447-3137 • FAX (509) 447-5824
Box Canyon Hydro Project - P.O. Box 547 • Ione, WA 99139 • (509) 446-3137 • FAX (509) 447-6790

COPY

April 25, 2017

Jayson Tymko
President
HiTest Sand, Inc.
#1402 10035 Saskatchewan Drive
Edmonton, Alberta
Canada T6E 4R4

Re: Letter of Intent to Sell 186.3 acres located south of Newport, WA

Dear Mr. Tymko,

Consistent with the interest you conveyed during the meetings in Newport on April 11, 2017, this Letter of Intent outlines some of the major terms and conditions under which Public Utility District No. 1 of Pend Oreille County ("District") proposes to enter negotiations to sell the property described below to HiTest Sand, Inc., or at HiTest's election, Silica Investments, Inc. (collectively or in the alternative "Purchaser").

1. **Property:** Approximately 186.3 acres of vacant land located south of Newport, Washington, the "Property," which contains: (a) One parcel of 13.83 acres (Property ID # 19182) which is currently owned by Pend Oreille County, but is eligible to be surplus and conveyed to the District through intergovernmental transfer. It is anticipated that the intergovernmental transfer will take place prior to execution of the Purchase Agreement. In the event an intergovernmental transfer cannot be approved by Pend Oreille County, the District shall have no responsibility to acquire the 13.83 acres and there shall be no refund of the LOI Deposit; and (b) Three parcels owned by the District (Parcel # 19183) of 39.0 acres, (Parcel # 17036) of 80 acres, (Parcel # 19193) of 53.47 acres. The District's parcels have been surplus.
2. **Purchase Price:** The purchase price for the Property shall be established by the appraisal commissioned by the District ("Purchase Price"). The Purchase Price will not account for customary prorations and adjustments made in commercial transactions, those will be in addition to the Purchase Price. The Purchase Price shall not be negotiable once established by the appraisal. The Purchase Price will be paid at or before closing by wire transfer in U.S. Dollars to escrow.
3. **As-Is:** Purchaser will accept the Property at Closing in its "as is" condition, without any representations or warranties whatsoever, except those conveyed through the special warranty deed.
4. **Due Diligence:** Purchaser will have one hundred and twenty (120) days after the Purchase Agreement (defined below) is fully executed and delivered to Buyer ("Due Diligence Period") to inspect and perform studies as may be reasonably necessary on and below the Property (including performance of environmental studies) at Purchaser's sole expense, to determine whether the Property is physically

April 25, 2017

Page -2-

suitable for Purchaser's intended use. If Purchaser is dissatisfied with the Property as a result of its inspections and studies then Purchaser would be entitled to terminate the Purchase Agreement by written notice delivered to District prior to the expiration of the Due Diligence Period.

Prior to performing any subsurface testing, drilling or excavation of the Property, Purchaser would obtain District's approval, which would not be unreasonably delayed or withheld. Purchaser will defend, indemnify and hold District harmless from losses and damages arising from inspection and testing of the Property. Purchaser would restore the Property to a condition reasonably similar to its condition prior to its testing and inspections.

The Due Diligence period shall not be extended. In the event Purchaser requests extension of the Due Diligence Period, it shall provide the District evidence of good cause for extension, at which time the District may, in its sole and unrestricted discretion, grant or deny the extension. The District may condition the grant of an extension on the payment of an additional non-refundable deposit(s).

5. No Other Contingencies: (a) The District understands from Purchaser's letter dated April 18, 2017, that it has reasonably satisfied itself that it can obtain the appropriate land use entitlements and permits, thus there shall be no land use contingency. (b) The District understands that Purchaser has immediately available to it the funds necessary to pay the Purchase Price at closing, thus there shall be no financing contingency.

6. Deposits: (a) In consideration for the District's good faith negotiation of the Purchase Agreement Purchaser shall pay to the District (by wire transfer or other method of payment approved by the District) a non-refundable deposit of \$25,000.00 (U.S. Dollars) upon mutual execution of this Letter of Intent ("LOI Deposit"). Upon closing the LOI Deposit shall be credited toward the Purchase Price. The LOI Deposit shall not be refunded, even if the parties do not sign a Purchase Agreement. (b) Purchaser shall deposit into escrow \$100,000.00 (U.S. Dollars) within three days after the Purchase Agreement is signed ("Earnest Money"). The Earnest Money shall become non-refundable on the sixtieth day after signing of the Purchase Agreement. The Earnest Money shall be credited toward the Purchase Price at closing. If the transaction fails to close the Earnest Money shall be promptly released to the District.

7. Closing Date: Closing would occur on or before September 1, 2017.

8. Closing Costs: District would pay for a standard policy of title insurance, any endorsements must be paid for by Purchaser. Escrow fees will be split 50:50, and any utilities, property taxes, or other expenses will be prorated at closing. Purchaser and District would each pay their own legal expenses. No real estate brokers have been engaged and thus no commission will be due or paid at the time of closing.

9. Title: Title would be conveyed by special warranty deed. The Purchase Agreement would contain commercially reasonable provisions conditioning Purchaser's obligation to close upon Purchaser's receipt of good and marketable title.

10. Default: If Purchaser fails to close after waiver of the Due Diligence Period for any reason, its Earnest Money Deposit shall be forfeited to the District. Purchaser shall not be entitled to set off or reimbursement for any inspections or studies performed during the Due Diligence Period.

11. Purchase Agreement: District and Purchaser plan to promptly negotiate in good faith the terms of a purchase and sale agreement ("Purchase Agreement") containing all essential terms and conditions of the transaction, including, but not limited to the terms and conditions set forth in this Letter of Intent. District

April 25, 2017
Page -3-

would provide Purchaser with a Purchase Agreement by no later than June 1, 2017. This Letter of Intent does not purport to include all essential terms of the transaction and, accordingly, except with respect to the LOI Deposit and the Confidentiality paragraph below, unless and until the Purchase Agreement has been executed and delivered by both parties, this Letter of Intent shall impose no legal obligation of any kind upon the parties. Purchaser and District may terminate discussions at any time for any reason.

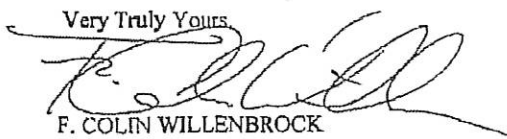
12. **Confidentiality:** District and Purchaser each covenants and agrees with the other that it will use its best efforts, acting in good faith, not to disclose or permit the disclosure of the existence or the terms of the Letter of Intent, or the transaction contemplated herein, to any other person, without the other party's consent; provided, however, Purchaser may disclose this Letter of Intent and the transactions contemplated herein to Purchaser's attorneys, consultants, or lender, or as required by law or by any governmental agency, or reasonably believed by Purchaser's attorneys to be required by law; and provided further that District may disclose this Letter of Intent and the transactions contemplated herein to District's attorneys, consultants or other agents or as required by law or by any governmental agency, or reasonably believed by District's attorney's to be required by law.

13. **Entire Agreement:** This Letter of Intent constitutes the entire understanding between the parties regarding the transaction, and all prior correspondence and discussions between the parties concerning the transaction are superseded by this Letter of Intent. Except that the parties acknowledge that the District has been asked to enter power services contract(s) to supply power to the Property for Purchaser's intended use. Both parties fully intend that contract(s) will be negotiated and agreed to in a timely fashion following closing, but that the District shall not enter into any power services contract while it is still the owner of the Property. Accordingly, the execution of a power services contract(s) shall not be a condition precedent to this transaction, nor shall the failure to enter such operate as a basis for reformation or rescission of the sale of the Property.

14. **Governing Law and Consent to Jurisdiction:** This Letter of Intent, the Purchase Agreement, and all subsequent contracts or agreements between the parties shall be governed by, constructed, and interpreted in accordance with the laws of the United States of America, and the state of Washington, as applied to contracts made and to be performed in the state of Washington. In the event any action is brought to enforce any of the provisions of this Letter of Intent, the Purchase Agreement, or any subsequent contract or agreement, each of the parties agree to be subject to the exclusive jurisdiction in a Superior Court of the state of Washington or the United States District Court in the state of Washington, and that the venue of any action shall lie in Pend Oreille County, Washington, or the Eastern District of Washington, respectively.

This Letter of intent shall expire at 5:00 p.m. (Pacific Time Zone time) on May 1, 2017, and shall be of no further force or effect.

Very Truly Yours



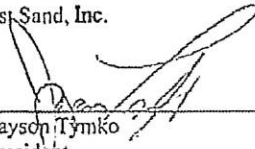
F. COLIN WILLENBROCK
General Manager

{signatures on following page}

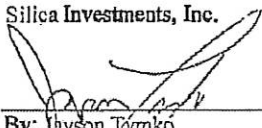
April 25, 2017
Page -4-

**Letter of Intent, dated April 25, 2017,
Accepted By Purchaser.**

HiTest Sand, Inc.


By: Jayson Tymko
Its: President

Silica Investments, Inc.


By: Jayson Tymko
Its: President

**District acknowledges acceptance of
Letter of Intent, and receipt of LOI
Deposit.**

Public Utility District No. 1 of Bend Oreille
County

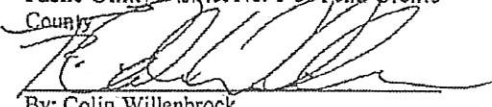

By: Colin Willenbrock
Its: General Manager

Exhibit H



Pend Oreille County Public Utility District

Administrative Offices - P.O. Box 190 • Newport, WA 99156 • (509) 447-3137 • FAX (509) 447-5824
Box Canyon Hydro Project - P.O. Box 547 • Lone, WA 99139 • (509) 446-3137 • FAX (509) 447-6790

June 13, 2017

COPY

Jayson Tymko
President
HiTest Sand, Inc.
#1402 10035 Saskatchewan Drive
Edmonton, Alberta
Canada T6E 4R4

Re: Revised Letter of Intent, dated April 25, 2017

Dear Mr. Tymko:

This letter is to confirm your conversation with Kim Gentle regarding the Letter of Intent, dated April 25, 2017 ("Original LOI"). As was discussed there has been a change in circumstances regarding the scope of the Property, as defined in the Original LOI. This Revised Letter of Intent reflects the change in circumstances, but all other portions of the Original LOI not referenced below shall remain the same.

1. Property: Approximately 172.47 acres of vacant land located south of Newport, Washington, the "Property," which contains: Three parcels owned by the District (Parcel # 19183) of 39.0 acres, (Parcel # 17036) of 80 acres, (Parcel #19193) of 53.47 acres, which District has declared to be surplus property.

4. Due Diligence: Purchaser will have one hundred and twenty (120) days after the Purchase Agreement (defined below) is fully executed and delivered to Buyer ("Due Diligence Period").

7. Closing Date: Closing would occur on or before September 1, 2017.

11. Purchase Agreement: District would provide Purchaser with a Purchase Agreement no later than June 16, 2017.

Page 2

The District will proceed to prepare the Purchase Agreement in accordance with these revisions unless Purchaser requests in writing further addition or revision to the Original LOI.

Very truly yours,

A handwritten signature in black ink, appearing to read 'F. Colin Willenbrock', written over a horizontal line.

F. COLIN WILLENBROCK
General Manager

Exhibit I

PEND OREILLE COUNTY
NEWPORT, WASHINGTON

RESOLUTION NO. 2017-22

RE: Resolution Ordering Sale of Tax
Title Property

BACKGROUND

- A. RCW 36.35.120 allows the County to sell real property acquired by tax foreclosure when it is found to be in the best interest of the County.
- B. RCW 36.35.120 requires the County to establish the minimum price for each unit of tax title property and to determine whether the sale will be for cash or whether a contract will be allowed.
- C. RCW 36.35.150 allows the County to sell tax title property by direct negotiations, without a call for bids, under certain circumstances. Direct sale for a price not less than the principal amount of the unpaid taxes is authorized when (a) the sale is to any governmental agency and for public purposes, or (b) when the county legislative authority determines that it is not practical to build on property due to the physical characteristics of the property.
- D. The Board of County Commissioners finds it is not practical to build on property identified as Assessor's Parcel No. 19182 as it is land-locked with no road access.
- E. Pend Oreille County Public Utility District (PUD) has inquired into the purchase of Assessor's Parcel No. 19182 as it is adjacent to PUD land and it contains an easement that impacts PUD operations.
- F. Assessor's Parcel No. 19182 is a Tax Title property acquired through a tax foreclosure auction.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Pend Oreille County, Washington, as follows:

- 1. The Board finds it is in the best interest of the County to sell the following real property: Assessor's Parcel No. 19182, located in Pend Oreille County, and further described in attached Exhibit A.
- 2. The Pend Oreille County Treasurer is authorized to sell Assessor's Parcel No. 19182 by direct negotiation with the Pend Oreille County PUD no later than August 15, 2017, for a minimum price equal to the total appraised value.

ADOPTED this 20th day of June, 2017.

PEND OREILLE COUNTY
BOARD OF COMMISSIONERS


Karen Skoog, Chair

Absent
Stephen Kiss, Vice-Chair


Mike Manus, Member

ATTEST:


Clerk of the Board

APPROVED AS TO FORM:

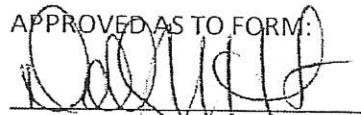

Prosecuting Attorney

Exhibit J

6099

RESOLUTION NO. 1399

A RESOLUTION OF PUBLIC UTILITY DISTRICT NO. 1 OF
PEND OREILLE COUNTY FOR SALE OF DISTRICT LANDS TO
HITEST SANDS, INC.

WHEREAS, Public Utility District No. 1 of Pend Oreille County ("District")
surplused District lands with Parcel numbers 17036, 19183 and 19193 on March 15,
2016; and

WHEREAS, the District advertised the surplused lands for sale on August 31,
2016 and September 7, 2016; and

WHEREAS, the District did not receive any bids for purchase; and

WHEREAS, the District received inquiry and request for electric service from
HiTest Sands, Inc. on April 18, 2017; and

WHEREAS, the District signed a tentative Letter of Intent and received earnest
money from HiTest Sands, Inc. on April 25, 2017; and

WHEREAS, the District signed a revised Letter of Intent on June 13, 2017; and

WHEREAS, the District sent a draft Purchase Agreement to HiTest Sands, Inc. on
June 16, 2017; and

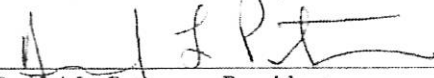
WHEREAS, the District received authorization to purchase Pend Oreille County
land Parcel number 19182 at the tax assessed value on June 20, 2017; and

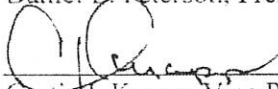
WHEREAS, the District now intends to sell the entire four parcel package
following final appraisal and due diligence to HiTest Sands, Inc.;

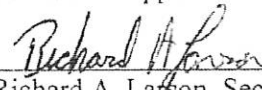
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of
Public Utility District No. 1 to authorize the general manager to independently negotiate
the final sale of Parcel numbers 17036, 19182, 19183 and 19193 for not less than the
appraised value to HiTest Sands, Inc.

UNANIMOUSLY ADOPTED this 1st day of August, 2017.

BOARD OF COMMISSIONERS
PUBLIC UTILITY DISTRICT NO. 1
PEND OREILLE COUNTY, WASHINGTON

By 
Daniel L. Peterson, President

By 
Curtis J. Knapp, Vice President

By 
Richard A. Larson, Secretary

ATTEST:

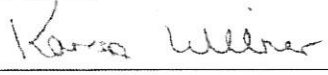

Clerk of the Board

Exhibit K

PAYMENT DATE
08/02/2017
COLLECTION STATION
Treasurer 2
RECEIVED FROM
PEND OREILLE PUD
DESCRIPTION

Pend Oreille County
PO Box 5080
Newport, WA 99156-5080

BATCH NO.
2017-08001053
RECEIPT NO.
2017-00003077
CASHIER
Theresa Schoener

PAYMENT CODE	RECEIPT DESCRIPTION	TRANSACTION AMOUNT																											
TREAS O&M 34142	Treasurer's Fees 118-000-000 34142.00.0000 Treasurer's Fees \$27,670.00 637-000-000 23100.00.118000000 Equity in Pooled Cash - Treas \$27,670.00	\$27,670.00																											
Payments:	<table> <tr> <th>Type</th><th>Detail</th><th>Amount</th></tr> <tr> <td>Check</td><td></td><td>\$27,670.00</td></tr> <tr> <td></td><td>Total Cash</td><td>\$0.00</td></tr> <tr> <td></td><td>Total Check</td><td>\$27,670.00</td></tr> <tr> <td></td><td>Total Charge</td><td>\$0.00</td></tr> <tr> <td></td><td>Total Other</td><td>\$0.00</td></tr> <tr> <td></td><td>Total Remitted</td><td>\$27,670.00</td></tr> <tr> <td></td><td>Change</td><td>\$0.00</td></tr> <tr> <td></td><td>Total Received</td><td>\$27,670.00</td></tr> </table>	Type	Detail	Amount	Check		\$27,670.00		Total Cash	\$0.00		Total Check	\$27,670.00		Total Charge	\$0.00		Total Other	\$0.00		Total Remitted	\$27,670.00		Change	\$0.00		Total Received	\$27,670.00	
Type	Detail	Amount																											
Check		\$27,670.00																											
	Total Cash	\$0.00																											
	Total Check	\$27,670.00																											
	Total Charge	\$0.00																											
	Total Other	\$0.00																											
	Total Remitted	\$27,670.00																											
	Change	\$0.00																											
	Total Received	\$27,670.00																											
Total Amount:		\$27,670.00																											

COPY

Exhibit L



FRONTIER TITLE & ESCROW
Company, Inc.

9/19/2017

Public Utility District
P.O. Box 190
Newport, WA 99156

Re: Sale to Sand – 25-31-45 & 30-31-46, Newport, WA

To whom it may concern:

As you know, we recorded the Statutory Warranty Deed for the sale of the above property on this date.

Enclosed you will find a copy of the Final Settlement Statement. A Wire transfer in the amount of **\$298,489.45** representing your proceeds from this sale has been deposited per your request.

Thank you for allowing **Frontier Title & Escrow** the opportunity to furnish title insurance and conduct the closing of this transaction.

Thank you.

Sincerely,

Laura Mahoney
Limited Practice Officer

121 N. Washington Avenue, Newport, WA 99156
509-447-4454; Toll Free 877-784-8530; Fax 509-447-3295; newport@frontiertitle.biz

SELLER'S STATEMENT

Buyer: Hi Test Sand, Inc.
Seller: Public Utility District No. 1
Settlement Agent: FRONTIER TITLE & ESCROW COMPANY, INC
(509)447-4454
Place of Settlement: 121 N. Washington Ave
Newport, WA 99156
Settlement Date: September 15, 2017
Property Location: 25-31-45 & 30-31-46
Newport,
Pend Oreille County

CREDITS

Purchase Price		300,000.00
County Taxes	09/16/17 to 01/01/18 Pend Oreille County Treasurer	23.60
Less Total Credits to Seller	TOTAL CREDITS	300,023.60

DEBITS

Settlement or Closing Fee	FRONTIER TITLE & ESCROW COMPANY, INC	443.85
Title Insurance	First American Title Company	1,080.30
State Tax/Stamps	Pend Oreille County Treasurer	10.00
Less Total Reductions to Amount Due Seller	TOTAL DEBITS	1,534.15

BALANCE

To Seller	298,489.45
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APPROVED:
FINAL
09/18/2017
Document Recording No.
SWD 20170329491

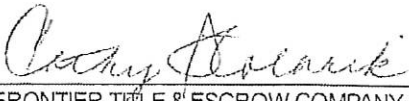

FRONTIER TITLE & ESCROW COMPANY, INC
UPO #9423

Exhibit M

COPY

AFN #20180331548

05/14/2018 at 10:56 AM

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MARIANNE NICHOLS, AUDITOR, PEND OREILLE COUNTY, WA

FILED BY: WINSTON AND CASHATT

RETURN ADDRESS

Public Utility District No. 1
of Pend Oreille County
P.O. Box 190
Newport, WA 99156

7524

Excise Tax on Real Estate Sale

Amount Paid \$ 0

Date 05-14-18

Treasurer

Pend Oreille County, Washington

By Shirley L. Lyle Deputy

Document Title(s)

Special Warranty Deed - re-record for scrivener error in easement reservation

Reference Number(s) of Related Documents

20170329491

Additional Reference #'s on page:

--

Grantor(s) (Last, First and Middle Initial)

Public Utility District No. 1	
of Pend Oreille County	

Additional Grantors on page:

--

Grantee(s) (Last, First and Middle Initial)

HiTest Sand, Inc.	

Additional Grantees on page:

--

Legal Description (abbreviated form: i.e. lot, block, plat or section, township, range, quarter/quarter)

E1/2 NE1/4 25-31-45 & GL 1-4 30-31-46

Additional legal ls on page:

--

Assessor's Property Tax Parcel/Account Number

453125000005, 463130010001, 463130020001, 463130500001
--

Additional parcel #'s on page:

--

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

AFN #20170329491

09/18/2017 at 03:37 PM

DOCTYPE: DEED # PAGES: 2

MARIANNE NICHOLS, AUDITOR, PEND OREILLE COUNTY, WA,
FILED BY: FRONTIER TITLE AND ESCROW

Filed for Record at Request of:

Public Utility District No. 1
Of Pend Oreille County
P.O. Box 190 Newport, WA 99156

10913
Excise Tax on Real Estate Sale
Amount Paid \$ 0
Date 09/18/17
Treasurer
Pend Oreille County, Washington
By [Signature] Deputy

Grantor: Public Utility District No. 1 of Pend Oreille County
Grantee: HiTest Sand, Inc.
Abbreviated Legal Description: E1/2 NE1/4 25-31-45 & GL 1-4 30-31-46

SPECIAL WARRANTY DEED

THE GRANTOR, Public Utility District No. 1 of Pend Oreille County, a municipal corporation, whose address is P.O. Box 190, Newport, WA 99156, for and in consideration of Three Hundred Thousand and 00/100 Dollars (\$300,000.00), and other good and valuable consideration, in hand paid, grants, bargains, sells, conveys, and confirms to HiTest Sand, Inc., a Canadian corporation ("Grantee"), whose address is Centre 104, 5241 Calgary Trail, Unit 601, Edmonton, Alberta, T6H 5X6 the following described real estate, situated in the County of Pend Oreille, State of Washington:

Parcel 1 (453125000005)

The East Half of the Northeast Quarter of Section 25, Township 31 North, Range 45, E.W.M., Pend Oreille County, Washington.

Parcel 2 (463130010001)

Government Lot 1, Section 30, Township 31 North, Range 46 E.W.M., Pend Oreille County, Washington.

Parcel 3 (463130020001)

Government Lot 2, Section 30, Township 31 North, Range 46, E.W.M., Pend Oreille County, Washington.

Parcel 4 (463130500001)

Government Lots 3 and 4 in Section 30, Township 31 North, Range 46, E.W.M., Pend Oreille County, Washington.

SEE EXHIBIT A ATTACHED FOR EASEMENT RESERVATION.

~~Subject to and reserving to the Grantor a perpetual easement and right to enter and install, maintain, repair, rebuild, operate, and patrol underground electric power distribution lines over,~~

~~in, under, and through the west sixty feet of Parcel 1, as well as reasonable ingress and egress across the parcels to reach the easement area.~~

The Grantor for itself and for its successors in interest do by these presents expressly limit the covenants of the deed to those herein expressed, and exclude all covenants arising or to arise by statutory or other implication, and do hereby covenant that against all persons whomsoever lawfully claiming or to claim by, through or under said Grantor and not otherwise, will forever warrant and defend the said described real estate.

DATED this 14th day of September, 2017.



STATE OF WASHINGTON)
) ss.
County of Pend Oreille)

I certify that I know or have satisfactory evidence that **F. Colin Willenbrock** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the **General Manager of Public Utility District No. 1** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this 14 day of September, 2017.



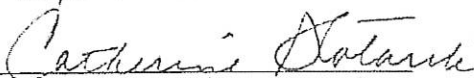

Notary Public in and for the State of
Washington, residing in Newport
My commission expires: 8-15-19

EXHIBIT A

Subject to and reserving to the Grantor a perpetual easement and right to enter, maintain, repair, rebuild, operate, and patrol the existing underground electric power distribution lines over, in under and through a right-of-way 15 feet in width being 7.5 feet on either side of the boundary line between Parcels 2 and 3 and extending south through Parcel 4 to the southern boundary of Parcel 4, as well as reasonable ingress and egress across the parcels to reach the easement area.

Exhibit N

UNIVERSITY LEGAL ASSISTANCE

Interim Director
GAIL HAMMER

Office Manager
JULIE CLAAR

Paralegals
DANIELLE PALM
VICKI L. YOUNT

Receptionist
DEBBIE ORTEGA

721 North Cincinnati Street
P.O. Box 3528
Spokane, Washington 99220-3528
Phone (509) 313-5791
Facsimile (509) 313-5805
TTY (509) 313-3796

Supervising Attorneys
RICHARD K. EICHSTAEDT
STEPHEN F. FAUST
JENNIFER A. GELLNER
GAIL HAMMER
GENEVIEVE MANN
BARRY PFUNDT

GEORGE A. CRITCHLOW
LARRY A. WEISER
MARK E. WILSON
Of Counsel

April 23, 2018

Mr. Daniel I. Peterson
President
Public Utility District of Pend Oreille County No. 1
130 North Washington Avenue
Newport, Washington 99156

RE: Illegal Land Sale to HiTest

Dear Mr. Peterson:

This letter is sent on behalf of our clients, Citizens Against the Newport Silicon Smelter ("CANSS") and Responsible Growth *Northeast Washington ("RG*NEW"), regarding the purchase and sale of land by the Pend Oreille Public Utility District ("PUD").

The PUD finalized the purchase of Parcel #19182 from Pend Oreille County on August 2, 2017. The PUD then authorized the sale of Parcel #19182 and subsequently sold it to HiTest Sand, Inc., a Canadian Corporation, a few days later, along with three other parcels of land then owned by the PUD.

The purchase and sale of real property by a PUD is governed by the Revised Code of Washington. These statutes are clear and unambiguous. A PUD may purchase land only for the purposes which fall within the scope of a PUD, i.e. "generating and delivering electric energy."

Contrary to clear statutory mandate, the PUD purchased Parcel #19182 solely for the purpose of selling that parcel of land to HiTest Sand, Inc. This land purchase does not fall within the statutory scope of land purchases for PUDs. The PUD did not have legal authority under the Revised Code of Washington to purchase land solely for the purpose of selling it to a private corporation.

A PUD may sell property if (1) it is declared surplus by the PUD and then disposed of in a manner which satisfies procedural requirements of the Revised Code of Washington, or if (2) the PUD receives authorization (through a vote) of three fifths of the constituents within that District to sell the proposed land.

The sale of Parcel #19182 by the PUD to HiTest Sand, Inc. also failed to follow the appropriate statutory mandates. Parcel #19182 was never declared surplus, nor were the constituents of the PUD allowed to vote on the disposal of Parcel #19182. Denying our clients and the citizens of the PUD their right to vote is a serious violation of their fundamental rights. The PUD acted outside its statutory authority when it failed to adhere to the statutory mandate set forth in the Revised Code of Washington.

"Gonzaga Law students pursuing justice. Finding solutions."

Mr. Daniel I. Peterson
April 24, 2018
Page Two

The purchase of Parcel 19182 by the PUD from Pend Oreille County was illegal. The sale of Parcel #19182 from the PUD to HiTest Sand, Inc. was illegal. The PUD, in one transaction, sold Parcel #19182 to HiTest coupled with three other parcels, thus the entire four parcel sale from PUD to HiTest was illegal. We, as the representatives of these two citizen groups demand the PUD take immediate curative action to void these land transactions. If, within thirty days, the PUD has not taken curative actions to return the title to Parcel #19182 back to Pend Oreille County, and to regain its title to the other three parcels, we will begin legal proceedings against you. We are hopeful that this issue can be resolved in a non-confrontational manner as that would be best for all parties involved. With that being said, we are not going to allow these transgressions by the PUD to stand.

Do not hesitate to contact us with regards to this letter.

Regards,



Rick Eichstaedt
Counsel for RG*NEW
University Legal Assistance



Dylan Eaton
Norman Semanko
Counsel for CANSS
Parsons Behle & Latimer



Walter Tanner
Law Clerk
University Legal Assistance



Maxwell Bridge
Licensed Legal Intern, WSBA #9777442
University Legal Assistance

cc: Dolly Hunt, Pend Oreille County Prosecutor
Rod Brown, Cascadia Law

Exhibit O

RESOLUTION NO. 1411

A RESOLUTION OF PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
AFFIRMING THE PURCHASE AND SALE OF PARCEL NO. 19182.

WHEREAS, Public Utility District No. 1 of Pend Oreille County (the "District") surplused District lands with Parcel Nos. 17036, 19183, and 19193 ("District Properties") on March 15, 2016; and

WHEREAS, the District advertised the surplused District Properties for sale on August 31, 2016, and September 7, 2016; and

WHEREAS, the District did not receive any bids for purchase; and

WHEREAS, the District received inquiry and request for electric service from HiTest Sands, Inc. ("HiTest"), on April 18, 2017; and

WHEREAS, HiTest desired to purchase a parcel of land owned by Pend Oreille County described as:

Government Lot 1, Section 30, township 31 North, Range 46 E.W.M., Pend Oreille County, Washington.

(the "County Parcel"); and

WHEREAS, the District had previously installed underground distribution lines on, along, and through the western portion of the County Parcel and the District's Property; and

WHEREAS, the District determined that an easement for the existing underground electric power distribution lines through the County Parcel and extending south through the District Property to the southern boundary of the District Property is necessary and shall be reserved for the benefit of the District; and

WHEREAS, the District signed a tentative Letter of Intent and received earnest money from HiTest on April 25, 2017; and

WHEREAS, the District signed a revised Letter of Intent on June 13, 2017; and

WHEREAS, the District sent a draft Purchase Agreement to HiTest on June 16, 2017; and

WHEREAS, the District sought to acquire the County Parcel from Pend Oreille County to reserve an express easement for an existing underground distribution line; and

WHEREAS, the District received notice of the County's authorization to sell the County Parcel at the tax assessed value on June 20, 2017; and

WHEREAS, the County Parcel, once subject to the easement, was unfit to be used in the operations of the District's system, and thus was no longer necessary or useful in the District's operations; and

WHEREAS, during the regularly scheduled meeting of the District, held August 1, 2017, the attending public was given the opportunity to be heard on the matter of the sale of the District Properties and County Parcel to HiTest; and

WHEREAS, after extensive discussion, the District's Board of Commissioners determined the County Parcel, once subject to the easement, to be surplus to the District's needs and that it should be sold for its fair market value; and

WHEREAS, in unanimously adopting Resolution No. 1399, the District's Board of Commissioners expressed its intent to sell the four-parcel package (Parcel Nos. 17036, 19183, 19193, and 19182) following final appraisal and due diligence to HiTest; and

WHEREAS, the District did purchase and receive title to the County Property by a tax title property deed recorded August 2, 2017; and

WHEREAS, the District contracted with Valbridge Property Advisors to render an independent appraisal of the fair market value of the District Properties and the County Property; and

WHEREAS, Valbridge Property Advisors appraised the four-parcel package at \$250,000;

WHEREAS, the District and HiTest executed a Real Estate Purchase and Sale Agreement on August 21, 2017, for the District Properties and the County Property for a total purchase price of \$300,000; and

WHEREAS, the District executed and recorded a Special Warranty Deed for the sale of the four properties to HiTest on September 18, 2017; and

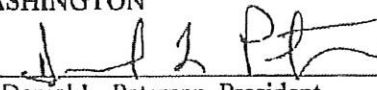
WHEREAS, the District subsequently recorded a corrected Special Warranty Deed for the sale of the four properties to HiTest on May 14, 2018, correcting the express easement reservation;

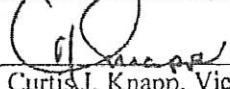
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Pend Oreille County, that the Board hereby affirms and ratifies the District's purchase of the County Property; the determination that such County Property was

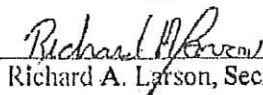
surplus to the District's needs after reserving an express utility easement; and the sale of the County Property, along with the District Properties, to HiTest.

UNANIMOUSLY ADOPTED this 15th day of May, 2018.

BOARD OF COMMISSIONERS
PUBLIC UTILITY DISTRICT NO. 1
OF PEND OREILLE COUNTY,
WASHINGTON

By 
Daniel L. Peterson, President

By 
Curtis J. Knapp, Vice President

By 
Richard A. Larson, Secretary

ATTEST:

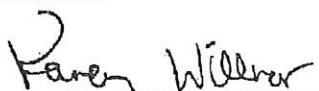

Clerk of the Board

Exhibit P

Washington Public Utility Districts

Washington voters gave themselves the right to form public utility districts in 1930, when they passed the state's first initiative, Initiative No. 1. Private power companies refused to bring electricity to farms and rural communities early in the 20th century, so the Washington State Grange led the effort to give counties the right to form PUDs. The state law governing PUDs is RCW 54.

PUDs are owned by the communities they serve. Elected commissioners set policy for each PUD, and customers are always welcome to observe and participate in their PUD's meetings.

Counties Served by Public Utility Districts

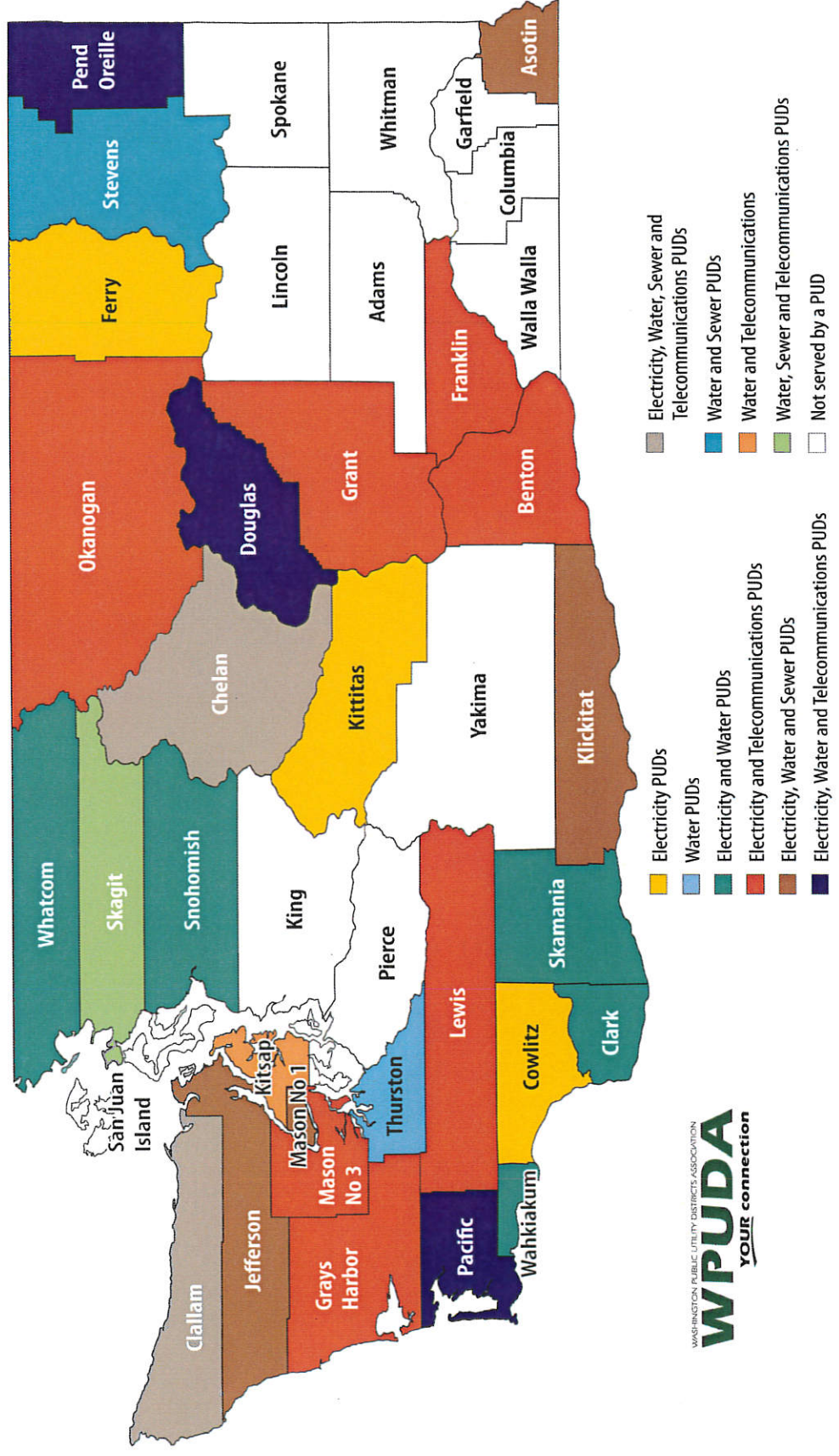
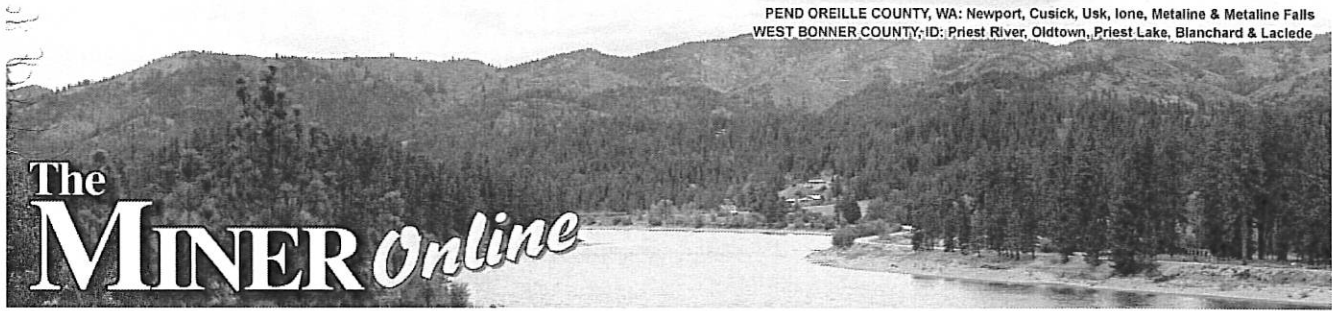


Exhibit Q



PEND OREILLE COUNTY, WA: Newport, Cusick, Usk, Lone, Metaline & Metaline Falls
WEST BONNER COUNTY, ID: Priest River, Oldtown, Priest Lake, Blanchard & Laclede

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PUD Sells Property To HiTest Sands, Inc.

Published • Sep 20, 2017

NEWPORT – The Pend Oreille Public Utility District sold its south Newport property to HiTest Sands Inc. for \$300,000.

The PUD has not yet received an official request for utility service since HiTest acquired the land. If the energy intensive project were to move forward, the PUD would begin a comprehensive feasibility analysis on existing and new infrastructure. The parties would also need to negotiate a formal power contract.

“As a publicly owned entity it is important that we do our due diligence for our customers,” said Colin Willenbrock, PUD general manager. “The feasibility study will give us a better understanding of HiTest’s requirements and our ability to properly serve them without impact to our other customers.”

The PUD purchased the 172.47-acre property in 1995 with a plan to build a gas turbine generating facility. The plan was eventually abandoned and the land was managed for timber until March 2016, when the board of commissioners declared the land surplus to its needs.

“The PUD is constantly planning for the future needs of our customers and our communities,” said Willenbrock. “At the time, there was a view that we needed to build additional cost-effective generation and there is no longer a need for generation or the lands.”

The land was publicly advertised for sale on Aug. 31 and Sept. 7, 2016, and no bids were received. HiTest then began investigating potential sites in south Pend Oreille County in April 2017 after efforts stalled at several sites in Usk and Addy, Wash. HiTest identified the PUD’s south Newport property plus an adjacent 13 acres owned by Pend Oreille County as a potential site and has been doing due diligence for the last several months.

In June 2017, the PUD officially acquired the adjacent county property with the intent to sell the entire package to HiTest. The PUD Board of Commissioners authorized the sale of the land to HiTest at the appraised price and that process closed on Sept. 19.

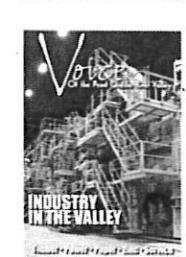
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Spokane, WA



Smelter opponents challenge sale of public land to HiTest

By Becky Kramer beckyk@spokesman.com(509) 459-5466

[News](#) > [Spokane](#)

Tue., April 24, 2018

THE SPOKESMAN-REVIEW

A pickup parked in Newport, Washington, contains a sign opposing a proposed silicon smelter. (Becky Kramer / The Spokesman-Review)

Residents fighting a Northeast Washington silicon smelter are challenging the sale of public land to the Alberta company trying to build the smelter.

The Pend Oreille County Public Utility District sold 186 acres south of Newport to HiTest Sand Inc. last year for the smelter. Opponents contend the sale of 14 acres in the transaction failed to follow state regulations for disposal of public property, making the entire \$300,000 deal illegal.

Citizens Against the Newport Silicon Smelter and Responsible Growth* Northeast Washington sent a letter to the utility district this week, asking for PUD officials to void the land sale within 30 days.

"We are giving the PUD and the other folks involved every opportunity to address the problem. If not, we'll be doing it for them in court," Norman Semanko, attorney for Citizens Against Newport Silicon Smelter, said in a phone message.

Kenna Tornow, the utility district's spokeswoman, declined to comment Tuesday.

If the \$325 million silicon smelter is built, it would become the rural utility's largest customer. HiTest officials have said the smelter would run continuously, employing about 150 people and producing about 60,000 metric tons of high-grade silicon annually.

But the proposed smelter location – in a rural residential neighborhood south of Newport – has been controversial. Opponents say they don't want to live near the 150-foot stack, which would release 320,000 tons of carbon dioxide annually and pollutants that contribute to smog and acid rain.

HiTest has not yet applied for any permits to build or operate the smelter.

"There is broad opposition to the smelter in the community, and right now, the only thing that can be challenged is the sale of the land," said Walter Tanner, a Gonzaga University law student working with Responsible Growth*Northeast Washington.

Washington's law has specific requirements for the purchase and sale of public property. Tanner said the PUD erred when it bought 14 acres of land from Pend Oreille County in August, bundling it with other properties for sale to HiTest a few weeks later.

"The utility district shouldn't be in the business of buying real estate for prospective customers," Tanner said.

In addition, the PUD failed to follow the proper procedure for selling the 14 acres, he said.

Utility district officials should have declared the parcel surplus, which would have triggered a public notification process before the sale, or required utility customers to vote on the disposal of the property, Tanner said.

"They knew what the procedure was to declare it surplus, because they did that with the other three parcels" sold to HiTest, he said.

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Exhibit R

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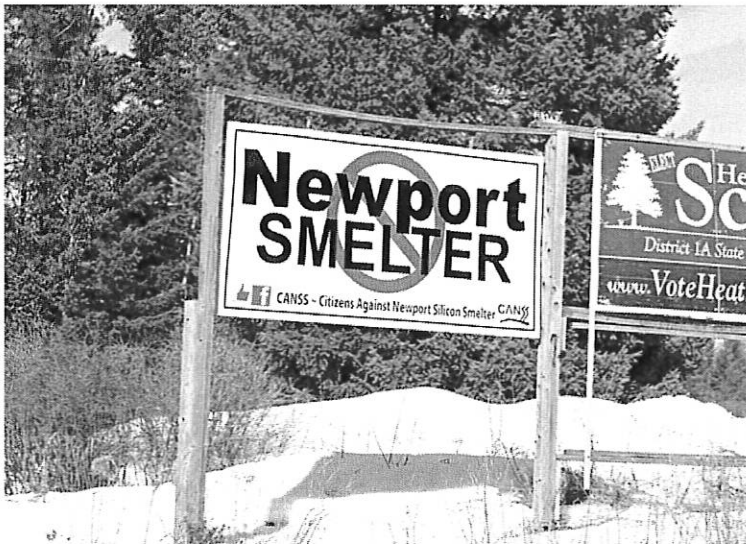
There's an osprey family living at... »

Thursday, June 7, 2018

NEWS

Anti-smelter groups file suit against Pend Oreille, proposed silicon smelter HiTest

Posted By Samantha Wohlfeil on Thu, Jun 7, 2018 at 1:12 PM



Quinn Welsch photo

An anti-smelter sign near the site of the proposed smelter.

Two groups opposed to a proposed silicon smelter in Pend Oreille County have filed a lawsuit against the county, Pend Oreille Public Utility District and HiTest Sand, the company behind the proposal, alleging a parcel of public land was illegally sold to the company for the project.

The complaint, filed in Spokane Superior Court this week, claims that the Pend Oreille Public Utility District illegally bought a parcel of land from the county to sell to HiTest along with three other parcels it already owned and had declared surplus.

State law dictates how public agencies can buy land and what purposes it may be for, and the groups allege that buying the land with the sole purpose of selling it to a private company was not an allowed use.

The groups who filed the suit are Citizens Against Newport Silicon Smelter or CANSS, Responsible Growth *NE Washington (or RG*NEW), and multiple county residents who are longtime customers of the public utility district.

"Pend Oreille County tax paying citizens had to file a legal complaint against their county in order to have a voice regarding life-altering decisions made by those whom they felt were trustworthy by voting them into public office," says CANSS Chair Deborah Barker, in a news

release about the suit. "Pend Oreille County sold property to the PUD, with full-knowledge that it would simply be passed-through to HiTest by the PUD for the planned smelter."

The groups have made it clear for months they are unhappy with the proposal, and this spring sent letters to the county agencies and HiTest, a Canadian company, demanding they unravel the land deal or know they'd face legal action. After not getting the action they wanted, the groups filed the suit.

The project would site a silicon smelter on a northeast Washington property right on the Idaho border. Extremely high-temperature furnaces powered by more than 100 megawatts of electricity would melt quartz rock to produce about 66,000 tons of silicon metal there per year. That would be sold to other companies to be further refined and used to make everything from solar panels to aluminum, chemical compounds, computer chips and more.

Questions about the more than \$325 million project have come from people who live close by, as well as others who live along possible trucking or rail routes in North Idaho, many of whom point to emissions, pollution and issues with other silicon smelters as cause for concern.

HiTest promises about 150 jobs at the site, and has said it will follow all environmental regulations required to prevent things like acid rain, but the neighbors still don't want the project to move forward.

The Kalispel Tribe also has adamantly opposed the smelter and sent letters to the county and state alleging that at least some of the \$300,000 in public funding provided to the "project of statewide significance" from the state Department of Commerce has been misused and should be reclaimed.

This post may be updated if the *Inlander* hears from the involved parties.

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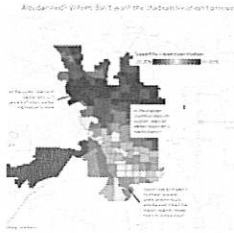
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Tags: news, hitest, silicon, smelter, pend oreille, lawsuit, legal, action, spokane, newport, Image

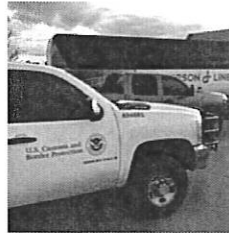
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OPINION

Proposed smelter in Newport would be bad for Sandpoint

· NOVEMBER 2, 2017

By Mayor Shelby Rognstad

Reader Contributor

Many concerned citizens have contacted me recently regarding the proposed silicon smelter in Newport, Wash. As reported in the Reader on October 12, 192 acres was purchased by Canadian firm, HiTest Sand near the Old Town/Newport state line for the purpose of developing a metallurgical silicon smelter.

The project is in the preliminary stage of development. Next Monday, HiTest meets with DEQ (ID), Department of Ecology (WA), EPA, Kalispel Tribe and National Park Service to discuss modeling for air quality impact. Modeling framework must be approved by the Washington Department of Ecology, through the Spokane office, before an air quality permit application could be accepted. The application, through the Affected States Rule, triggers notification to neighboring state authorities within 50 miles which includes Idaho DEQ. The public comment period would then follow. The proposed smelter would also require a discharge permit as it would impact Pend O'Reille River downstream.

The proposed site is roughly a mile south of the U.S. 2-Idaho state Route 41 junction. As reported in the Spokane Journal of Business, the \$300 million project is projected to bring 170 jobs to a county with 6.4 percent unemployment rate. The silica, mined near Golden, B.C., would be shipped to the smelter. The Washington Department of Commerce, who supplied a \$300,000 development assistance grant for the project in 2016, has said the smelter will have a net environmental benefit in that solar cells manufactured in Washington will result in a net reduction of carbon. Solar power industry suppliers, such as Moses Lake-based REC Silicon, currently obtain silicon refined in eastern U.S. or overseas.

The Kalispel Tribe of Indians is seeking a federal air quality designation for its Usk-based reservation that potentially could tighten current emission limits. Even if the tribe's request for a higher air-quality classification is approved, preliminary air quality modeling that HiTest is conducting indicates the facility would be compliant with heightened federal and state standards, according to Pend Oreille County Commissioner Mike Manus.

The environmental impacts to Sandpoint and Bonner County from a smelter 30 miles upstream would be significant. Air dispersion patterns will bring "emissions of carbon, carbon monoxide, carbon dioxide, fugitive gasses and silica dust as well as acid rain and diversions" according to Pend Oreille Health Blog (<http://pendoreillehealth.blogspot.com/2017/10/silicon-smelter-project-in-newport.html>). The smelter requires large amounts of power to fuel its sub-arc furnace process, allegedly fueled by coal from Kentucky and wood chips to augment the draw from hydroelectric power. Water levels on Lake Pend Oreille and the river may be impacted as well as water quality through discharge.

I will encourage Sandpoint City Council to pass a resolution urging the DOE to reject permitting the plant, or at the very least, ensure that it meets the highest emissions standards possible. The proposed site would impact air quality for Sandpoint and the region, effecting health, economy and property values. I encourage all of you to provide comment on the proposal when the public comment period opens. You can receive regular updates on development of the project by subscribing to this list serve: kajo461@ecy.wa.gov

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Exhibit S

PacWest response to Ecology's June 29 letter (email)

From: John Carlson <jcarlson@pwsilicon.com>

Date: July 26, 2018 at 9:45:32 AM PDT

To: Grant Pfeifer <gpfe461@ecy.wa.gov>, Jayson Tymko <jtymko@pwsilicon.com>

Cc: Tim Thompson <tim@thompsoncg.com>, Mike Welch <mikewelch@thompsoncg.com>, Rodney Brown <rbrown@cascadialaw.com>, Bart Brashers <bbrashers@ramboll.com>

Subject: Response to June 29th Letter

Hello Grant,

As per your letter dated June 29th, 2018 below is our response to your request for additional information. As our project moves forward with the department of ecology we reserve the right to change, modify, add or remove portions of this list as further details evolve through the normal course of business.

Please let us know if you require any further information or if any other questions arise from our response today.

Thanks again, we are looking forward to working with you.

Kind regards,

PacWest Silicon
John D. Carlson | Vice President

Information about the potential for a concurrent National Environmental Policy Act process associated with any federal permits and approvals needed for the project.

We do NOT anticipate any potential for a concurrent NEPA process.

A list of all anticipated permits and approvals required for the project.

- Prevention of Significant Deterioration permit (Federal program, administered by WA State)
- Notice of Construction permit (WA State)
- Construction Stormwater permit (WA State)
- Industrial Stormwater permit (WA State)
- Industrial User Pretreatment permit (City of Newport)

- As well here is a list of possible permits, not necessarily the permits that will be required.
 - Air Quality Notice of Construction (The permit application must identify all point sources of emissions and all fugitive emissions. An estimate of emissions for all sources is also required.)
 - Sedimentation and Erosion Control Plan (Compliance with applicable stormwater manual. This is normally two or three drawings that illustrate the planned site work area, location of siltation fence, water drainage handling facilities during operations, etc.)
 - Construction Sedimentation and Erosion Control Plan (Compliance with applicable stormwater manual (local). This is normally two or three drawings that illustrate the planned site work area, location of siltation fence, water drainage handling facilities during construction, etc.)
 - Site Grading Permit (Required for site grading and excavation.)
 - Building Permits (Required for all buildings and structures. Construction drawings with code analysis required for all buildings and structures, other design drawings may be required.)
 - Electrical (Compliance with electrical code.)
 - Plumbing and Mechanical (General compliance with plumbing (sanitary and potable water systems), natural gas piping, burner controls, and mechanical (building ventilation).)
 - Energy Code (Washington State energy code requires that all heated and semi-heated buildings conform to a minimum energy efficiency requirement.)
 - Fire Code (Fire permits may be done as part of building permit process or separately. Permit requirements can apply to life safety, fire protection, above ground storage tanks, as well as storage and use of corrosives, cryogenic fluids, flammable and combustible liquid, LGP, and hazardous materials)
 - Utility Coordination (Various local utilities have coordination procedures and applications for service.)
 - 404 permit (If construction of the facility will impact water, wetlands, marine lands or other "waters of the U.S.", a permit from the U.S. Army Corps of Engineers (Corps) will be required)

A list of the elements of the environment that PacWest believes should be studied for the project.

The full list can be found [here](#). Ramboll believes the ones in redline strikeout below will NOT require an assessment. They will still need to be identified in the EIS and a rationale will need to be provided as to why they are not assessed.

(1) Natural environment

- (a) Earth
 - (i) Geology
 - (ii) Soils
 - ~~(iii) Topography~~
 - ~~(iv) Unique physical features~~
 - ~~(v) Erosion/enlargement of land area (accretion)~~
- (b) Air
 - (i) Air quality
 - (ii) Odor
 - (iii) Climate
- (c) Water
 - ~~(i) Surface water movement/quantity/quality~~
 - (ii) Runoff/absorption
 - ~~(iii) Floods~~
 - ~~(iv) Groundwater movement/quantity/quality~~
 - (v) Public water supplies
- (d) Plants and animals
 - (i) Habitat for and numbers or diversity of species of plants, fish, or other

wildlife

- (ii) Unique species
- ~~(iii) Fish or wildlife migration routes~~
- (e) Energy and natural resources
 - (i) Amount required/rate of use/efficiency
 - (ii) Source/availability
 - (iii) Nonrenewable resources
 - (iv) Conservation and renewable resources
 - (v) Scenic resources

(2) Built environment

- (a) Environmental health
 - (i) Noise
 - (ii) Risk of explosion
 - (iii) Releases or potential releases to the environment affecting public health, such as toxic or hazardous materials
- (b) Land and shoreline use
 - (i) Relationship to existing land use plans and to estimated population
 - ~~(ii) Housing~~
 - (iii) Light and glare
 - (iv) Aesthetics
 - (v) Recreation
 - (vi) Historic and cultural preservation
 - ~~(vii) Agricultural crops~~

- (c) Transportation
 - (i) Transportation systems
 - (ii) Vehicular traffic
 - (iii) Waterborne, rail, and air traffic
 - ~~(iv) Parking~~
 - (v) Movement/circulation of people or goods
 - (vi) Traffic hazards
- (d) Public services and utilities
 - (i) Fire
 - (ii) Police
 - (iii) Schools
 - (iv) Parks or other recreational facilities
 - (v) Maintenance
 - (vi) Communications
 - (vii) Water/stormwater
 - (viii) Sewer/solid waste
 - (ix) Other governmental services or utilities

PacWest Silicon
John D. Carlson | Vice President

O (780) 328-6542
5241 Calgary Trail Unit 601
Edmonton, Alberta
T6H 5G8
jcarlson@pwsilicon.com

Exhibit T

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (the "Agreement") is made and entered into this 21st day of August 2017, by and among Public Utility District No. 1 of Pend Oreille County, a municipal corporation ("Seller"), whose address is P.O. Box 190, Newport, WA 99156, and HiTest Sand, Inc., a Canadian corporation ("Purchaser"), whose address is Centre 104, 5241 Calgary Trail, Unit 601, Edmonton, Alberta, T6H 5X6.

Seller is the owner of certain real property and desires to sell the property, and Purchaser desires to purchase the property, upon the terms and conditions specified below. For and in consideration of the Earnest Money, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual agreements between the parties contained herein, the parties hereto agree as follows:

1. SALE OF PROPERTY. Seller agrees to sell, and Purchaser agrees to purchase, that certain real property, including any existing improvements, appurtenances, easements, fixtures, hereditaments, privileges and rights thereto, commonly described as:

Government Lot 2 of Section 30, Township 31 North, Range 46 East of the Willamette Meridian; and the East half of the Northeast Quarter of Section 25, Township 31 North, Range 45 East of the Willamette Meridian, all in Pend Oreille County, Washington, together with all improvements thereon and any and all rights, easements and appurtenances thereto;

And

Government Lots 3 and 4 in Section 30, Township 31 North, Range 46 East of the Willamette Meridian, Pend Oreille County, Washington.

And

Government Lot 1, Section 30, Township 31 North, Range 46 East of the Willamette Meridian, Pend Oreille County, Washington.

(hereinafter referred to as the "Property").

2. PURCHASE PRICE AND METHOD OF PAYMENT.

2.1 Determination of Purchase Price. Seller agrees to sell the Property to Purchaser for Three Hundred Thousand and 00/100 U.S. Dollars (\$ 300,000.00) ("Purchase Price").

2.2 Method of Payment. Purchaser shall pay to Seller the Purchase Price in U.S. Dollars, the Purchase Price, less any credits for Deposits, shall be made by wire transfer at least 24 hours prior to Closing.

Purchaser's benefit. Purchaser shall not be considered the agent of Seller for such purposes. Should this Agreement terminate Seller shall not be liable to Purchaser for any expense incurred by Purchaser during the Due Diligence Period.

6.1 Purchaser's inspection may not be used by Purchaser to introduce any matter other than a material condition or defect previously undisclosed to and unknown by Purchaser.

Purchaser's right to inspect and investigate the Property and verify items and conditions shall be conclusively deemed satisfied unless, fifteen days prior to expiration of the Due Diligence Period, Purchaser gives written notice to Seller of all material condition(s) and defect(s) which Purchaser determines are unsatisfactory. If Purchase gives notice of any unsatisfactory condition or defect Seller may elect, in its sole discretion, to cooperate with Purchaser to correct the condition or defect. Any agreement of the parties in regard to the correction must be in writing and signed by the parties. The Seller may condition its agreement to cooperate on the payment of an additional non-refundable deposit(s). If Seller does not agree to make any correction then Purchaser may either proceed to Closing or terminate this Agreement prior to expiration of the Due Diligence Period.

Failure of the Purchaser to terminate this Agreement prior to the expiration of the Due Diligence Period shall constitute Purchaser's acceptance of the Property in its "as-is", "where-is," "with all faults" condition and the Earnest Money shall become non-refundable. This provision shall survive closing.

6.2 The Due Diligence period shall not be extended. In the event Purchaser requests extension of the Due Diligence Period, it shall provide the Seller evidence of good cause for extension, at which time the Seller may, in its sole and unrestricted discretion, grant or deny the extension. The Seller may condition the grant of an extension on the payment of an additional non-refundable deposit(s).

6.3 By closing this transaction, Purchaser specifically acknowledges that Purchaser has observed and investigated the Property and has reached Purchaser's own conclusions as to the adequacy, acceptability, and suitability of the Property and surrounding area, and the feasibility and desirability of acquiring the Property for Purchaser's intended use, based solely on Purchaser's examination. Purchaser agrees that no information provided from or through Seller affecting the Property constitutes a representation of fact, and Purchaser is to independently verify all such information, including but not limited to the following: zoning, use and proposed changes in zoning or use of the Property and vicinity; taxation rate and tax classification of the Property (including existence of any special use classification); covenants and restrictions; utility districts; anticipated or proposed utility, septic, sewer installation or improvement assessments and charges; school districts and their school names and locations; public or private nature of roads serving the Property and by whom maintained; corners, boundary line locations, size, square footage and dimensions of the Property and any improvements; or existence of termites and pests.

6.4 Purchaser shall hold harmless, indemnify and defend Seller against any and all claims, causes, damages, injury to person or property, liens, liability, and related expenses arising out of or related to any of the activities of the Purchaser on the Property, including but not limited to the inspection of the Property by Purchaser or Purchaser's employees, agents or contractors, and including but not limited to any environmental inspections, tests, or other examinations. In the event this transaction fails to Close for any reason and Purchaser has disrupted or altered the Property in any respect, Purchaser shall

Seller was obtained from a variety of sources and that Seller did not and is not required to make any independent investigation or verification of any such information with respect to accuracy, completeness or any other matter, and Seller expressly disclaims any representations and warranties with respect to such matters except as otherwise explicitly set forth in this Agreement.

7.3 Except for such rights of Purchaser as result from Seller's contractual obligations hereunder, from and after the Closing, Purchaser hereby assumes all risks associated with ownership of the Property and any defects that may be located thereon or associated therewith of any type or nature whatsoever, and Purchaser shall be solely responsible for and shall indemnify, protect, defend and hold Seller harmless from, all costs (including attorneys' fees and court costs), expenses and all other claims, demands, costs, expenses, causes of action or other matters incurred in or associated with such ownership and with the presence, removal or repair of any such defect; provided, however, the indemnity of Purchaser as set forth in this Section shall not extend to any third party claims brought directly against Seller as a result of an event which occurred prior to Closing.

7.4 Purchaser acknowledges and agrees that the unconditional "as-is" nature of this transaction is a material inducement to Seller to enter into this Agreement and to sell the Property to Purchaser at the Purchase Price and upon the other terms and conditions set forth herein. As further consideration and material inducement to Seller, Purchaser, on behalf of its principals, agents, successors and assigns, and except as otherwise explicitly set forth in this Agreement, forever releases and discharges Seller and Seller's officers, directors, shareholders, principals, agents, successors and assigns, from and against all claims, causes of action, losses, costs, damages, liabilities, and expenses of any kind which Purchaser may now or at any time hereafter incur or realize in any manner from the Property, this Agreement, and/or any matter arising therefrom or from the transactions contemplated by this Agreement.

8. CLOSING AND POSSESSION: Upon demand, Purchaser and Seller will promptly deposit with Frontier Title & Escrow Company, whose address is 121 N. Washington Ave., Newport, Washington, 99156 (the "Closing Agent"), all instruments and monies required to complete the transaction in accordance with this Agreement. The sale shall close on or before September 15, 2017 (the "Closing"), which shall be the time when all appropriate documents have been recorded and sale proceeds, if any, are available for disbursement to Seller. In the event the transaction cannot close by the date specified due to an occurrence that may be remedied within a reasonable period of time, the parties may agree to extend Closing for a reasonable period of time and/or the period of time necessary to remedy the delaying occurrence, such extension must be in writing signed by the parties. Closing shall not, however, be extended beyond September 29, 2017 (the "Termination Date"), unless extension beyond this date is agreed to by the parties in writing. Purchaser shall be entitled to physical possession of the Property on Closing.

9. CLOSING COSTS AND PRORATIONS: The Closing Agent's fees and other closing fees and costs shall be shared equally between Purchaser and Seller, unless limited by law or regulation. Seller shall pay any real estate excise tax. Taxes for the current year, if any, rent, interest, insurance, and water and other utility charges or assessments constituting liens shall be prorated as of Closing.

10. MATERIAL ALTERATION AND CASUALTY LOSSES: Seller shall use best efforts to maintain the Property in its present condition until Purchaser is entitled to possession, but shall have no

accordance with the laws of the United States of America, and the state of Washington, as applied to contracts made and to be performed in the state of Washington. In the event any action is brought to enforce any of the provisions of this Agreement, or any subsequent contract or agreement, each of the parties agree to be subject to the exclusive jurisdiction in a Superior Court of the state of Washington or the United States District Court in the state of Washington, and that the venue of any action shall lie in Pend Oreille County, Washington, or the Eastern District of Washington, respectively.


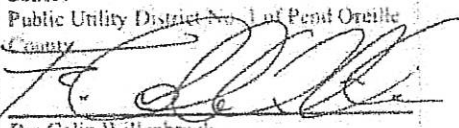

19. CALCULATION OF TIME. If any time period specified herein expires on a Saturday, Sunday or legal holiday, such time period shall be automatically extended through the close of business on the next regular business day.

20. COUNTERPARTS. Email transmission of any signed original document, and retransmission of any signed emailed transmission shall be the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will confirm email transmitted signatures by signing an original document. This Agreement may be signed in counterparts.

21. TIME IS OF THE ESSENCE. Time is of the essence as to all terms and conditions of this Agreement.

22. ATTORNEYS' FEES. If Purchaser, Seller, or any real estate licensee or broker involved in this transaction is involved in any dispute relating to any aspect of this transaction or this Agreement, each prevailing party shall recover their reasonable attorneys' fees. This provision shall survive Closing.

23. CONFIDENTIALITY: Seller and Purchaser each covenants and agrees with the other that it will use its best efforts, acting in good faith, not to disclose or permit the disclosure of the existence or the terms of the transaction contemplated herein, to any other person, without the other party's consent. Provided, however, Purchaser may disclose this transaction to Purchaser's attorneys, consultants, or lender, or as required by law or by any governmental agency, or reasonably believed by Purchaser's attorneys to be required by law; and provided further that Seller may disclose the transaction contemplated herein to Seller's attorneys, consultants or other agents or as required by law or by any governmental agency, or reasonably believed by Seller's attorneys to be required by law.

Purchaser: HiTest Sand, Inc.  By: John Carlson Its: Vice President	Seller: Public Utility District No. 1 of Pend Oreille County  By: Colin Willenbrock Its: General Manager
Silica Investments, Inc.  By: John Carlson Its: Vice President	