



TIMBER NOTICE OF SALE

SALE NAME: WALNUT VDT and VRH Sorts

AGREEMENT NO: 30-93656 - 30-93663

AUCTION: May 25, 2016 starting at 10:00 a.m.
Northwest Region Office, Sedro Woolley, WA

COUNTY: Skagit

SALE LOCATION:

**PRODUCTS SOLD
AND SALE AREA:**

All delivered forest products, except trees marked with blue paint on the bole and root collar and forest products tagged out by yellow leave tree area tags, from an area bounded by white timber sale boundary tags, adjacent young stands, old grade and the BL-ML, BL-16, BL-14, BL-12, BL-3, and BL-44 roads meeting the specifications described below meeting the specifications described below; on parts of Sections 2, 3, 11, and 14 all in Township 36 North, Range 3 East W.M., containing 135 acres, more or less.

MINIMUM BID AND ESTIMATED LOG VOLUMES:

Agreement #	Sort #	Species and Sort Specifications	Average Log Length	Estimated Volume		Tons Per MBF	Minimum Bid Delivered Prices		Total Appraised Value	Bid Deposit
				Mbf	Tons		\$/mbf	\$/Ton		
30-093656	01	DF HQA 12"+ SED	28	237	1280	5.4	\$600.00		\$142,200.00	\$14,220.00
30-093657	02	DF SAWLOG 12"-19" SED	28	508	2997	5.9	\$540.00		\$274,320.00	\$27,432.00
30-093658	03	DF SAWLOG 20" + SED	28	447	2235	5	\$520.00		\$232,440.00	\$23,244.00
30-093659	04	DF SAWLOG 5"-11" SED	28	389	2762	7.1	\$475.00		\$184,775.00	\$18,477.50
30-093660	05	RC SAWLOG 5"+ SED	26	281	1714	6.1	\$1,000.00		\$281,000.00	\$28,100.00
30-093661	06	WH SAWLOG 5"+	28	650	4225	6.5	\$415.00		\$269,750.00	\$26,975.00
30-093662	07	CONIFER UTILITY		91	819	9		\$25.00	\$20,475.00	\$2,047.50
30-093663	08	HARDWOOD UTILITY		18	162	9		\$25.00	\$4,050.00	\$405.00

Totals: **2621 16194 \$1,409,010.00**

CERTIFICATION: This sale is certified under the Sustainable Forestry Initiative® program Standard (cert no: BV-SFIS-US09000572)

BID METHOD: Sealed Bids **UNIT OF MEASURE:** MBF Scale/Tonnage Scale

EXPIRATION DATE: January 6, 2017 **ALLOCATION:** Export Restricted

PAYMENT SECURITY: To be determined by the State as described in Clause P-045.2 of the Purchaser's Contract.

BIDDING

TIMBER NOTICE OF SALE

PROCEDURES:

A separate sealed bid and envelope must be submitted for each log sort. Prospective Purchasers may bid on any or all log sorts. On the day of sale the Purchaser must bring their bid deposit up to 10% of their total bid price. Complete bidding procedures and auction information may be obtained from the Northwest Region Office in Sedro Woolley WA. Phone number (360)856-3500.

TIMBER EXCISE**TAX:**

Purchaser must pay the forest excise taxes associated with the log sorts delivered to them. The tax rate for this sale is 4.2 %. Taxable Stumpage = Total Delivered Value – (Harvest Cost + Estimated Haul Cost + ARRF). For more information contact the Department of Revenue, Forest Tax Section at 1-800-548-8829.

Use the following rates for estimating taxable stumpage:

Harvest Cost = \$0.00 per MBF for sorts 01, 02, 03, 04, 05 and 06 and \$0.00 per Ton for sorts 07 and 08.

Hauling Services Payment Rate per Ton
= (Base Rate + Mileage Rate) x (Contractor's hauling bid factor)

Base Rate = \$2.35 per ton

Mileage Rate = ((\$0.16 x C miles) + (\$0.11 x A miles)) x Fuel Index Factor

ARRF = \$0.00 per MBF for sorts 07 and 08 and \$26.75 per MBF for sorts 01, 02, 03, 04, 05 and 06.

Note: To calculate AARF rates per ton use the tons\mbf conversion factor in the table above.

CONFIRMATION:

Each sort is subject to confirmation following auction. Sorts will not be confirmed until at least 10 days after auction. Final contract award is contingent upon the State's haul cost analysis. Actual haul route may vary and is subject to change at the State's discretion.

SPECIAL REMARKS:

The successful Purchaser(s) will be required to purchase logs from the sale area upon delivery to their location specified in the bid submitted. Logs will be delivered to the Purchaser's delivery location by the State's contract harvester. Purchaser is responsible for weighing and scaling costs. All tonnage loads will be weighed and all mbf loads will be scaled at State approved locations. The State reserves the right to determine where logs are authorized to be scaled and weighed.

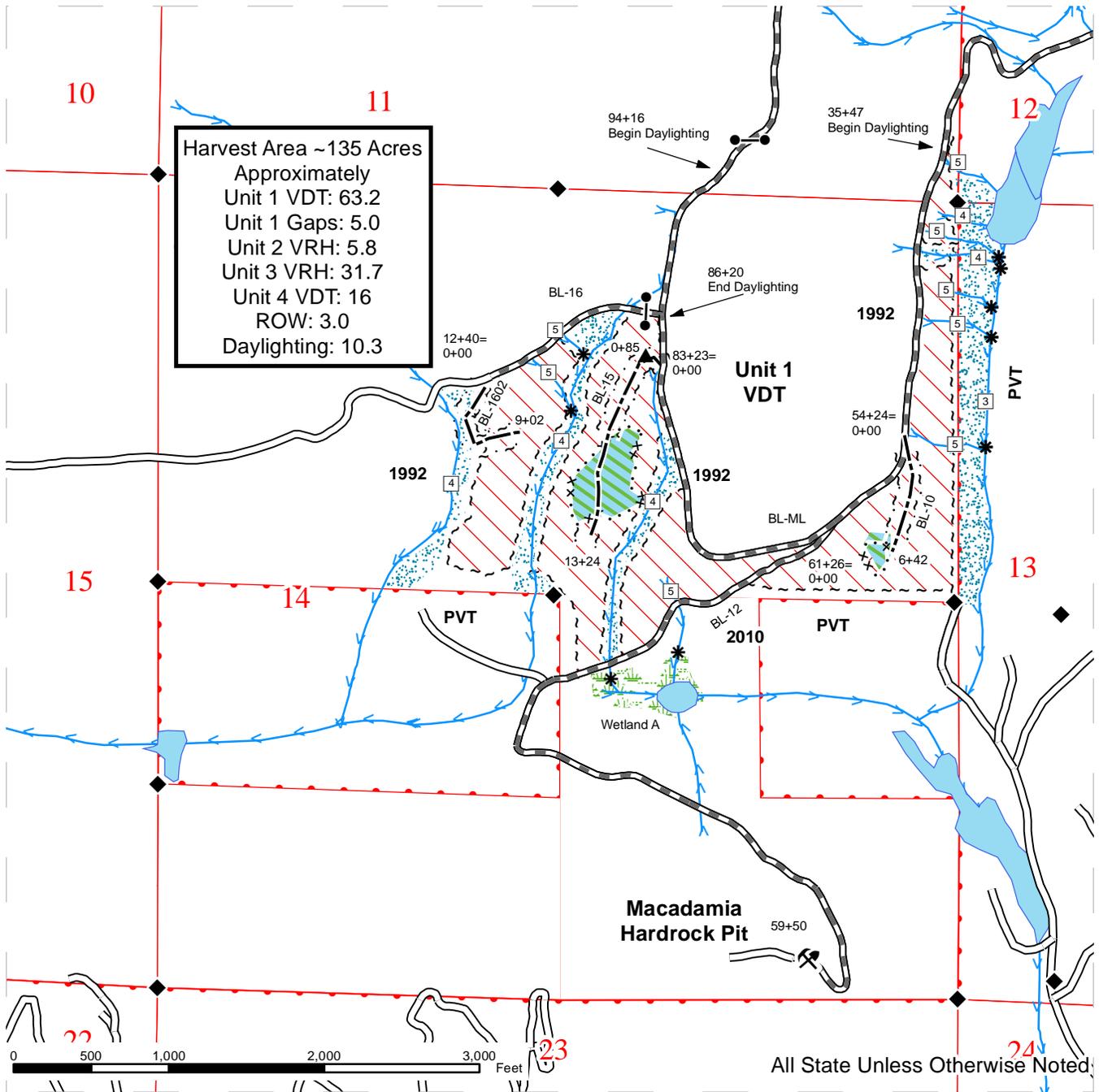
*Note: Harvesting services bid opening is tentatively scheduled for 04/27/16, which will establish the Contractor's hauling bid factor. Fuel Index Factor is indexed quarterly by the State. Log deliveries are anticipated to be from August 2016 through December 9, 2016. Variable Density Thinning area prescriptions available upon request at Region Office.

For more information regarding this log sort sale visit our web site: <http://www.dnr.wa.gov/programs-and-services/product-sales-and-leasing/timber-sales/timber-auction-packets>. If you have questions call Theresa Klepl at the Northwest Region Office at (360)856-3500 or Dave Richards at the Product Sales and Leasing Division Office in Olympia at (360)902-1365.

TIMBER SALE MAP

SALE NAME: Walnut VDT and VRH Sorts
AGREEMENT#: 92530
TOWNSHIP(S): T36R03E
TRUST(S): State Forest Transfer (1)

REGION: Northwest Region
COUNTY(S): Skagit
ELEVATION RGE: 524-1717 feet



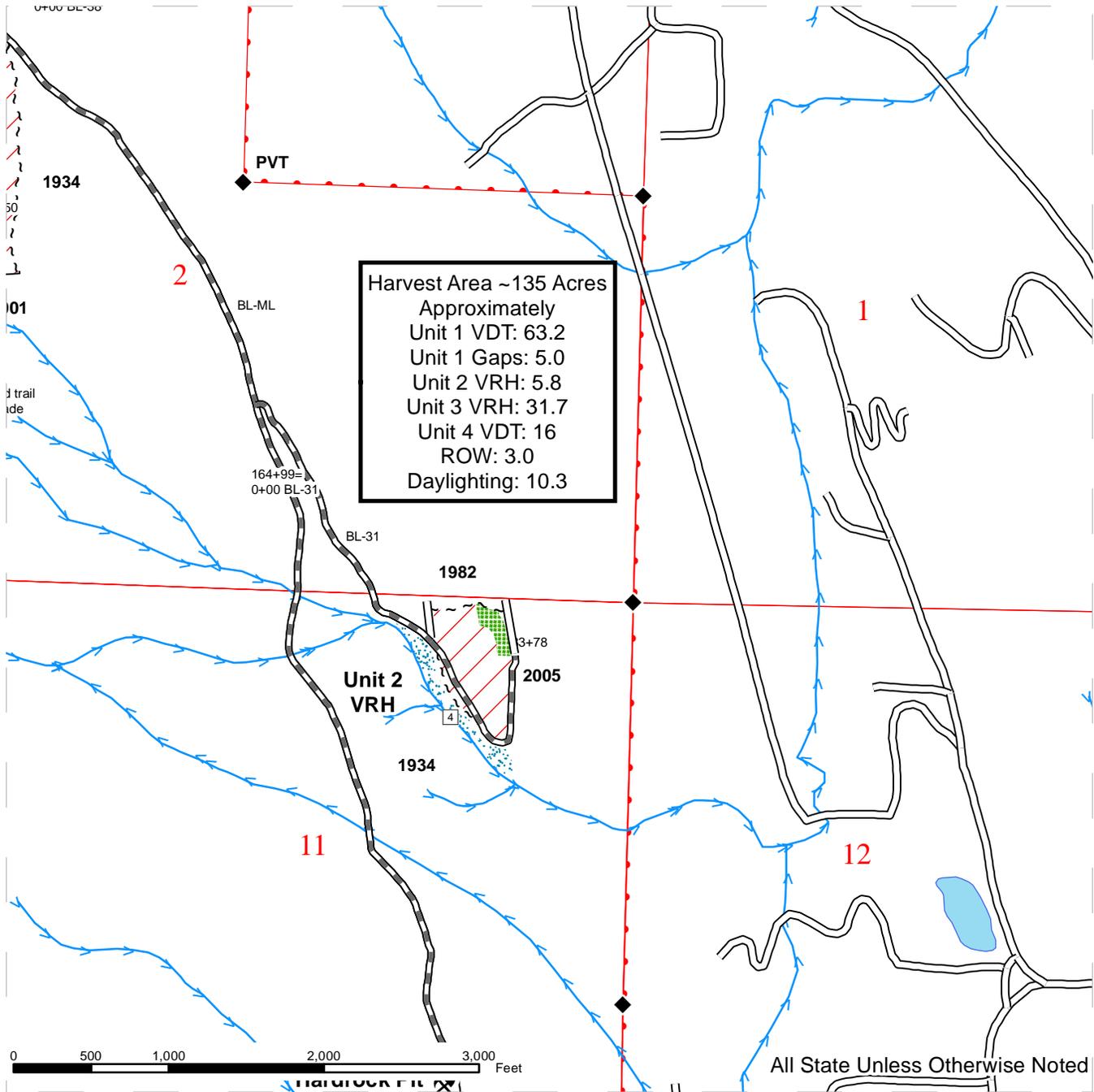
	Variable Retention Harvest		Riparian Mgt Zone		Streams
	Variable Density Thinning		Leave Tree Area		Stream Type
	Gap Cut Area		Wetland Mgt Zone		Stream Type Break
	Sale Boundary Tags		Existing Roads		Survey Corners
	Sale Boundary (No Tags)		Old Grades / Trails		Gate
	Right of Way Tags		Required Pre-Haul Maintenance		
	Special Mgt Area Tags		Required Construction		
			Optional Construction		



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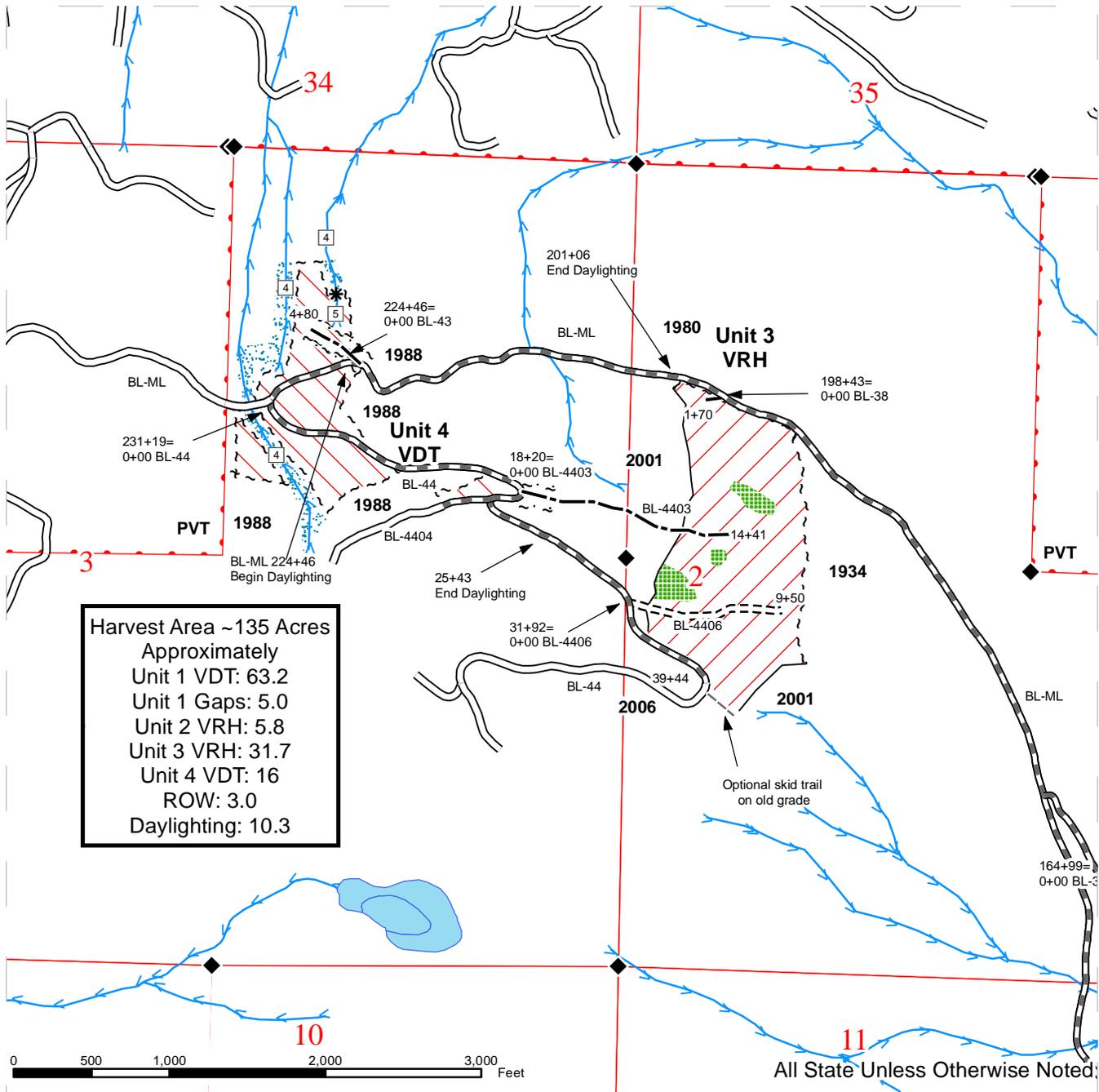
	Variable Retention Harvest		Riparian Mgt Zone		Streams
	Variable Density Thinning		Leave Tree Area		Stream Type
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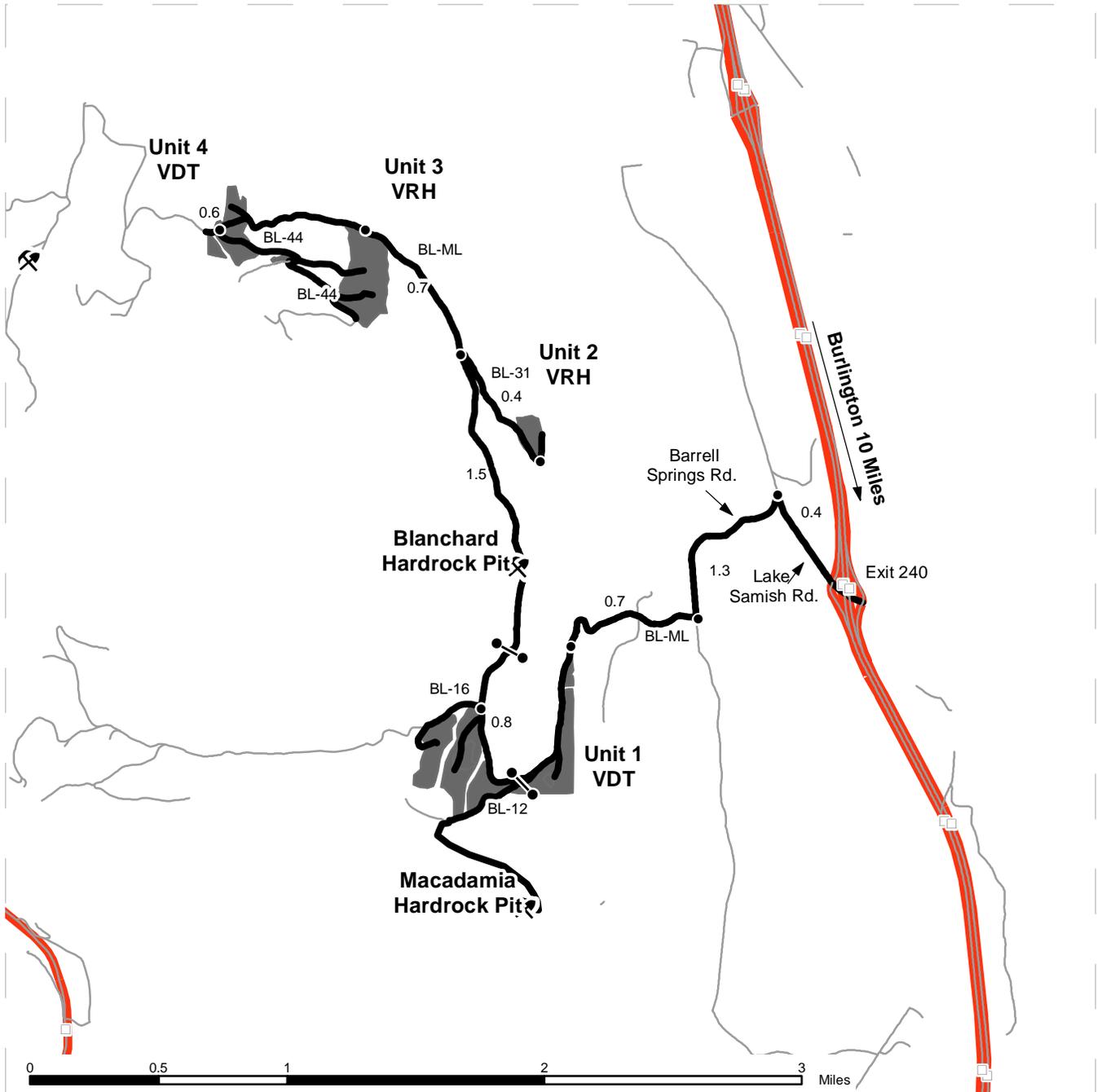
Harvest Area ~135 Acres
 Approximately
 Unit 1 VDT: 63.2
 Unit 1 Gaps: 5.0
 Unit 2 VRH: 5.8
 Unit 3 VRH: 31.7
 Unit 4 VDT: 16
 ROW: 3.0
 Daylighting: 10.3

- | | | |
|----------------------------|-------------------------------|-------------------|
| Variable Retention Harvest | Riparian Mgt Zone | Streams |
| Variable Density Thinning | Leave Tree Area | Stream Type |
| Gap Cut Area | Wetland Mgt Zone | Stream Type Break |
| Sale Boundary Tags | Existing Roads | Survey Corners |
| Sale Boundary (No Tags) | Old Grades / Trails | Gate |
| Right of Way Tags | Required Pre-Haul Maintenance | |
| Special Mgt Area Tags | Required Construction | |
| | Optional Construction | |

DRIVING MAP

SALE NAME: WALNUT VDT&VRH CH
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TOWNSHIP(S): T36R03E
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- Timber Sale Unit
- Highways
- Other Route
- Haul Route
- Milepost Markers
- Distance Indicator
- Existing Rock Pit

DRIVING DIRECTIONS:

Driving Directions:
 From I-5, Take exit 240 west on Lake Samish Rd for 0.4 mile and take a left on Barrel Springs Rd.
 Continue for 1.3 mile and turn right on the BL-ML.

Unit 1: Continue on BL-ML for 0.7 miles to the start of unit, and an additional 0.8 to the end of the unit.
 Unit 2: Continue for an additional 1.5 miles on the BL-ML to the BL-31, turn right and follow for 0.4 mile.
 Unit 3: From the junction of the BL-ML and the BL-31, continue 0.7 mile to the unit.
 Unit 4: From Unit 3, continue 0.6 mile on the BL-ML to the unit.



**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-093656

SALE NAME: Walnut Sort 01

**THE STATE OF WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY
CAPACITY, STATE, AND PURCHASER, AGREE AS FOLLOWS:**

Section G: General Terms

G-001.2 Definitions

The following definitions apply throughout this contract;

Contract Administrator: Region Manager's designee responsible for assuring that the contractual obligations of the Purchaser and Contractor are met.

Contractor: State-selected harvester responsible to perform all duties as required by the Harvesting Services Contract, including but not limited to timber harvesting, road construction, debris removal and piling, hauling and delivery of forest products for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

Delivery: Occurs when logs or forest products meeting the sorting specifications arrive at the Purchasers destination, as described in the contract.

Forest Product: Any material derived from the forest for commercial use.

Harvesting: A general term, referring to the Contractor's various obligations under the Harvesting Services Contract.

Harvesting Services Contract: Contract between the Contractor and the State, which sets forth the procedures and obligations of the Contractor for completing the harvesting of timber, and the delivery of various log sorts to the State's purchasers, and the payment obligations of the State, The Harvesting Services Contract will include a Road Plan for any road construction or reconstruction, where applicable.

Log Sale and Purchase Contract: Purchase Agreement between the State and Purchaser(s) of particular log sorts from the timber sale.

Purchaser: The company or individual that has entered a Log Sale Contract with the State for individual log sorts from the timber sale area. The Contractor must deliver the designated log sorts to this company or individual. Contractor will likely be delivering different log sorts to different purchasers under the Harvesting Services Contract.

State: The Washington State Department of Natural Resources, landowner and seller of forest products from the timber sale area. The State is represented by the Region Manager as designated on the contract signature page. Contractual obligations to the State are enforced by the Region Manager or the designated Contract Administrator.

G-010.2 Products Sold and Sale Area

Purchaser was the successful bidder on May 25, 2016 and sale was confirmed on _____. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the WALNUT VDT and VRH Sorts Timber Sale described as parts of Sections 2, 3, 11, and 14 all in Township 36 North, Range 3 East W.M., in Skagit County.

G-022.2 Sorting Specifications

Purchaser shall accept and pay for delivery of log sorts by a state selected contractor to the designated Purchaser location that meets the following specifications:

Agreement No.	Sort #	Description	Destination
93656	1	DF HQA 12"+ SED	

Unless otherwise specified, no blue stain is allowed in Ponderosa pine.

G-024.2 Manufacturing Standards

All forest products except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting preferred log lengths and to achieve the average log length listed.

Agreement No.	Sort #	Scaling Rule
93656	01	WS

Average Log Length	Preferred Log Lengths
28	

"WS" indicates that west side scaling rules apply. Minimum trim is 8 inches per scaling segment for west side scaling rules. "ES" indicates that east side scaling rules apply. Minimum trim is 4 inches per scaling segment for east side scaling rules.

Poles produced under this contract will be manufactured to ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract.

- a. Sweep will be limited to within the bole of the log as measured using a tape stretched between the centers of each end of the log.
- b. Logs approved by the state for peelers shall be chuckable with no more than a 2 inch diameter area of rot within a 5 inch diameter circle located at the center of either end of the log.
- c. Limbs and knots shall be cut flush, with no more than 15 percent of a log having limbs or knots over 2 inches in diameter extending more than 2 inches above the surface of the log.
- d.

G-026.2 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-022.2 clause. Purchaser may make a written request to the State for a change in log delivery destination or scaling or weighing location. If agreeable and in the best interest of the State, the State may approve the Purchaser's request. Written approval must be granted by the State prior to log delivery to a new destination or use of a new scaling or weighing facility.

Increased haul distance shall result in an increase in the P-028.2 log delivery payment rate in an amount to be calculated by the State. In no circumstance shall the payment rate for delivered logs be reduced as a result of a state approved delivery destination or scaling or weighing facility change.

Purchaser may refuse loads delivered to the wrong destination.

G-027.2 Log Delivery Schedule and Conditions

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall

remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.

- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
 1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
 2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

G-030.2 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending January 6, 2017.

G-050.2 Contract Term Extension

Contract extensions and any other conditions subject to the extension as agreed to by the Purchaser and State, must be formalized in writing, signed by Purchaser and State.

G-054.2 Early Contract Termination

The State may terminate this contract in whole or in part by giving fifteen (15) days written notice to the Purchaser when it is in the best interests of the State. If this contract is so terminated, the State shall be liable only for the return of that portion of the initial deposit that is not required for payment, and the return of unapplied payments. The State shall not be liable for damages, whether direct or consequential.

G-056.2 Force Majeure

No Party shall be liable for any failure to perform its obligations, other than payments due, where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, or other natural disaster), war, act of foreign enemies, hostilities (whether war is declared or not), terrorist activities, government sanction, fire, labor dispute, strike or lockout.

Any Party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

In the event of Force Majeure, the State reserves the right to terminate this agreement in accordance with clause G-054.2 'Early Contract Termination'.

G-060.2 Exclusion of Warranties

The PARTIES AGREE that the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE and ALL OTHER WARRANTIES EXPRESSED OR IMPLIED ARE EXCLUDED from this transaction and shall not apply to the goods to be harvested or sold. For example, THE FOLLOWING SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.
- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.

d. Items contained in any other documents prepared for or by the State.

G-065 Regulatory Disclaimer

The State disclaims any responsibility for, or liability relating to, regulatory actions by any government agency, including actions pursuant to the Forest Practices Act, Ch. 76.09 RCW that may affect the operability of the timber sale.

G-070.2 Limitation on Damage

In the event of a breach of any provision of this contract by the State, the liability of the State shall be limited to return of the unused initial deposit and unapplied payments to the Purchaser. The State shall not be liable for any damages, whether direct, incidental, or consequential.

G-112.2 Title

The State hereby warrants that State is the owner of said logs and has the right to sell same, free of liens, encumbrances, or claims, but subject to trade restrictions promulgated in WAC 240-15-015. Purchaser assumes title and all risk and responsibility for said logs upon delivery.

G-116.2 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: BV-SFIS-US09000572.

G-160.2 Agents

The State's rights and duties will be exercised by the Region Manager at Sedro Woolley, Washington. The Region Manager will notify Purchaser in writing who is responsible for administering the contract. The Region Manager has sole authority to waive, modify, or amend the terms of this contract in the manner prescribed in clause G-180. No agent, employee, or representative of the State has any authority to bind the State to any affirmation, representation, or warranty concerning the logs conveyed beyond the terms of this contract.

The Purchaser agrees to notify the State in writing of their authorized representative at the log delivery destination who will be readily available and who shall be authorized to receive, on behalf of the Purchaser any instructions or notices given by the State in regard to performance under this contract, and any limits to this person's authority.

G-180 Modifications

Waivers, modifications, or amendments of the terms of this contract must be in writing signed by Purchaser and the State.

G-190 Contract Complete

This contract is the final expression of the Parties' agreement. There are no understandings, agreements, or representations, expressed or implied, which are not specified in this contract.

G-200.2 Notice

Notices required to be given under the following clauses shall be in writing and shall be delivered to the State or Purchaser's authorized agent or sent by certified mail to the Purchaser's post office address, so that their receipt may be acknowledged.

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

All other notices required to be given under this contract shall be in writing and delivered to their respective authorized agent or mailed to the Party's post office address. Parties agree to notify the other of any change of mailing address.

G-210.2 Violation of Contract

- a. If Purchaser violates any provision of this contract, the Contract Administrator, by written notice, may suspend delivery of further loads of forest products. If the violation is capable of being remedied, the Purchaser has five (5) days after receipt of suspension notice to remedy the violation. If the violation cannot be remedied (such as violation of WAC 240-15-015) or Purchaser fails to remedy the violation within five (5) days after receipt of a suspension notice, the State may terminate the rights of the Purchaser under this contract and collect damages as described in the damages clause in this contract.
- b. The State has the right to remedy the breach in the absence of any indicated attempt by the Purchaser or if Purchaser is unable, as determined by the State, to remedy the breach. Any expense incurred by the State shall be charged to Purchaser and shall be paid within thirty (30) days of receipt of billing.
- c. If Purchaser's violation is a result of a failure to make payment to the State when due, in addition to (a.) above, interest shall accrue on the unpaid balance at 12 percent per annum, beginning the date payment was due. The State may secure payments from the security provided.

G-240.2 Dispute Resolution

The following procedures apply in the event of a dispute regarding interpretation or administration of this contract and the parties agree that these procedures must be followed before a lawsuit can be initiated.

- a. In the event of a dispute, Purchaser must make a written request to the Region Manager for resolution prior to seeking other relief.
- b. The Region Manager will issue a written decision on Purchaser's request within five business days.

- c. Within five business days of receipt of the Region Manager's decision, the Purchaser may make a written request for resolution to the Deputy Supervisor - Uplands of the Department of Natural Resources.
- d. Unless otherwise agreed, the Deputy Supervisor - Uplands will hold a conference within 15 calendar days of the receipt of Purchaser's request for review of the Region Manager's written decision. Purchaser and the Region Manager will have an opportunity to present their positions. The Deputy Supervisor - Uplands will issue a decision within a reasonable time of being presented with both Parties' positions.

G-252.2 Forest Excise Tax

Purchaser shall be responsible for payment of all forest excise taxes pursuant to chapter 84.33 RCW.

G-253.2 Harvesting Cost Information

The State agrees to supply all harvesting cost information to the Purchaser for their consideration in payment of forest excise taxes.

G-260 Venue

This contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in Thurston County Superior Court.

G-330.2 Contract Review

Purchaser may arrange with the Contract Administrator to review the provisions of this contract prior to the delivery of forest products.

Section P: Payments and Securities**P-010 Initial Deposit**

Purchaser paid DATA MISSING initial deposit, which will be maintained pursuant to RCW 79.15.100(3). If the operating authority on this contract expires without Purchaser's payment of the full amount specified in the 'Payment for Forest Products' clause, the initial deposit will be immediately forfeited to the State, and will be offset against Purchaser's remaining balance due. Any excess initial deposit funds not needed to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

P-028.2 Payment for Forest Products Delivered

Purchaser agrees to pay the State for delivered forest products at the following rate:

\$0.00/MBF

Purchaser agrees to increase the above delivered payment rate as approved by the State in the event the location of delivery is changed per the G-026.2 clause.

P-036.2 Missorts and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet the sorting specifications in G-022.2 where species are incorrect, are scaled over 1” outside the listed diameter specifications, or ponderosa pine with blue stain are considered mis-sorts.

However, when mis-sorted Forest Products amount to more than 3% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-sort threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-sort payment reduction is subject to State approval and shall be determined by the State’s delivered product analysis. Forest Products determined by the State eligible for mis-sort price reduction are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-sorted will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times R$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor

0.3 for mis-sort except for blue stain

0.4 for mis-sort related to blue stain

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-sort payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser’s exclusive remedy for mis-sorts shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code

P-037.2 Mismatch and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths and Forest Products delivered not meeting minimum log quality specifications as described in the G-024.2 clause are considered mis-manufactured. Purchaser receiving mis-manufactured Forest Products is required to pay the State at the bid price under this contract.

However, when mis-manufactured Forest Products amount to more than 5% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-manufacture payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-manufacture price reductions are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-manufactured will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times (0.2)$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-manufacture payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-manufacture shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-038.2 Average Log Length and Payment Reduction

If the average log length for all logs delivered under this contract is less than the average log length specified in the table in clause G-024.2, The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028.2 by the total volume delivered, and the difference between the average length of logs delivered and the average log length specified in G-024.2, times 1% as follows:

$$\text{Log Length Payment Reduction} = (B \times V \times L) \times (.01)$$

Where:

B = Bid rate from P-028.2 clause

V = total delivered log Volume

L = Length in feet below specified average (rounded to nearest

1/10th)

Third party scaling organization information is required to determine Scribner mbf and Average log length for payment reduction purposes. Average log length is determined on a piece count basis. Value of log length price reduction will be derived from the applicable sort value as described in this contract.

Scale information for determining Average log length for payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for below average log lengths shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-040.2 Weighing and Scaling Costs

Purchaser agrees to pay for all weighing costs for logs delivered regardless if logs are purchased on a weight or scale basis. In addition, Purchaser agrees to pay for all scaling costs for logs delivered on a scale basis. Purchaser also agrees to pay for all costs associated with the transmission and reporting of scale or weight data.

P-045.2 Guarantee of Payment

Prior to the delivery of forest products and at a date determined by the State, Purchaser shall guarantee payment to the State for products delivered by posting with the State an approved payment security. If the Purchaser has purchased more than one sort, the payment securities may be consolidated for all the sorts. Acceptable payment security includes cash, certificate of deposit assignment, payment bond, savings account assignment, or irrevocable bank letter of credit.

The amount of payment security shall be determined by the State. The amount of payment security shall represent at least 30 days value of forest product deliveries. Payment security for products delivered will be used to guarantee payment to the State for late or non-payments.

If at any time the State determines that the security has become unsatisfactory or a demand is made against the payment security, the Purchaser agrees to increase the amount or replace the security with one acceptable to the state within 5 business days. Failure to increase the amount or replace the security is considered a breach of contract.

P-050.2 Billing and Payment Procedure for Forest Products Delivered

The State will compute and forward to Purchaser a billing statement of charges for forest products delivered during the billing period at the delivered rate shown in P-028.2 clause. After receipt of the billing statement, Purchaser's payment must be received by the Department of Natural Resources on or before the due date shown on the billing statement. Purchaser agrees to make payment, payable to the Department of Natural Resources. Failure to pay on time for forest products delivered is considered a breach of contract.

Included with the billing statement will be a summary report for the billing period compiled by the State or their log and load reporting service.

The State will adjust final billings to account for any State approved payment reductions.

P-080 Payment Account Refund

Advance payments made under P-045 or P-045.2 remaining on account above the value for the charges shall be returned to Purchaser within 30 days following the final report of charges. Refunds not made within the 30 day period will accrue interest at the interest rate, as established by WAC 332-100-030, computed on a daily basis until paid.

Section L: Log Definitions and Accountability

L-010.2 Forest Products Conveyed

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clauses G-022.2 and G-024.2 of this contract

L-014.2 Sorts Delivered to Incorrect Destination

Purchaser has agreed to purchase the sort as described in the G-022.2 clause. In the event a load from a different sort is delivered to Purchaser, Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load, provisions in the P-035.2 or P-036.2 clause may apply.

L-071.2 Log and Load Reporting Service

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within of logs being measured or weighed.

If during the term of this contract, the State discontinues use of the Log and Load Reporting Service, the State will notify the Purchaser in writing, and will approve an alternative log and load reporting process.

L-080 Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Westside log scaling and grading rules and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

Special scaling specifications shall be noted on the State's Brand Designation form which is hereby incorporated to this contract by reference.

L-110 State Approval of Log Scaling and Weighing Locations

Forest Product measurement and weighing facilities required by this contract must be approved by the State. Forest products sold under the contract which require log scaling shall be scaled, measured, or counted by a State approved third party log scaling organization. Forest products sold under the contract which require weighing shall be weighed at a location that meets Washington State Department of Agriculture approval.

Prior to forest products being hauled, the Contract Administrator must authorize in writing the use of State approved measurement and/or weighing facilities that are at or en-route to final destinations. Forest products from this sale shall be measured or weighed at facilities, which are currently approved for use by the State and are currently authorized for this sale. The State reserves the right to verify load volume and weights with State employees or contractors at the State's own expense. The State reserves the right to revoke the authorization of previously approved measurement locations.

Section D: Damages**D-010 Liquidated Damages**

The clauses in the DAMAGES section of this contract provide for payments by Purchaser to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. These liquidated damages provisions are agreed to by the State and Purchaser with the understanding of the difficulty of proving loss and the inconvenience or infeasibility of obtaining an adequate remedy. These liquidated damages provisions provide greater certainty for the Purchaser by allowing the Purchaser to better assess its responsibilities under the contract.

D-026.2 Damages for Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.
- b. Unless Purchaser and the State have made a prior agreement in writing, Purchaser's failure to accept at least the number of delivered loads as described in the G-027.2 (d) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$200 per each truck delivery not accepted, until breach is remedied.

D-027.2 Failure to Accept Forest Products Sold

Purchaser's failure to accept all or part of the forest products sold in this agreement prior to expiration or completion of the contract results in substantial injury to the State. Except for reasons other than 'Force Majeure' (G-056.2), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept forest products does not prevent further harvesting operations, or forest products can be re-sold to another buyer acceptable to the State, Purchaser shall be liable for and pay State for actual damages plus costs, as determined by the State associated with the administration and re-sale of forest products not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept forest products causes a stoppage of the State's harvesting operations and prevents the State from further harvest of the sale area, the actual damage to the State and associated costs are difficult to assess. The remaining value of all the forest products left in the sale area once the stoppage occurs is not readily ascertainable. Purchaser's failure to perform disrupts the State's management plans. Therefore, Purchaser agrees to pay the State as liquidated damages, a sum calculated using the following formula:

$$LD = (.35V - I) + C + A - P$$

Where:

- LD = Liquidated Damages
V = The stumpage value remaining in the sale area at the date of work stoppage. This will be determined by multiplying the contract bid rate contained in the P-028.2 clause for all sorts originating in the sale area, by the State's estimate of the remaining volume, less the cost of harvesting and delivery associated with each sort.
I = Initial Deposit
C = Costs associated with required harvesting services and road construction services prior to work stoppage but not amortized or paid.
A = Administrative fee = \$2,500.00
P = Advance payments received exceeding the value of logs delivered under this contract.

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

$$\text{Interest} = r \times LD \times N$$

Where:

r = daily equivalent of an annual interest at current interest rate as established by WAC 332-100-030.

N = Number of days from work stoppage to time of payment

D-030.2 Inadequate Log Accountability

Failure to provide weighing and third party scaling information result in substantial injury to the State. The potential loss of accountability is not readily ascertainable. These contractual breaches result in an increase in the potential for the delivery of forest products for which the State receives inadequate payment and causes an increase in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Purchaser's payments for forest product delivery under this contract will be increased in the following amounts, as liquidated damages, to compensate the State for these breaches: \$250.00 each time a load weight is not provided as required by the contract, and \$250.00 each time load scale data is not determined and provided by a State approved third party scaling organization in accordance with this contract.

IN WITNESS WHEREOF, the Parties hereto have entered into this contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Purchaser

Jean Fike
Northwest Region Manager

Date: _____
Address: _____

Date: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____

_____ to me known to be the _____ of the corporation

that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument.

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

Notary Public in and for the State of

My appointment expires _____

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-093657

SALE NAME: Walnut Sort 02

**THE STATE OF WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY
CAPACITY, STATE, AND PURCHASER, AGREE AS FOLLOWS:**

Section G: General Terms

G-001.2 Definitions

The following definitions apply throughout this contract;

Contract Administrator: Region Manager's designee responsible for assuring that the contractual obligations of the Purchaser and Contractor are met.

Contractor: State-selected harvester responsible to perform all duties as required by the Harvesting Services Contract, including but not limited to timber harvesting, road construction, debris removal and piling, hauling and delivery of forest products for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

Delivery: Occurs when logs or forest products meeting the sorting specifications arrive at the Purchasers destination, as described in the contract.

Forest Product: Any material derived from the forest for commercial use.

Harvesting: A general term, referring to the Contractor's various obligations under the Harvesting Services Contract.

Harvesting Services Contract: Contract between the Contractor and the State, which sets forth the procedures and obligations of the Contractor for completing the harvesting of timber, and the delivery of various log sorts to the State's purchasers, and the payment obligations of the State, The Harvesting Services Contract will include a Road Plan for any road construction or reconstruction, where applicable.

Log Sale and Purchase Contract: Purchase Agreement between the State and Purchaser(s) of particular log sorts from the timber sale.

Purchaser: The company or individual that has entered a Log Sale Contract with the State for individual log sorts from the timber sale area. The Contractor must deliver the designated log sorts to this company or individual. Contractor will likely be delivering different log sorts to different purchasers under the Harvesting Services Contract.

State: The Washington State Department of Natural Resources, landowner and seller of forest products from the timber sale area. The State is represented by the Region Manager as designated on the contract signature page. Contractual obligations to the State are enforced by the Region Manager or the designated Contract Administrator.

G-010.2 Products Sold and Sale Area

Purchaser was the successful bidder on May 25, 2016 and sale was confirmed on _____. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the WALNUT VDT and VRH Sorts Timber Sale described as parts of Sections 2, 3, 11, and 14 all in Township 36 North, Range 3 East W.M., in Skagit County.

G-022.2 Sorting Specifications

Purchaser shall accept and pay for delivery of log sorts by a state selected contractor to the designated Purchaser location that meets the following specifications:

Agreement No.	Sort #	Description	Destination
93657	2	DF SAWLOG 12"-19" SED	

Unless otherwise specified, no blue stain is allowed in Ponderosa pine.

G-024.2 Manufacturing Standards

All forest products except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting preferred log lengths and to achieve the average log length listed.

Agreement No.	Sort #	Scaling Rule
93657	02	WS

Average Log Length	Preferred Log Lengths
28	

"WS" indicates that west side scaling rules apply. Minimum trim is 8 inches per scaling segment for west side scaling rules. "ES" indicates that east side scaling rules apply. Minimum trim is 4 inches per scaling segment for east side scaling rules.

Poles produced under this contract will be manufactured to ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract.

- a. Sweep will be limited to within the bole of the log as measured using a tape stretched between the centers of each end of the log.
- b. Logs approved by the state for peelers shall be chuckable with no more than a 2 inch diameter area of rot within a 5 inch diameter circle located at the center of either end of the log.
- c. Limbs and knots shall be cut flush, with no more than 15 percent of a log having limbs or knots over 2 inches in diameter extending more than 2 inches above the surface of the log.
- d.

G-026.2 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-022.2 clause. Purchaser may make a written request to the State for a change in log delivery destination or scaling or weighing location. If agreeable and in the best interest of the State, the State may approve the Purchaser's request. Written approval must be granted by the State prior to log delivery to a new destination or use of a new scaling or weighing facility.

Increased haul distance shall result in an increase in the P-028.2 log delivery payment rate in an amount to be calculated by the State. In no circumstance shall the payment rate for delivered logs be reduced as a result of a state approved delivery destination or scaling or weighing facility change.

Purchaser may refuse loads delivered to the wrong destination.

G-027.2 Log Delivery Schedule and Conditions

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its

facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.

- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
 1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
 2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

G-030.2 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending January 6, 2017.

G-054.2 Early Contract Termination

The State may terminate this contract in whole or in part by giving fifteen (15) days written notice to the Purchaser when it is in the best interests of the State. If this contract is so terminated, the State shall be liable only for the return of that portion of the initial deposit that is not required for payment, and the return of unapplied payments. The State shall not be liable for damages, whether direct or consequential.

G-056.2 Force Majeure

No Party shall be liable for any failure to perform its obligations, other than payments due, where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, or other natural disaster), war, act of foreign enemies, hostilities (whether war is declared or not), terrorist activities, government sanction, fire, labor dispute, strike or lockout.

Any Party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

In the event of Force Majeure, the State reserves the right to terminate this agreement in accordance with clause G-054.2 'Early Contract Termination'.

G-060.2 Exclusion of Warranties

The PARTIES AGREE that the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE and ALL OTHER WARRANTIES EXPRESSED OR IMPLIED ARE EXCLUDED from this transaction and shall not apply to the goods to be harvested or sold. For example, THE FOLLOWING SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.
- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

G-065 Regulatory Disclaimer

The State disclaims any responsibility for, or liability relating to, regulatory actions by any government agency, including actions pursuant to the Forest Practices Act, Ch. 76.09 RCW that may affect the operability of the timber sale.

G-070.2 Limitation on Damage

In the event of a breach of any provision of this contract by the State, the liability of the State shall be limited to return of the unused initial deposit and unapplied payments to the Purchaser. The State shall not be liable for any damages, whether direct, incidental, or consequential.

G-112.2 Title

The State hereby warrants that State is the owner of said logs and has the right to sell same, free of liens, encumbrances, or claims, but subject to trade restrictions promulgated in WAC 240-15-015. Purchaser assumes title and all risk and responsibility for said logs upon delivery.

G-116.2 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: BV-SFIS-US09000572.

G-160.2 Agents

The State's rights and duties will be exercised by the Region Manager at Sedro Woolley, Washington. The Region Manager will notify Purchaser in writing who is responsible for administering the contract. The Region Manager has sole authority to waive, modify, or amend the terms of this contract in the manner prescribed in clause G-180. No agent, employee, or representative of the State has any authority to bind the State to any affirmation, representation, or warranty concerning the logs conveyed beyond the terms of this contract.

The Purchaser agrees to notify the State in writing of their authorized representative at the log delivery destination who will be readily available and who shall be authorized to receive, on behalf of the Purchaser any instructions or notices given by the State in regard to performance under this contract, and any limits to this person's authority.

G-180 Modifications

Waivers, modifications, or amendments of the terms of this contract must be in writing signed by Purchaser and the State.

G-190 Contract Complete

This contract is the final expression of the Parties' agreement. There are no understandings, agreements, or representations, expressed or implied, which are not specified in this contract.

G-200.2 Notice

Notices required to be given under the following clauses shall be in writing and shall be delivered to the State or Purchaser's authorized agent or sent by certified mail to the Purchaser's post office address, so that their receipt may be acknowledged.

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

All other notices required to be given under this contract shall be in writing and delivered to their respective authorized agent or mailed to the Party's post office address. Parties agree to notify the other of any change of mailing address.

G-210.2 Violation of Contract

- a. If Purchaser violates any provision of this contract, the Contract Administrator, by written notice, may suspend delivery of further loads of forest products. If the violation is capable of being remedied, the Purchaser has five (5) days after receipt of suspension notice to remedy the violation. If the violation cannot be remedied (such as violation of WAC 240-15-015) or Purchaser fails to remedy the violation within five (5) days after receipt of a suspension notice, the State may terminate the rights of the Purchaser under this contract and collect damages as described in the damages clause in this contract.
- b. The State has the right to remedy the breach in the absence of any indicated attempt by the Purchaser or if Purchaser is unable, as determined by the State, to remedy the breach. Any expense incurred by the State shall be charged to Purchaser and shall be paid within thirty (30) days of receipt of billing.
- c. If Purchaser's violation is a result of a failure to make payment to the State when due, in addition to (a.) above, interest shall accrue on the unpaid balance at 12 percent per annum, beginning the date payment was due. The State may secure payments from the security provided.

G-240.2 Dispute Resolution

The following procedures apply in the event of a dispute regarding interpretation or administration of this contract and the parties agree that these procedures must be followed before a lawsuit can be initiated.

- a. In the event of a dispute, Purchaser must make a written request to the Region Manager for resolution prior to seeking other relief.
- b. The Region Manager will issue a written decision on Purchaser's request within five business days.

- c. Within five business days of receipt of the Region Manager's decision, the Purchaser may make a written request for resolution to the Deputy Supervisor - Uplands of the Department of Natural Resources.
- d. Unless otherwise agreed, the Deputy Supervisor - Uplands will hold a conference within 15 calendar days of the receipt of Purchaser's request for review of the Region Manager's written decision. Purchaser and the Region Manager will have an opportunity to present their positions. The Deputy Supervisor - Uplands will issue a decision within a reasonable time of being presented with both Parties' positions.

G-252.2 Forest Excise Tax

Purchaser shall be responsible for payment of all forest excise taxes pursuant to chapter 84.33 RCW.

G-253.2 Harvesting Cost Information

The State agrees to supply all harvesting cost information to the Purchaser for their consideration in payment of forest excise taxes.

G-260 Venue

This contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in Thurston County Superior Court.

G-330.2 Contract Review

Purchaser may arrange with the Contract Administrator to review the provisions of this contract prior to the delivery of forest products.

Section P: Payments and Securities**P-010 Initial Deposit**

Purchaser paid DATA MISSING initial deposit, which will be maintained pursuant to RCW 79.15.100(3). If the operating authority on this contract expires without Purchaser's payment of the full amount specified in the 'Payment for Forest Products' clause, the initial deposit will be immediately forfeited to the State, and will be offset against Purchaser's remaining balance due. Any excess initial deposit funds not needed to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

P-028.2 Payment for Forest Products Delivered

Purchaser agrees to pay the State for delivered forest products at the following rate:

\$0.00/MBF

Purchaser agrees to increase the above delivered payment rate as approved by the State in the event the location of delivery is changed per the G-026.2 clause.

P-036.2 Missorts and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet the sorting specifications in G-022.2 where species are incorrect, are scaled over 1” outside the listed diameter specifications, or ponderosa pine with blue stain are considered mis-sorts.

However, when mis-sorted Forest Products amount to more than 3% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-sort threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-sort payment reduction is subject to State approval and shall be determined by the State’s delivered product analysis. Forest Products determined by the State eligible for mis-sort price reduction are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-sorted will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times R$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor

0.3 for mis-sort except for blue stain

0.4 for mis-sort related to blue stain

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-sort payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser’s exclusive remedy for mis-sorts shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code

P-037.2 Mismatch and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths and Forest Products delivered not meeting minimum log quality specifications as described in the G-024.2 clause are considered mis-manufactured. Purchaser receiving mis-manufactured Forest Products is required to pay the State at the bid price under this contract.

However, when mis-manufactured Forest Products amount to more than 5% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-manufacture payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-manufacture price reductions are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-manufactured will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times (0.2)$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-manufacture payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-manufacture shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-038.2 Average Log Length and Payment Reduction

If the average log length for all logs delivered under this contract is less than the average log length specified in the table in clause G-024.2, The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028.2 by the total volume delivered, and the difference between the average length of logs delivered and the average log length specified in G-024.2, times 1% as follows:

$$\text{Log Length Payment Reduction} = (B \times V \times L) \times (.01)$$

Where:

B = Bid rate from P-028.2 clause

V = total delivered log Volume

L = Length in feet below specified average (rounded to nearest

1/10th)

Third party scaling organization information is required to determine Scribner mbf and Average log length for payment reduction purposes. Average log length is determined on a piece count basis. Value of log length price reduction will be derived from the applicable sort value as described in this contract.

Scale information for determining Average log length for payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for below average log lengths shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-040.2 Weighing and Scaling Costs

Purchaser agrees to pay for all weighing costs for logs delivered regardless if logs are purchased on a weight or scale basis. In addition, Purchaser agrees to pay for all scaling costs for logs delivered on a scale basis. Purchaser also agrees to pay for all costs associated with the transmission and reporting of scale or weight data.

P-045.2 Guarantee of Payment

Prior to the delivery of forest products and at a date determined by the State, Purchaser shall guarantee payment to the State for products delivered by posting with the State an approved payment security. If the Purchaser has purchased more than one sort, the payment securities may be consolidated for all the sorts. Acceptable payment security includes cash, certificate of deposit assignment, payment bond, savings account assignment, or irrevocable bank letter of credit.

The amount of payment security shall be determined by the State. The amount of payment security shall represent at least 30 days value of forest product deliveries. Payment security for products delivered will be used to guarantee payment to the State for late or non-payments.

If at any time the State determines that the security has become unsatisfactory or a demand is made against the payment security, the Purchaser agrees to increase the amount or replace the security with one acceptable to the state within 5 business days. Failure to increase the amount or replace the security is considered a breach of contract.

P-050.2 Billing and Payment Procedure for Forest Products Delivered

The State will compute and forward to Purchaser a billing statement of charges for forest products delivered during the billing period at the delivered rate shown in P-028.2 clause. After receipt of the billing statement, Purchaser's payment must be received by the Department of Natural Resources on or before the due date shown on the billing statement. Purchaser agrees to make payment, payable to the Department of Natural Resources. Failure to pay on time for forest products delivered is considered a breach of contract.

Included with the billing statement will be a summary report for the billing period compiled by the State or their log and load reporting service.

The State will adjust final billings to account for any State approved payment reductions.

P-080 Payment Account Refund

Advance payments made under P-045 or P-045.2 remaining on account above the value for the charges shall be returned to Purchaser within 30 days following the final report of charges. Refunds not made within the 30 day period will accrue interest at the interest rate, as established by WAC 332-100-030, computed on a daily basis until paid.

Section L: Log Definitions and Accountability

L-010.2 Forest Products Conveyed

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clauses G-022.2 and G-024.2 of this contract

L-014.2 Sorts Delivered to Incorrect Destination

Purchaser has agreed to purchase the sort as described in the G-022.2 clause. In the event a load from a different sort is delivered to Purchaser, Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load, provisions in the P-035.2 or P-036.2 clause may apply.

L-071.2 Log and Load Reporting Service

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within of logs being measured or weighed.

If during the term of this contract, the State discontinues use of the Log and Load Reporting Service, the State will notify the Purchaser in writing, and will approve an alternative log and load reporting process.

L-080 Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Westside log scaling and grading rules and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

Special scaling specifications shall be noted on the State's Brand Designation form which is hereby incorporated to this contract by reference.

L-110 State Approval of Log Scaling and Weighing Locations

Forest Product measurement and weighing facilities required by this contract must be approved by the State. Forest products sold under the contract which require log scaling shall be scaled, measured, or counted by a State approved third party log scaling organization. Forest products sold under the contract which require weighing shall be weighed at a location that meets Washington State Department of Agriculture approval.

Prior to forest products being hauled, the Contract Administrator must authorize in writing the use of State approved measurement and/or weighing facilities that are at or en-route to final destinations. Forest products from this sale shall be measured or weighed at facilities, which are currently approved for use by the State and are currently authorized for this sale. The State reserves the right to verify load volume and weights with State employees or contractors at the State's own expense. The State reserves the right to revoke the authorization of previously approved measurement locations.

Section D: Damages**D-010 Liquidated Damages**

The clauses in the DAMAGES section of this contract provide for payments by Purchaser to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. These liquidated damages provisions are agreed to by the State and Purchaser with the understanding of the difficulty of proving loss and the inconvenience or infeasibility of obtaining an adequate remedy. These liquidated damages provisions provide greater certainty for the Purchaser by allowing the Purchaser to better assess its responsibilities under the contract.

D-026.2 Damages for Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.
- b. Unless Purchaser and the State have made a prior agreement in writing, Purchaser's failure to accept at least the number of delivered loads as described in the G-027.2 (d) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$200 per each truck delivery not accepted, until breach is remedied.

D-027.2 Failure to Accept Forest Products Sold

Purchaser's failure to accept all or part of the forest products sold in this agreement prior to expiration or completion of the contract results in substantial injury to the State. Except for reasons other than 'Force Majeure' (G-056.2), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept forest products does not prevent further harvesting operations, or forest products can be re-sold to another buyer acceptable to the State, Purchaser shall be liable for and pay State for actual damages plus costs, as determined by the State associated with the administration and re-sale of forest products not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept forest products causes a stoppage of the State's harvesting operations and prevents the State from further harvest of the sale area, the actual damage to the State and associated costs are difficult to assess. The remaining value of all the forest products left in the sale area once the stoppage occurs is not readily ascertainable. Purchaser's failure to perform disrupts the State's management plans. Therefore, Purchaser agrees to pay the State as liquidated damages, a sum calculated using the following formula:

$$LD = (.35V - I) + C + A - P$$

Where:

- LD = Liquidated Damages
V = The stumpage value remaining in the sale area at the date of work stoppage. This will be determined by multiplying the contract bid rate contained in the P-028.2 clause for all sorts originating in the sale area, by the State's estimate of the remaining volume, less the cost of harvesting and delivery associated with each sort.
I = Initial Deposit
C = Costs associated with required harvesting services and road construction services prior to work stoppage but not amortized or paid.
A = Administrative fee = \$2,500.00
P = Advance payments received exceeding the value of logs delivered under this contract.

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

$$\text{Interest} = r \times LD \times N$$

Where:

r = daily equivalent of an annual interest at current interest rate as established by WAC 332-100-030.

N = Number of days from work stoppage to time of payment

D-030.2 Inadequate Log Accountability

Failure to provide weighing and third party scaling information result in substantial injury to the State. The potential loss of accountability is not readily ascertainable. These contractual breaches result in an increase in the potential for the delivery of forest products for which the State receives inadequate payment and causes an increase in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Purchaser's payments for forest product delivery under this contract will be increased in the following amounts, as liquidated damages, to compensate the State for these breaches: \$250.00 each time a load weight is not provided as required by the contract, and \$250.00 each time load scale data is not determined and provided by a State approved third party scaling organization in accordance with this contract.

IN WITNESS WHEREOF, the Parties hereto have entered into this contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Purchaser

Jean Fike
Northwest Region Manager

Date: _____
Address: _____

Date: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____

_____ to me known to be the _____ of the corporation

that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument.

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

Notary Public in and for the State of

My appointment expires _____

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-093658

SALE NAME: Walnut Sort 03

**THE STATE OF WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY
CAPACITY, STATE, AND PURCHASER, AGREE AS FOLLOWS:**

Section G: General Terms

G-001.2 Definitions

The following definitions apply throughout this contract;

Contract Administrator: Region Manager's designee responsible for assuring that the contractual obligations of the Purchaser and Contractor are met.

Contractor: State-selected harvester responsible to perform all duties as required by the Harvesting Services Contract, including but not limited to timber harvesting, road construction, debris removal and piling, hauling and delivery of forest products for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

Delivery: Occurs when logs or forest products meeting the sorting specifications arrive at the Purchasers destination, as described in the contract.

Forest Product: Any material derived from the forest for commercial use.

Harvesting: A general term, referring to the Contractor's various obligations under the Harvesting Services Contract.

Harvesting Services Contract: Contract between the Contractor and the State, which sets forth the procedures and obligations of the Contractor for completing the harvesting of timber, and the delivery of various log sorts to the State’s purchasers, and the payment obligations of the State, The Harvesting Services Contract will include a Road Plan for any road construction or reconstruction, where applicable.

Log Sale and Purchase Contract: Purchase Agreement between the State and Purchaser(s) of particular log sorts from the timber sale.

Purchaser: The company or individual that has entered a Log Sale Contract with the State for individual log sorts from the timber sale area. The Contractor must deliver the designated log sorts to this company or individual. Contractor will likely be delivering different log sorts to different purchasers under the Harvesting Services Contract.

State: The Washington State Department of Natural Resources, landowner and seller of forest products from the timber sale area. The State is represented by the Region Manager as designated on the contract signature page. Contractual obligations to the State are enforced by the Region Manager or the designated Contract Administrator.

G-010.2 Products Sold and Sale Area

Purchaser was the successful bidder on May 25, 2016 and sale was confirmed on _____. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the WALNUT VDT and VRH Sorts Timber Sale described as parts of Sections 2, 3, 11, and 14 all in Township 36 North, Range 3 East W.M., in Skagit County.

G-022.2 Sorting Specifications

Purchaser shall accept and pay for delivery of log sorts by a state selected contractor to the designated Purchaser location that meets the following specifications:

Agreement No.	Sort #	Description	Destination
93658	3	DF SAWLOG 20" + SED	

Unless otherwise specified, no blue stain is allowed in Ponderosa pine.

G-024.2 Manufacturing Standards

All forest products except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting preferred log lengths and to achieve the average log length listed.

Agreement No.	Sort #	Scaling Rule
93658	03	WS

Average Log Length	Preferred Log Lengths
28	

"WS" indicates that west side scaling rules apply. Minimum trim is 8 inches per scaling segment for west side scaling rules. "ES" indicates that east side scaling rules apply. Minimum trim is 4 inches per scaling segment for east side scaling rules.

Poles produced under this contract will be manufactured to ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract.

- a. Sweep will be limited to within the bole of the log as measured using a tape stretched between the centers of each end of the log.
- b. Logs approved by the state for peelers shall be chuckable with no more than a 2 inch diameter area of rot within a 5 inch diameter circle located at the center of either end of the log.
- c. Limbs and knots shall be cut flush, with no more than 15 percent of a log having limbs or knots over 2 inches in diameter extending more than 2 inches above the surface of the log.
- d.

G-026.2 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-022.2 clause. Purchaser may make a written request to the State for a change in log delivery destination or scaling or weighing location. If agreeable and in the best interest of the State, the State may approve the Purchaser's request. Written approval must be granted by the State prior to log delivery to a new destination or use of a new scaling or weighing facility.

Increased haul distance shall result in an increase in the P-028.2 log delivery payment rate in an amount to be calculated by the State. In no circumstance shall the payment rate for delivered logs be reduced as a result of a state approved delivery destination or scaling or weighing facility change.

Purchaser may refuse loads delivered to the wrong destination.

G-027.2 Log Delivery Schedule and Conditions

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall

remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.

- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
 1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
 2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

G-030.2 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending January 6, 2017.

G-054.2 Early Contract Termination

The State may terminate this contract in whole or in part by giving fifteen (15) days written notice to the Purchaser when it is in the best interests of the State. If this contract is so terminated, the State shall be liable only for the return of that portion of the initial deposit that is not required for payment, and the return of unapplied payments. The State shall not be liable for damages, whether direct or consequential.

G-056.2 Force Majeure

No Party shall be liable for any failure to perform its obligations, other than payments due, where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, or other natural disaster), war, act of foreign enemies, hostilities (whether war is declared or not), terrorist activities, government sanction, fire, labor dispute, strike or lockout.

Any Party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

In the event of Force Majeure, the State reserves the right to terminate this agreement in accordance with clause G-054.2 'Early Contract Termination'.

G-060.2 Exclusion of Warranties

The PARTIES AGREE that the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE and ALL OTHER WARRANTIES EXPRESSED OR IMPLIED ARE EXCLUDED from this transaction and shall not apply to the goods to be harvested or sold. For example, THE FOLLOWING SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.
- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

G-065 Regulatory Disclaimer

The State disclaims any responsibility for, or liability relating to, regulatory actions by any government agency, including actions pursuant to the Forest Practices Act, Ch. 76.09 RCW that may affect the operability of the timber sale.

G-070.2 Limitation on Damage

In the event of a breach of any provision of this contract by the State, the liability of the State shall be limited to return of the unused initial deposit and unapplied payments to the Purchaser. The State shall not be liable for any damages, whether direct, incidental, or consequential.

G-112.2 Title

The State hereby warrants that State is the owner of said logs and has the right to sell same, free of liens, encumbrances, or claims, but subject to trade restrictions promulgated in WAC 240-15-015. Purchaser assumes title and all risk and responsibility for said logs upon delivery.

G-116.2 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: BV-SFIS-US09000572.

G-160.2 Agents

The State's rights and duties will be exercised by the Region Manager at Sedro Woolley, Washington. The Region Manager will notify Purchaser in writing who is responsible for administering the contract. The Region Manager has sole authority to waive, modify, or amend the terms of this contract in the manner prescribed in clause G-180. No agent, employee, or representative of the State has any authority to bind the State to any affirmation, representation, or warranty concerning the logs conveyed beyond the terms of this contract.

The Purchaser agrees to notify the State in writing of their authorized representative at the log delivery destination who will be readily available and who shall be authorized to receive, on behalf of the Purchaser any instructions or notices given by the State in regard to performance under this contract, and any limits to this person's authority.

G-180 Modifications

Waivers, modifications, or amendments of the terms of this contract must be in writing signed by Purchaser and the State.

G-190 Contract Complete

This contract is the final expression of the Parties' agreement. There are no understandings, agreements, or representations, expressed or implied, which are not specified in this contract.

G-200.2 Notice

Notices required to be given under the following clauses shall be in writing and shall be delivered to the State or Purchaser's authorized agent or sent by certified mail to the Purchaser's post office address, so that their receipt may be acknowledged.

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

All other notices required to be given under this contract shall be in writing and delivered to their respective authorized agent or mailed to the Party's post office address. Parties agree to notify the other of any change of mailing address.

G-210.2 Violation of Contract

- a. If Purchaser violates any provision of this contract, the Contract Administrator, by written notice, may suspend delivery of further loads of forest products. If the violation is capable of being remedied, the Purchaser has five (5) days after receipt of suspension notice to remedy the violation. If the violation cannot be remedied (such as violation of WAC 240-15-015) or Purchaser fails to remedy the violation within five (5) days after receipt of a suspension notice, the State may terminate the rights of the Purchaser under this contract and collect damages as described in the damages clause in this contract.
- b. The State has the right to remedy the breach in the absence of any indicated attempt by the Purchaser or if Purchaser is unable, as determined by the State, to remedy the breach. Any expense incurred by the State shall be charged to Purchaser and shall be paid within thirty (30) days of receipt of billing.
- c. If Purchaser's violation is a result of a failure to make payment to the State when due, in addition to (a.) above, interest shall accrue on the unpaid balance at 12 percent per annum, beginning the date payment was due. The State may secure payments from the security provided.

G-240.2 Dispute Resolution

The following procedures apply in the event of a dispute regarding interpretation or administration of this contract and the parties agree that these procedures must be followed before a lawsuit can be initiated.

- a. In the event of a dispute, Purchaser must make a written request to the Region Manager for resolution prior to seeking other relief.
- b. The Region Manager will issue a written decision on Purchaser's request within five business days.

- c. Within five business days of receipt of the Region Manager's decision, the Purchaser may make a written request for resolution to the Deputy Supervisor - Uplands of the Department of Natural Resources.
- d. Unless otherwise agreed, the Deputy Supervisor - Uplands will hold a conference within 15 calendar days of the receipt of Purchaser's request for review of the Region Manager's written decision. Purchaser and the Region Manager will have an opportunity to present their positions. The Deputy Supervisor - Uplands will issue a decision within a reasonable time of being presented with both Parties' positions.

G-252.2 Forest Excise Tax

Purchaser shall be responsible for payment of all forest excise taxes pursuant to chapter 84.33 RCW.

G-253.2 Harvesting Cost Information

The State agrees to supply all harvesting cost information to the Purchaser for their consideration in payment of forest excise taxes.

G-260 Venue

This contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in Thurston County Superior Court.

G-330.2 Contract Review

Purchaser may arrange with the Contract Administrator to review the provisions of this contract prior to the delivery of forest products.

Section P: Payments and Securities**P-010 Initial Deposit**

Purchaser paid DATA MISSING initial deposit, which will be maintained pursuant to RCW 79.15.100(3). If the operating authority on this contract expires without Purchaser's payment of the full amount specified in the 'Payment for Forest Products' clause, the initial deposit will be immediately forfeited to the State, and will be offset against Purchaser's remaining balance due. Any excess initial deposit funds not needed to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

P-028.2 Payment for Forest Products Delivered

Purchaser agrees to pay the State for delivered forest products at the following rate:

\$0.00/MBF

Purchaser agrees to increase the above delivered payment rate as approved by the State in the event the location of delivery is changed per the G-026.2 clause.

P-036.2 Missorts and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet the sorting specifications in G-022.2 where species are incorrect, are scaled over 1” outside the listed diameter specifications, or ponderosa pine with blue stain are considered mis-sorts.

However, when mis-sorted Forest Products amount to more than 3% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-sort threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-sort payment reduction is subject to State approval and shall be determined by the State’s delivered product analysis. Forest Products determined by the State eligible for mis-sort price reduction are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-sorted will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times R$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor

0.3 for mis-sort except for blue stain

0.4 for mis-sort related to blue stain

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-sort payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser’s exclusive remedy for mis-sorts shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code

P-037.2 Mismatch and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths and Forest Products delivered not meeting minimum log quality specifications as described in the G-024.2 clause are considered mis-manufactured. Purchaser receiving mis-manufactured Forest Products is required to pay the State at the bid price under this contract.

However, when mis-manufactured Forest Products amount to more than 5% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-manufacture payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-manufacture price reductions are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-manufactured will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times (0.2)$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-manufacture payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-manufacture shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-038.2 Average Log Length and Payment Reduction

If the average log length for all logs delivered under this contract is less than the average log length specified in the table in clause G-024.2, The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028.2 by the total volume delivered, and the difference between the average length of logs delivered and the average log length specified in G-024.2, times 1% as follows:

$$\text{Log Length Payment Reduction} = (B \times V \times L) \times (.01)$$

Where:

B = Bid rate from P-028.2 clause

V = total delivered log Volume

L = Length in feet below specified average (rounded to nearest 1/10th)

Third party scaling organization information is required to determine Scribner mbf and Average log length for payment reduction purposes. Average log length is determined on a piece count basis. Value of log length price reduction will be derived from the applicable sort value as described in this contract.

Scale information for determining Average log length for payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for below average log lengths shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-040.2 Weighing and Scaling Costs

Purchaser agrees to pay for all weighing costs for logs delivered regardless if logs are purchased on a weight or scale basis. In addition, Purchaser agrees to pay for all scaling costs for logs delivered on a scale basis. Purchaser also agrees to pay for all costs associated with the transmission and reporting of scale or weight data.

P-045.2 Guarantee of Payment

Prior to the delivery of forest products and at a date determined by the State, Purchaser shall guarantee payment to the State for products delivered by posting with the State an approved payment security. If the Purchaser has purchased more than one sort, the payment securities may be consolidated for all the sorts. Acceptable payment security includes cash, certificate of deposit assignment, payment bond, savings account assignment, or irrevocable bank letter of credit.

The amount of payment security shall be determined by the State. The amount of payment security shall represent at least 30 days value of forest product deliveries. Payment security for products delivered will be used to guarantee payment to the State for late or non-payments.

If at any time the State determines that the security has become unsatisfactory or a demand is made against the payment security, the Purchaser agrees to increase the amount or replace the security with one acceptable to the state within 5 business days. Failure to increase the amount or replace the security is considered a breach of contract.

P-050.2 Billing and Payment Procedure for Forest Products Delivered

The State will compute and forward to Purchaser a billing statement of charges for forest products delivered during the billing period at the delivered rate shown in P-028.2 clause. After receipt of the billing statement, Purchaser's payment must be received by the Department of Natural Resources on or before the due date shown on the billing statement. Purchaser agrees to make payment, payable to the Department of Natural Resources. Failure to pay on time for forest products delivered is considered a breach of contract.

Included with the billing statement will be a summary report for the billing period compiled by the State or their log and load reporting service.

The State will adjust final billings to account for any State approved payment reductions.

P-080 Payment Account Refund

Advance payments made under P-045 or P-045.2 remaining on account above the value for the charges shall be returned to Purchaser within 30 days following the final report of charges. Refunds not made within the 30 day period will accrue interest at the interest rate, as established by WAC 332-100-030, computed on a daily basis until paid.

Section L: Log Definitions and Accountability

L-010.2 Forest Products Conveyed

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clauses G-022.2 and G-024.2 of this contract

L-014.2 Sorts Delivered to Incorrect Destination

Purchaser has agreed to purchase the sort as described in the G-022.2 clause. In the event a load from a different sort is delivered to Purchaser, Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load, provisions in the P-035.2 or P-036.2 clause may apply.

L-071.2 Log and Load Reporting Service

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within of logs being measured or weighed.

If during the term of this contract, the State discontinues use of the Log and Load Reporting Service, the State will notify the Purchaser in writing, and will approve an alternative log and load reporting process.

L-080 Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Westside log scaling and grading rules and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

Special scaling specifications shall be noted on the State's Brand Designation form which is hereby incorporated to this contract by reference.

L-110 State Approval of Log Scaling and Weighing Locations

Forest Product measurement and weighing facilities required by this contract must be approved by the State. Forest products sold under the contract which require log scaling shall be scaled, measured, or counted by a State approved third party log scaling organization. Forest products sold under the contract which require weighing shall be weighed at a location that meets Washington State Department of Agriculture approval.

Prior to forest products being hauled, the Contract Administrator must authorize in writing the use of State approved measurement and/or weighing facilities that are at or en-route to final destinations. Forest products from this sale shall be measured or weighed at facilities, which are currently approved for use by the State and are currently authorized for this sale. The State reserves the right to verify load volume and weights with State employees or contractors at the State's own expense. The State reserves the right to revoke the authorization of previously approved measurement locations.

Section D: Damages**D-010 Liquidated Damages**

The clauses in the DAMAGES section of this contract provide for payments by Purchaser to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. These liquidated damages provisions are agreed to by the State and Purchaser with the understanding of the difficulty of proving loss and the inconvenience or infeasibility of obtaining an adequate remedy. These liquidated damages provisions provide greater certainty for the Purchaser by allowing the Purchaser to better assess its responsibilities under the contract.

D-026.2 Damages for Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.
- b. Unless Purchaser and the State have made a prior agreement in writing, Purchaser's failure to accept at least the number of delivered loads as described in the G-027.2 (d) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$200 per each truck delivery not accepted, until breach is remedied.

D-027.2 Failure to Accept Forest Products Sold

Purchaser's failure to accept all or part of the forest products sold in this agreement prior to expiration or completion of the contract results in substantial injury to the State. Except for reasons other than 'Force Majeure' (G-056.2), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept forest products does not prevent further harvesting operations, or forest products can be re-sold to another buyer acceptable to the State, Purchaser shall be liable for and pay State for actual damages plus costs, as determined by the State associated with the administration and re-sale of forest products not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept forest products causes a stoppage of the State's harvesting operations and prevents the State from further harvest of the sale area, the actual damage to the State and associated costs are difficult to assess. The remaining value of all the forest products left in the sale area once the stoppage occurs is not readily ascertainable. Purchaser's failure to perform disrupts the State's management plans. Therefore, Purchaser agrees to pay the State as liquidated damages, a sum calculated using the following formula:

$$LD = (.35V - I) + C + A - P$$

Where:

- LD = Liquidated Damages
V = The stumpage value remaining in the sale area at the date of work stoppage. This will be determined by multiplying the contract bid rate contained in the P-028.2 clause for all sorts originating in the sale area, by the State's estimate of the remaining volume, less the cost of harvesting and delivery associated with each sort.
I = Initial Deposit
C = Costs associated with required harvesting services and road construction services prior to work stoppage but not amortized or paid.
A = Administrative fee = \$2,500.00
P = Advance payments received exceeding the value of logs delivered under this contract.

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

$$\text{Interest} = r \times LD \times N$$

Where:

r = daily equivalent of an annual interest at current interest rate as established by WAC 332-100-030.

N = Number of days from work stoppage to time of payment

D-030.2 Inadequate Log Accountability

Failure to provide weighing and third party scaling information result in substantial injury to the State. The potential loss of accountability is not readily ascertainable. These contractual breaches result in an increase in the potential for the delivery of forest products for which the State receives inadequate payment and causes an increase in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Purchaser's payments for forest product delivery under this contract will be increased in the following amounts, as liquidated damages, to compensate the State for these breaches: \$250.00 each time a load weight is not provided as required by the contract, and \$250.00 each time load scale data is not determined and provided by a State approved third party scaling organization in accordance with this contract.

IN WITNESS WHEREOF, the Parties hereto have entered into this contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Purchaser

Jean Fike
Northwest Region Manager

Date: _____
Address: _____

Date: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____

_____ to me known to be the _____ of the corporation

that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument.

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

Notary Public in and for the State of

My appointment expires _____

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-093659

SALE NAME: Walnut Sort 04

**THE STATE OF WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY
CAPACITY, STATE, AND PURCHASER, AGREE AS FOLLOWS:**

Section G: General Terms

G-001.2 Definitions

The following definitions apply throughout this contract;

Contract Administrator: Region Manager's designee responsible for assuring that the contractual obligations of the Purchaser and Contractor are met.

Contractor: State-selected harvester responsible to perform all duties as required by the Harvesting Services Contract, including but not limited to timber harvesting, road construction, debris removal and piling, hauling and delivery of forest products for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

Delivery: Occurs when logs or forest products meeting the sorting specifications arrive at the Purchasers destination, as described in the contract.

Forest Product: Any material derived from the forest for commercial use.

Harvesting: A general term, referring to the Contractor's various obligations under the Harvesting Services Contract.

Harvesting Services Contract: Contract between the Contractor and the State, which sets forth the procedures and obligations of the Contractor for completing the harvesting of timber, and the delivery of various log sorts to the State’s purchasers, and the payment obligations of the State, The Harvesting Services Contract will include a Road Plan for any road construction or reconstruction, where applicable.

Log Sale and Purchase Contract: Purchase Agreement between the State and Purchaser(s) of particular log sorts from the timber sale.

Purchaser: The company or individual that has entered a Log Sale Contract with the State for individual log sorts from the timber sale area. The Contractor must deliver the designated log sorts to this company or individual. Contractor will likely be delivering different log sorts to different purchasers under the Harvesting Services Contract.

State: The Washington State Department of Natural Resources, landowner and seller of forest products from the timber sale area. The State is represented by the Region Manager as designated on the contract signature page. Contractual obligations to the State are enforced by the Region Manager or the designated Contract Administrator.

G-010.2 Products Sold and Sale Area

Purchaser was the successful bidder on May 25, 2016 and sale was confirmed on _____. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the WALNUT VDT and VRH Sorts Timber Sale described as parts of Sections 2, 3, 11, and 14 all in Township 36 North, Range 3 East W.M., in Skagit County.

G-022.2 Sorting Specifications

Purchaser shall accept and pay for delivery of log sorts by a state selected contractor to the designated Purchaser location that meets the following specifications:

Agreement No.	Sort #	Description	Destination
93659	4	DF SAWLOG 5"-11" SED	

Unless otherwise specified, no blue stain is allowed in Ponderosa pine.

G-024.2 Manufacturing Standards

All forest products except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting preferred log lengths and to achieve the average log length listed.

Agreement No.	Sort #	Scaling Rule
93659	04	WS

Average Log Length	Preferred Log Lengths
28	

"WS" indicates that west side scaling rules apply. Minimum trim is 8 inches per scaling segment for west side scaling rules. "ES" indicates that east side scaling rules apply. Minimum trim is 4 inches per scaling segment for east side scaling rules.

Poles produced under this contract will be manufactured to ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract.

- a. Sweep will be limited to within the bole of the log as measured using a tape stretched between the centers of each end of the log.
- b. Logs approved by the state for peelers shall be chuckable with no more than a 2 inch diameter area of rot within a 5 inch diameter circle located at the center of either end of the log.
- c. Limbs and knots shall be cut flush, with no more than 15 percent of a log having limbs or knots over 2 inches in diameter extending more than 2 inches above the surface of the log.
- d.

G-026.2 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-022.2 clause. Purchaser may make a written request to the State for a change in log delivery destination or scaling or weighing location. If agreeable and in the best interest of the State, the State may approve the Purchaser's request. Written approval must be granted by the State prior to log delivery to a new destination or use of a new scaling or weighing facility.

Increased haul distance shall result in an increase in the P-028.2 log delivery payment rate in an amount to be calculated by the State. In no circumstance shall the payment rate for delivered logs be reduced as a result of a state approved delivery destination or scaling or weighing facility change.

Purchaser may refuse loads delivered to the wrong destination.

G-027.2 Log Delivery Schedule and Conditions

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its

facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.

- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
 1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
 2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

G-030.2 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending January 6, 2017.

G-054.2 Early Contract Termination

The State may terminate this contract in whole or in part by giving fifteen (15) days written notice to the Purchaser when it is in the best interests of the State. If this contract is so terminated, the State shall be liable only for the return of that portion of the initial deposit that is not required for payment, and the return of unapplied payments. The State shall not be liable for damages, whether direct or consequential.

G-056.2 Force Majeure

No Party shall be liable for any failure to perform its obligations, other than payments due, where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, or other natural disaster), war, act of foreign enemies, hostilities (whether war is declared or not), terrorist activities, government sanction, fire, labor dispute, strike or lockout.

Any Party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

In the event of Force Majeure, the State reserves the right to terminate this agreement in accordance with clause G-054.2 'Early Contract Termination'.

G-060.2 Exclusion of Warranties

The PARTIES AGREE that the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE and ALL OTHER WARRANTIES EXPRESSED OR IMPLIED ARE EXCLUDED from this transaction and shall not apply to the goods to be harvested or sold. For example, THE FOLLOWING SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.
- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

G-065 Regulatory Disclaimer

The State disclaims any responsibility for, or liability relating to, regulatory actions by any government agency, including actions pursuant to the Forest Practices Act, Ch. 76.09 RCW that may affect the operability of the timber sale.

G-070.2 Limitation on Damage

In the event of a breach of any provision of this contract by the State, the liability of the State shall be limited to return of the unused initial deposit and unapplied payments to the Purchaser. The State shall not be liable for any damages, whether direct, incidental, or consequential.

G-112.2 Title

The State hereby warrants that State is the owner of said logs and has the right to sell same, free of liens, encumbrances, or claims, but subject to trade restrictions promulgated in WAC 240-15-015. Purchaser assumes title and all risk and responsibility for said logs upon delivery.

G-116.2 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: BV-SFIS-US09000572.

G-160.2 Agents

The State's rights and duties will be exercised by the Region Manager at Sedro Woolley, Washington. The Region Manager will notify Purchaser in writing who is responsible for administering the contract. The Region Manager has sole authority to waive, modify, or amend the terms of this contract in the manner prescribed in clause G-180. No agent, employee, or representative of the State has any authority to bind the State to any affirmation, representation, or warranty concerning the logs conveyed beyond the terms of this contract.

The Purchaser agrees to notify the State in writing of their authorized representative at the log delivery destination who will be readily available and who shall be authorized to receive, on behalf of the Purchaser any instructions or notices given by the State in regard to performance under this contract, and any limits to this person's authority.

G-180 Modifications

Waivers, modifications, or amendments of the terms of this contract must be in writing signed by Purchaser and the State.

G-190 Contract Complete

This contract is the final expression of the Parties' agreement. There are no understandings, agreements, or representations, expressed or implied, which are not specified in this contract.

G-200.2 Notice

Notices required to be given under the following clauses shall be in writing and shall be delivered to the State or Purchaser's authorized agent or sent by certified mail to the Purchaser's post office address, so that their receipt may be acknowledged.

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

All other notices required to be given under this contract shall be in writing and delivered to their respective authorized agent or mailed to the Party's post office address. Parties agree to notify the other of any change of mailing address.

G-210.2 Violation of Contract

- a. If Purchaser violates any provision of this contract, the Contract Administrator, by written notice, may suspend delivery of further loads of forest products. If the violation is capable of being remedied, the Purchaser has five (5) days after receipt of suspension notice to remedy the violation. If the violation cannot be remedied (such as violation of WAC 240-15-015) or Purchaser fails to remedy the violation within five (5) days after receipt of a suspension notice, the State may terminate the rights of the Purchaser under this contract and collect damages as described in the damages clause in this contract.
- b. The State has the right to remedy the breach in the absence of any indicated attempt by the Purchaser or if Purchaser is unable, as determined by the State, to remedy the breach. Any expense incurred by the State shall be charged to Purchaser and shall be paid within thirty (30) days of receipt of billing.
- c. If Purchaser's violation is a result of a failure to make payment to the State when due, in addition to (a.) above, interest shall accrue on the unpaid balance at 12 percent per annum, beginning the date payment was due. The State may secure payments from the security provided.

G-240.2 Dispute Resolution

The following procedures apply in the event of a dispute regarding interpretation or administration of this contract and the parties agree that these procedures must be followed before a lawsuit can be initiated.

- a. In the event of a dispute, Purchaser must make a written request to the Region Manager for resolution prior to seeking other relief.
- b. The Region Manager will issue a written decision on Purchaser's request within five business days.

- c. Within five business days of receipt of the Region Manager's decision, the Purchaser may make a written request for resolution to the Deputy Supervisor - Uplands of the Department of Natural Resources.
- d. Unless otherwise agreed, the Deputy Supervisor - Uplands will hold a conference within 15 calendar days of the receipt of Purchaser's request for review of the Region Manager's written decision. Purchaser and the Region Manager will have an opportunity to present their positions. The Deputy Supervisor - Uplands will issue a decision within a reasonable time of being presented with both Parties' positions.

G-252.2 Forest Excise Tax

Purchaser shall be responsible for payment of all forest excise taxes pursuant to chapter 84.33 RCW.

G-253.2 Harvesting Cost Information

The State agrees to supply all harvesting cost information to the Purchaser for their consideration in payment of forest excise taxes.

G-260 Venue

This contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in Thurston County Superior Court.

G-330.2 Contract Review

Purchaser may arrange with the Contract Administrator to review the provisions of this contract prior to the delivery of forest products.

Section P: Payments and Securities**P-010 Initial Deposit**

Purchaser paid DATA MISSING initial deposit, which will be maintained pursuant to RCW 79.15.100(3). If the operating authority on this contract expires without Purchaser's payment of the full amount specified in the 'Payment for Forest Products' clause, the initial deposit will be immediately forfeited to the State, and will be offset against Purchaser's remaining balance due. Any excess initial deposit funds not needed to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

P-028.2 Payment for Forest Products Delivered

Purchaser agrees to pay the State for delivered forest products at the following rate:

\$0.00/MBF

Purchaser agrees to increase the above delivered payment rate as approved by the State in the event the location of delivery is changed per the G-026.2 clause.

P-036.2 Missorts and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet the sorting specifications in G-022.2 where species are incorrect, are scaled over 1” outside the listed diameter specifications, or ponderosa pine with blue stain are considered mis-sorts.

However, when mis-sorted Forest Products amount to more than 3% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-sort threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-sort payment reduction is subject to State approval and shall be determined by the State’s delivered product analysis. Forest Products determined by the State eligible for mis-sort price reduction are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-sorted will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times R$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor

0.3 for mis-sort except for blue stain

0.4 for mis-sort related to blue stain

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-sort payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser’s exclusive remedy for mis-sorts shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code

P-037.2 Mismatch and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths and Forest Products delivered not meeting minimum log quality specifications as described in the G-024.2 clause are considered mis-manufactured. Purchaser receiving mis-manufactured Forest Products is required to pay the State at the bid price under this contract.

However, when mis-manufactured Forest Products amount to more than 5% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-manufacture payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-manufacture price reductions are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-manufactured will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times (0.2)$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-manufacture payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-manufacture shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-038.2 Average Log Length and Payment Reduction

If the average log length for all logs delivered under this contract is less than the average log length specified in the table in clause G-024.2, The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028.2 by the total volume delivered, and the difference between the average length of logs delivered and the average log length specified in G-024.2, times 1% as follows:

$$\text{Log Length Payment Reduction} = (B \times V \times L) \times (.01)$$

Where:

B = Bid rate from P-028.2 clause

V = total delivered log Volume

L = Length in feet below specified average (rounded to nearest

1/10th)

Third party scaling organization information is required to determine Scribner mbf and Average log length for payment reduction purposes. Average log length is determined on a piece count basis. Value of log length price reduction will be derived from the applicable sort value as described in this contract.

Scale information for determining Average log length for payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for below average log lengths shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-040.2 Weighing and Scaling Costs

Purchaser agrees to pay for all weighing costs for logs delivered regardless if logs are purchased on a weight or scale basis. In addition, Purchaser agrees to pay for all scaling costs for logs delivered on a scale basis. Purchaser also agrees to pay for all costs associated with the transmission and reporting of scale or weight data.

P-045.2 Guarantee of Payment

Prior to the delivery of forest products and at a date determined by the State, Purchaser shall guarantee payment to the State for products delivered by posting with the State an approved payment security. If the Purchaser has purchased more than one sort, the payment securities may be consolidated for all the sorts. Acceptable payment security includes cash, certificate of deposit assignment, payment bond, savings account assignment, or irrevocable bank letter of credit.

The amount of payment security shall be determined by the State. The amount of payment security shall represent at least 30 days value of forest product deliveries. Payment security for products delivered will be used to guarantee payment to the State for late or non-payments.

If at any time the State determines that the security has become unsatisfactory or a demand is made against the payment security, the Purchaser agrees to increase the amount or replace the security with one acceptable to the state within 5 business days. Failure to increase the amount or replace the security is considered a breach of contract.

P-050.2 Billing and Payment Procedure for Forest Products Delivered

The State will compute and forward to Purchaser a billing statement of charges for forest products delivered during the billing period at the delivered rate shown in P-028.2 clause. After receipt of the billing statement, Purchaser's payment must be received by the Department of Natural Resources on or before the due date shown on the billing statement. Purchaser agrees to make payment, payable to the Department of Natural Resources. Failure to pay on time for forest products delivered is considered a breach of contract.

Included with the billing statement will be a summary report for the billing period compiled by the State or their log and load reporting service.

The State will adjust final billings to account for any State approved payment reductions.

P-080 Payment Account Refund

Advance payments made under P-045 or P-045.2 remaining on account above the value for the charges shall be returned to Purchaser within 30 days following the final report of charges. Refunds not made within the 30 day period will accrue interest at the interest rate, as established by WAC 332-100-030, computed on a daily basis until paid.

Section L: Log Definitions and Accountability

L-010.2 Forest Products Conveyed

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clauses G-022.2 and G-024.2 of this contract

L-014.2 Sorts Delivered to Incorrect Destination

Purchaser has agreed to purchase the sort as described in the G-022.2 clause. In the event a load from a different sort is delivered to Purchaser, Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load, provisions in the P-035.2 or P-036.2 clause may apply.

L-071.2 Log and Load Reporting Service

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within of logs being measured or weighed.

If during the term of this contract, the State discontinues use of the Log and Load Reporting Service, the State will notify the Purchaser in writing, and will approve an alternative log and load reporting process.

L-080 Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Westside log scaling and grading rules and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

Special scaling specifications shall be noted on the State's Brand Designation form which is hereby incorporated to this contract by reference.

L-110 State Approval of Log Scaling and Weighing Locations

Forest Product measurement and weighing facilities required by this contract must be approved by the State. Forest products sold under the contract which require log scaling shall be scaled, measured, or counted by a State approved third party log scaling organization. Forest products sold under the contract which require weighing shall be weighed at a location that meets Washington State Department of Agriculture approval.

Prior to forest products being hauled, the Contract Administrator must authorize in writing the use of State approved measurement and/or weighing facilities that are at or en-route to final destinations. Forest products from this sale shall be measured or weighed at facilities, which are currently approved for use by the State and are currently authorized for this sale. The State reserves the right to verify load volume and weights with State employees or contractors at the State's own expense. The State reserves the right to revoke the authorization of previously approved measurement locations.

Section D: Damages**D-010 Liquidated Damages**

The clauses in the DAMAGES section of this contract provide for payments by Purchaser to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. These liquidated damages provisions are agreed to by the State and Purchaser with the understanding of the difficulty of proving loss and the inconvenience or infeasibility of obtaining an adequate remedy. These liquidated damages provisions provide greater certainty for the Purchaser by allowing the Purchaser to better assess its responsibilities under the contract.

D-026.2 Damages for Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.
- b. Unless Purchaser and the State have made a prior agreement in writing, Purchaser's failure to accept at least the number of delivered loads as described in the G-027.2 (d) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$200 per each truck delivery not accepted, until breach is remedied.

D-027.2 Failure to Accept Forest Products Sold

Purchaser's failure to accept all or part of the forest products sold in this agreement prior to expiration or completion of the contract results in substantial injury to the State. Except for reasons other than 'Force Majeure' (G-056.2), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept forest products does not prevent further harvesting operations, or forest products can be re-sold to another buyer acceptable to the State, Purchaser shall be liable for and pay State for actual damages plus costs, as determined by the State associated with the administration and re-sale of forest products not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept forest products causes a stoppage of the State's harvesting operations and prevents the State from further harvest of the sale area, the actual damage to the State and associated costs are difficult to assess. The remaining value of all the forest products left in the sale area once the stoppage occurs is not readily ascertainable. Purchaser's failure to perform disrupts the State's management plans. Therefore, Purchaser agrees to pay the State as liquidated damages, a sum calculated using the following formula:

$$LD = (.35V - I) + C + A - P$$

Where:

- LD = Liquidated Damages
V = The stumpage value remaining in the sale area at the date of work stoppage. This will be determined by multiplying the contract bid rate contained in the P-028.2 clause for all sorts originating in the sale area, by the State's estimate of the remaining volume, less the cost of harvesting and delivery associated with each sort.
I = Initial Deposit
C = Costs associated with required harvesting services and road construction services prior to work stoppage but not amortized or paid.
A = Administrative fee = \$2,500.00
P = Advance payments received exceeding the value of logs delivered under this contract.

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

$$\text{Interest} = r \times LD \times N$$

Where:

r = daily equivalent of an annual interest at current interest rate as established by WAC 332-100-030.

N = Number of days from work stoppage to time of payment

D-030.2 Inadequate Log Accountability

Failure to provide weighing and third party scaling information result in substantial injury to the State. The potential loss of accountability is not readily ascertainable. These contractual breaches result in an increase in the potential for the delivery of forest products for which the State receives inadequate payment and causes an increase in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Purchaser's payments for forest product delivery under this contract will be increased in the following amounts, as liquidated damages, to compensate the State for these breaches: \$250.00 each time a load weight is not provided as required by the contract, and \$250.00 each time load scale data is not determined and provided by a State approved third party scaling organization in accordance with this contract.

IN WITNESS WHEREOF, the Parties hereto have entered into this contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Purchaser

Jean Fike
Northwest Region Manager

Date: _____
Address: _____

Date: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____

_____ to me known to be the _____ of the corporation

that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument.

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

Notary Public in and for the State of

My appointment expires _____

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-093660

SALE NAME: Walnut Sort 05

**THE STATE OF WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY
CAPACITY, STATE, AND PURCHASER, AGREE AS FOLLOWS:**

Section G: General Terms

G-001.2 Definitions

The following definitions apply throughout this contract;

Contract Administrator: Region Manager's designee responsible for assuring that the contractual obligations of the Purchaser and Contractor are met.

Contractor: State-selected harvester responsible to perform all duties as required by the Harvesting Services Contract, including but not limited to timber harvesting, road construction, debris removal and piling, hauling and delivery of forest products for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

Delivery: Occurs when logs or forest products meeting the sorting specifications arrive at the Purchasers destination, as described in the contract.

Forest Product: Any material derived from the forest for commercial use.

Harvesting: A general term, referring to the Contractor's various obligations under the Harvesting Services Contract.

Harvesting Services Contract: Contract between the Contractor and the State, which sets forth the procedures and obligations of the Contractor for completing the harvesting of timber, and the delivery of various log sorts to the State’s purchasers, and the payment obligations of the State, The Harvesting Services Contract will include a Road Plan for any road construction or reconstruction, where applicable.

Log Sale and Purchase Contract: Purchase Agreement between the State and Purchaser(s) of particular log sorts from the timber sale.

Purchaser: The company or individual that has entered a Log Sale Contract with the State for individual log sorts from the timber sale area. The Contractor must deliver the designated log sorts to this company or individual. Contractor will likely be delivering different log sorts to different purchasers under the Harvesting Services Contract.

State: The Washington State Department of Natural Resources, landowner and seller of forest products from the timber sale area. The State is represented by the Region Manager as designated on the contract signature page. Contractual obligations to the State are enforced by the Region Manager or the designated Contract Administrator.

G-010.2 Products Sold and Sale Area

Purchaser was the successful bidder on May 25, 2016 and sale was confirmed on _____. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the WALNUT VDT and VRH Sorts Timber Sale described as parts of Sections 2, 3, 11, and 14 all in Township 36 North, Range 3 East W.M., in Skagit County.

G-022.2 Sorting Specifications

Purchaser shall accept and pay for delivery of log sorts by a state selected contractor to the designated Purchaser location that meets the following specifications:

Agreement No.	Sort #	Description	Destination
93660	5	RC SAWLOG 5"+ SED	

Unless otherwise specified, no blue stain is allowed in Ponderosa pine.

G-024.2 Manufacturing Standards

All forest products except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting preferred log lengths and to achieve the average log length listed.

Agreement No.	Sort #	Scaling Rule
93660	05	WS

Average Log Length	Preferred Log Lengths
26	

"WS" indicates that west side scaling rules apply. Minimum trim is 8 inches per scaling segment for west side scaling rules. "ES" indicates that east side scaling rules apply. Minimum trim is 4 inches per scaling segment for east side scaling rules.

Poles produced under this contract will be manufactured to ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract.

- a. Sweep will be limited to within the bole of the log as measured using a tape stretched between the centers of each end of the log.
- b. Logs approved by the state for peelers shall be chuckable with no more than a 2 inch diameter area of rot within a 5 inch diameter circle located at the center of either end of the log.
- c. Limbs and knots shall be cut flush, with no more than 15 percent of a log having limbs or knots over 2 inches in diameter extending more than 2 inches above the surface of the log.
- d.

G-026.2 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-022.2 clause. Purchaser may make a written request to the State for a change in log delivery destination or scaling or weighing location. If agreeable and in the best interest of the State, the State may approve the Purchaser's request. Written approval must be granted by the State prior to log delivery to a new destination or use of a new scaling or weighing facility.

Increased haul distance shall result in an increase in the P-028.2 log delivery payment rate in an amount to be calculated by the State. In no circumstance shall the payment rate for delivered logs be reduced as a result of a state approved delivery destination or scaling or weighing facility change.

Purchaser may refuse loads delivered to the wrong destination.

G-027.2 Log Delivery Schedule and Conditions

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall

remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.

- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
 1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
 2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

G-030.2 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending January 6, 2017.

G-054.2 Early Contract Termination

The State may terminate this contract in whole or in part by giving fifteen (15) days written notice to the Purchaser when it is in the best interests of the State. If this contract is so terminated, the State shall be liable only for the return of that portion of the initial deposit that is not required for payment, and the return of unapplied payments. The State shall not be liable for damages, whether direct or consequential.

G-056.2 Force Majeure

No Party shall be liable for any failure to perform its obligations, other than payments due, where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, or other natural disaster), war, act of foreign enemies, hostilities (whether war is declared or not), terrorist activities, government sanction, fire, labor dispute, strike or lockout.

Any Party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

In the event of Force Majeure, the State reserves the right to terminate this agreement in accordance with clause G-054.2 'Early Contract Termination'.

G-060.2 Exclusion of Warranties

The PARTIES AGREE that the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE and ALL OTHER WARRANTIES EXPRESSED OR IMPLIED ARE EXCLUDED from this transaction and shall not apply to the goods to be harvested or sold. For example, THE FOLLOWING SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.
- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

G-065 Regulatory Disclaimer

The State disclaims any responsibility for, or liability relating to, regulatory actions by any government agency, including actions pursuant to the Forest Practices Act, Ch. 76.09 RCW that may affect the operability of the timber sale.

G-070.2 Limitation on Damage

In the event of a breach of any provision of this contract by the State, the liability of the State shall be limited to return of the unused initial deposit and unapplied payments to the Purchaser. The State shall not be liable for any damages, whether direct, incidental, or consequential.

G-112.2 Title

The State hereby warrants that State is the owner of said logs and has the right to sell same, free of liens, encumbrances, or claims, but subject to trade restrictions promulgated in WAC 240-15-015. Purchaser assumes title and all risk and responsibility for said logs upon delivery.

G-116.2 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: BV-SFIS-US09000572.

G-160.2 Agents

The State's rights and duties will be exercised by the Region Manager at Sedro Woolley, Washington. The Region Manager will notify Purchaser in writing who is responsible for administering the contract. The Region Manager has sole authority to waive, modify, or amend the terms of this contract in the manner prescribed in clause G-180. No agent, employee, or representative of the State has any authority to bind the State to any affirmation, representation, or warranty concerning the logs conveyed beyond the terms of this contract.

The Purchaser agrees to notify the State in writing of their authorized representative at the log delivery destination who will be readily available and who shall be authorized to receive, on behalf of the Purchaser any instructions or notices given by the State in regard to performance under this contract, and any limits to this person's authority.

G-180 Modifications

Waivers, modifications, or amendments of the terms of this contract must be in writing signed by Purchaser and the State.

G-190 Contract Complete

This contract is the final expression of the Parties' agreement. There are no understandings, agreements, or representations, expressed or implied, which are not specified in this contract.

G-200.2 Notice

Notices required to be given under the following clauses shall be in writing and shall be delivered to the State or Purchaser's authorized agent or sent by certified mail to the Purchaser's post office address, so that their receipt may be acknowledged.

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

All other notices required to be given under this contract shall be in writing and delivered to their respective authorized agent or mailed to the Party's post office address. Parties agree to notify the other of any change of mailing address.

G-210.2 Violation of Contract

- a. If Purchaser violates any provision of this contract, the Contract Administrator, by written notice, may suspend delivery of further loads of forest products. If the violation is capable of being remedied, the Purchaser has five (5) days after receipt of suspension notice to remedy the violation. If the violation cannot be remedied (such as violation of WAC 240-15-015) or Purchaser fails to remedy the violation within five (5) days after receipt of a suspension notice, the State may terminate the rights of the Purchaser under this contract and collect damages as described in the damages clause in this contract.
- b. The State has the right to remedy the breach in the absence of any indicated attempt by the Purchaser or if Purchaser is unable, as determined by the State, to remedy the breach. Any expense incurred by the State shall be charged to Purchaser and shall be paid within thirty (30) days of receipt of billing.
- c. If Purchaser's violation is a result of a failure to make payment to the State when due, in addition to (a.) above, interest shall accrue on the unpaid balance at 12 percent per annum, beginning the date payment was due. The State may secure payments from the security provided.

G-240.2 Dispute Resolution

The following procedures apply in the event of a dispute regarding interpretation or administration of this contract and the parties agree that these procedures must be followed before a lawsuit can be initiated.

- a. In the event of a dispute, Purchaser must make a written request to the Region Manager for resolution prior to seeking other relief.
- b. The Region Manager will issue a written decision on Purchaser's request within five business days.

- c. Within five business days of receipt of the Region Manager's decision, the Purchaser may make a written request for resolution to the Deputy Supervisor - Uplands of the Department of Natural Resources.
- d. Unless otherwise agreed, the Deputy Supervisor - Uplands will hold a conference within 15 calendar days of the receipt of Purchaser's request for review of the Region Manager's written decision. Purchaser and the Region Manager will have an opportunity to present their positions. The Deputy Supervisor - Uplands will issue a decision within a reasonable time of being presented with both Parties' positions.

G-252.2 Forest Excise Tax

Purchaser shall be responsible for payment of all forest excise taxes pursuant to chapter 84.33 RCW.

G-253.2 Harvesting Cost Information

The State agrees to supply all harvesting cost information to the Purchaser for their consideration in payment of forest excise taxes.

G-260 Venue

This contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in Thurston County Superior Court.

G-330.2 Contract Review

Purchaser may arrange with the Contract Administrator to review the provisions of this contract prior to the delivery of forest products.

Section P: Payments and Securities**P-010 Initial Deposit**

Purchaser paid DATA MISSING initial deposit, which will be maintained pursuant to RCW 79.15.100(3). If the operating authority on this contract expires without Purchaser's payment of the full amount specified in the 'Payment for Forest Products' clause, the initial deposit will be immediately forfeited to the State, and will be offset against Purchaser's remaining balance due. Any excess initial deposit funds not needed to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

P-028.2 Payment for Forest Products Delivered

Purchaser agrees to pay the State for delivered forest products at the following rate:

\$0.00/MBF

Purchaser agrees to increase the above delivered payment rate as approved by the State in the event the location of delivery is changed per the G-026.2 clause.

P-036.2 Missorts and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet the sorting specifications in G-022.2 where species are incorrect, are scaled over 1” outside the listed diameter specifications, or ponderosa pine with blue stain are considered mis-sorts.

However, when mis-sorted Forest Products amount to more than 3% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-sort threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-sort payment reduction is subject to State approval and shall be determined by the State’s delivered product analysis. Forest Products determined by the State eligible for mis-sort price reduction are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-sorted will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times R$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor

0.3 for mis-sort except for blue stain

0.4 for mis-sort related to blue stain

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-sort payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser’s exclusive remedy for mis-sorts shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code

P-037.2 Mismatch and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths and Forest Products delivered not meeting minimum log quality specifications as described in the G-024.2 clause are considered mis-manufactured. Purchaser receiving mis-manufactured Forest Products is required to pay the State at the bid price under this contract.

However, when mis-manufactured Forest Products amount to more than 5% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-manufacture payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-manufacture price reductions are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-manufactured will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times (0.2)$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-manufacture payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-manufacture shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-038.2 Average Log Length and Payment Reduction

If the average log length for all logs delivered under this contract is less than the average log length specified in the table in clause G-024.2, The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028.2 by the total volume delivered, and the difference between the average length of logs delivered and the average log length specified in G-024.2, times 1% as follows:

$$\text{Log Length Payment Reduction} = (B \times V \times L) \times (.01)$$

Where:

B = Bid rate from P-028.2 clause

V = total delivered log Volume

L = Length in feet below specified average (rounded to nearest

1/10th)

Third party scaling organization information is required to determine Scribner mbf and Average log length for payment reduction purposes. Average log length is determined on a piece count basis. Value of log length price reduction will be derived from the applicable sort value as described in this contract.

Scale information for determining Average log length for payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for below average log lengths shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-040.2 Weighing and Scaling Costs

Purchaser agrees to pay for all weighing costs for logs delivered regardless if logs are purchased on a weight or scale basis. In addition, Purchaser agrees to pay for all scaling costs for logs delivered on a scale basis. Purchaser also agrees to pay for all costs associated with the transmission and reporting of scale or weight data.

P-045.2 Guarantee of Payment

Prior to the delivery of forest products and at a date determined by the State, Purchaser shall guarantee payment to the State for products delivered by posting with the State an approved payment security. If the Purchaser has purchased more than one sort, the payment securities may be consolidated for all the sorts. Acceptable payment security includes cash, certificate of deposit assignment, payment bond, savings account assignment, or irrevocable bank letter of credit.

The amount of payment security shall be determined by the State. The amount of payment security shall represent at least 30 days value of forest product deliveries. Payment security for products delivered will be used to guarantee payment to the State for late or non-payments.

If at any time the State determines that the security has become unsatisfactory or a demand is made against the payment security, the Purchaser agrees to increase the amount or replace the security with one acceptable to the state within 5 business days. Failure to increase the amount or replace the security is considered a breach of contract.

P-050.2 Billing and Payment Procedure for Forest Products Delivered

The State will compute and forward to Purchaser a billing statement of charges for forest products delivered during the billing period at the delivered rate shown in P-028.2 clause. After receipt of the billing statement, Purchaser's payment must be received by the Department of Natural Resources on or before the due date shown on the billing statement. Purchaser agrees to make payment, payable to the Department of Natural Resources. Failure to pay on time for forest products delivered is considered a breach of contract.

Included with the billing statement will be a summary report for the billing period compiled by the State or their log and load reporting service.

The State will adjust final billings to account for any State approved payment reductions.

P-080 Payment Account Refund

Advance payments made under P-045 or P-045.2 remaining on account above the value for the charges shall be returned to Purchaser within 30 days following the final report of charges. Refunds not made within the 30 day period will accrue interest at the interest rate, as established by WAC 332-100-030, computed on a daily basis until paid.

Section L: Log Definitions and Accountability

L-010.2 Forest Products Conveyed

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clauses G-022.2 and G-024.2 of this contract

L-014.2 Sorts Delivered to Incorrect Destination

Purchaser has agreed to purchase the sort as described in the G-022.2 clause. In the event a load from a different sort is delivered to Purchaser, Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load, provisions in the P-035.2 or P-036.2 clause may apply.

L-071.2 Log and Load Reporting Service

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within of logs being measured or weighed.

If during the term of this contract, the State discontinues use of the Log and Load Reporting Service, the State will notify the Purchaser in writing, and will approve an alternative log and load reporting process.

L-080 Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Westside log scaling and grading rules and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

Special scaling specifications shall be noted on the State's Brand Designation form which is hereby incorporated to this contract by reference.

L-110 State Approval of Log Scaling and Weighing Locations

Forest Product measurement and weighing facilities required by this contract must be approved by the State. Forest products sold under the contract which require log scaling shall be scaled, measured, or counted by a State approved third party log scaling organization. Forest products sold under the contract which require weighing shall be weighed at a location that meets Washington State Department of Agriculture approval.

Prior to forest products being hauled, the Contract Administrator must authorize in writing the use of State approved measurement and/or weighing facilities that are at or en-route to final destinations. Forest products from this sale shall be measured or weighed at facilities, which are currently approved for use by the State and are currently authorized for this sale. The State reserves the right to verify load volume and weights with State employees or contractors at the State's own expense. The State reserves the right to revoke the authorization of previously approved measurement locations.

Section D: Damages**D-010 Liquidated Damages**

The clauses in the DAMAGES section of this contract provide for payments by Purchaser to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. These liquidated damages provisions are agreed to by the State and Purchaser with the understanding of the difficulty of proving loss and the inconvenience or infeasibility of obtaining an adequate remedy. These liquidated damages provisions provide greater certainty for the Purchaser by allowing the Purchaser to better assess its responsibilities under the contract.

D-026.2 Damages for Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.
- b. Unless Purchaser and the State have made a prior agreement in writing, Purchaser's failure to accept at least the number of delivered loads as described in the G-027.2 (d) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$200 per each truck delivery not accepted, until breach is remedied.

D-027.2 Failure to Accept Forest Products Sold

Purchaser's failure to accept all or part of the forest products sold in this agreement prior to expiration or completion of the contract results in substantial injury to the State. Except for reasons other than 'Force Majeure' (G-056.2), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept forest products does not prevent further harvesting operations, or forest products can be re-sold to another buyer acceptable to the State, Purchaser shall be liable for and pay State for actual damages plus costs, as determined by the State associated with the administration and re-sale of forest products not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept forest products causes a stoppage of the State's harvesting operations and prevents the State from further harvest of the sale area, the actual damage to the State and associated costs are difficult to assess. The remaining value of all the forest products left in the sale area once the stoppage occurs is not readily ascertainable. Purchaser's failure to perform disrupts the State's management plans. Therefore, Purchaser agrees to pay the State as liquidated damages, a sum calculated using the following formula:

$$LD = (.35V - I) + C + A - P$$

Where:

- LD = Liquidated Damages
V = The stumpage value remaining in the sale area at the date of work stoppage. This will be determined by multiplying the contract bid rate contained in the P-028.2 clause for all sorts originating in the sale area, by the State's estimate of the remaining volume, less the cost of harvesting and delivery associated with each sort.
I = Initial Deposit
C = Costs associated with required harvesting services and road construction services prior to work stoppage but not amortized or paid.
A = Administrative fee = \$2,500.00
P = Advance payments received exceeding the value of logs delivered under this contract.

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

$$\text{Interest} = r \times LD \times N$$

Where:

r = daily equivalent of an annual interest at current interest rate as established by WAC 332-100-030.

N = Number of days from work stoppage to time of payment

D-030.2 Inadequate Log Accountability

Failure to provide weighing and third party scaling information result in substantial injury to the State. The potential loss of accountability is not readily ascertainable. These contractual breaches result in an increase in the potential for the delivery of forest products for which the State receives inadequate payment and causes an increase in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Purchaser's payments for forest product delivery under this contract will be increased in the following amounts, as liquidated damages, to compensate the State for these breaches: \$250.00 each time a load weight is not provided as required by the contract, and \$250.00 each time load scale data is not determined and provided by a State approved third party scaling organization in accordance with this contract.

IN WITNESS WHEREOF, the Parties hereto have entered into this contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Purchaser

Jean Fike
Northwest Region Manager

Date: _____
Address: _____

Date: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____

_____ to me known to be the _____ of the corporation

that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument.

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

Notary Public in and for the State of

My appointment expires _____

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-093661

SALE NAME: Walnut Sort 06

**THE STATE OF WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY
CAPACITY, STATE, AND PURCHASER, AGREE AS FOLLOWS:**

Section G: General Terms

G-001.2 Definitions

The following definitions apply throughout this contract;

Contract Administrator: Region Manager's designee responsible for assuring that the contractual obligations of the Purchaser and Contractor are met.

Contractor: State-selected harvester responsible to perform all duties as required by the Harvesting Services Contract, including but not limited to timber harvesting, road construction, debris removal and piling, hauling and delivery of forest products for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

Delivery: Occurs when logs or forest products meeting the sorting specifications arrive at the Purchasers destination, as described in the contract.

Forest Product: Any material derived from the forest for commercial use.

Harvesting: A general term, referring to the Contractor's various obligations under the Harvesting Services Contract.

Harvesting Services Contract: Contract between the Contractor and the State, which sets forth the procedures and obligations of the Contractor for completing the harvesting of timber, and the delivery of various log sorts to the State's purchasers, and the payment obligations of the State, The Harvesting Services Contract will include a Road Plan for any road construction or reconstruction, where applicable.

Log Sale and Purchase Contract: Purchase Agreement between the State and Purchaser(s) of particular log sorts from the timber sale.

Purchaser: The company or individual that has entered a Log Sale Contract with the State for individual log sorts from the timber sale area. The Contractor must deliver the designated log sorts to this company or individual. Contractor will likely be delivering different log sorts to different purchasers under the Harvesting Services Contract.

State: The Washington State Department of Natural Resources, landowner and seller of forest products from the timber sale area. The State is represented by the Region Manager as designated on the contract signature page. Contractual obligations to the State are enforced by the Region Manager or the designated Contract Administrator.

G-010.2 Products Sold and Sale Area

Purchaser was the successful bidder on May 25, 2016 and sale was confirmed on _____. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the WALNUT VDT and VRH Sorts Timber Sale described as parts of Sections 2, 3, 11, and 14 all in Township 36 North, Range 3 East W.M., in Skagit County.

G-022.2 Sorting Specifications

Purchaser shall accept and pay for delivery of log sorts by a state selected contractor to the designated Purchaser location that meets the following specifications:

Agreement No.	Sort #	Description	Destination
93661	6	WH SAWLOG 5"+	

Unless otherwise specified, no blue stain is allowed in Ponderosa pine.

G-024.2 Manufacturing Standards

All forest products except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting preferred log lengths and to achieve the average log length listed.

Agreement No.	Sort #	Scaling Rule
93661	06	WS

Average Log Length	Preferred Log Lengths
28	

"WS" indicates that west side scaling rules apply. Minimum trim is 8 inches per scaling segment for west side scaling rules. "ES" indicates that east side scaling rules apply. Minimum trim is 4 inches per scaling segment for east side scaling rules.

Poles produced under this contract will be manufactured to ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract.

- a. Sweep will be limited to within the bole of the log as measured using a tape stretched between the centers of each end of the log.
- b. Logs approved by the state for peelers shall be chuckable with no more than a 2 inch diameter area of rot within a 5 inch diameter circle located at the center of either end of the log.
- c. Limbs and knots shall be cut flush, with no more than 15 percent of a log having limbs or knots over 2 inches in diameter extending more than 2 inches above the surface of the log.
- d.

G-026.2 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-022.2 clause. Purchaser may make a written request to the State for a change in log delivery destination or scaling or weighing location. If agreeable and in the best interest of the State, the State may approve the Purchaser's request. Written approval must be granted by the State prior to log delivery to a new destination or use of a new scaling or weighing facility.

Increased haul distance shall result in an increase in the P-028.2 log delivery payment rate in an amount to be calculated by the State. In no circumstance shall the payment rate for delivered logs be reduced as a result of a state approved delivery destination or scaling or weighing facility change.

Purchaser may refuse loads delivered to the wrong destination.

G-027.2 Log Delivery Schedule and Conditions

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall

remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.

- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
 1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
 2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

G-030.2 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending January 6, 2017.

G-054.2 Early Contract Termination

The State may terminate this contract in whole or in part by giving fifteen (15) days written notice to the Purchaser when it is in the best interests of the State. If this contract is so terminated, the State shall be liable only for the return of that portion of the initial deposit that is not required for payment, and the return of unapplied payments. The State shall not be liable for damages, whether direct or consequential.

G-056.2 Force Majeure

No Party shall be liable for any failure to perform its obligations, other than payments due, where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, or other natural disaster), war, act of foreign enemies, hostilities (whether war is declared or not), terrorist activities, government sanction, fire, labor dispute, strike or lockout.

Any Party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

In the event of Force Majeure, the State reserves the right to terminate this agreement in accordance with clause G-054.2 'Early Contract Termination'.

G-060.2 Exclusion of Warranties

The PARTIES AGREE that the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE and ALL OTHER WARRANTIES EXPRESSED OR IMPLIED ARE EXCLUDED from this transaction and shall not apply to the goods to be harvested or sold. For example, THE FOLLOWING SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.
- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

G-065 Regulatory Disclaimer

The State disclaims any responsibility for, or liability relating to, regulatory actions by any government agency, including actions pursuant to the Forest Practices Act, Ch. 76.09 RCW that may affect the operability of the timber sale.

G-070.2 Limitation on Damage

In the event of a breach of any provision of this contract by the State, the liability of the State shall be limited to return of the unused initial deposit and unapplied payments to the Purchaser. The State shall not be liable for any damages, whether direct, incidental, or consequential.

G-112.2 Title

The State hereby warrants that State is the owner of said logs and has the right to sell same, free of liens, encumbrances, or claims, but subject to trade restrictions promulgated in WAC 240-15-015. Purchaser assumes title and all risk and responsibility for said logs upon delivery.

G-116.2 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: BV-SFIS-US09000572.

G-160.2 Agents

The State's rights and duties will be exercised by the Region Manager at Sedro Woolley, Washington. The Region Manager will notify Purchaser in writing who is responsible for administering the contract. The Region Manager has sole authority to waive, modify, or amend the terms of this contract in the manner prescribed in clause G-180. No agent, employee, or representative of the State has any authority to bind the State to any affirmation, representation, or warranty concerning the logs conveyed beyond the terms of this contract.

The Purchaser agrees to notify the State in writing of their authorized representative at the log delivery destination who will be readily available and who shall be authorized to receive, on behalf of the Purchaser any instructions or notices given by the State in regard to performance under this contract, and any limits to this person's authority.

G-180 Modifications

Waivers, modifications, or amendments of the terms of this contract must be in writing signed by Purchaser and the State.

G-190 Contract Complete

This contract is the final expression of the Parties' agreement. There are no understandings, agreements, or representations, expressed or implied, which are not specified in this contract.

G-200.2 Notice

Notices required to be given under the following clauses shall be in writing and shall be delivered to the State or Purchaser's authorized agent or sent by certified mail to the Purchaser's post office address, so that their receipt may be acknowledged.

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

All other notices required to be given under this contract shall be in writing and delivered to their respective authorized agent or mailed to the Party's post office address. Parties agree to notify the other of any change of mailing address.

G-210.2 Violation of Contract

- a. If Purchaser violates any provision of this contract, the Contract Administrator, by written notice, may suspend delivery of further loads of forest products. If the violation is capable of being remedied, the Purchaser has five (5) days after receipt of suspension notice to remedy the violation. If the violation cannot be remedied (such as violation of WAC 240-15-015) or Purchaser fails to remedy the violation within five (5) days after receipt of a suspension notice, the State may terminate the rights of the Purchaser under this contract and collect damages as described in the damages clause in this contract.
- b. The State has the right to remedy the breach in the absence of any indicated attempt by the Purchaser or if Purchaser is unable, as determined by the State, to remedy the breach. Any expense incurred by the State shall be charged to Purchaser and shall be paid within thirty (30) days of receipt of billing.
- c. If Purchaser's violation is a result of a failure to make payment to the State when due, in addition to (a.) above, interest shall accrue on the unpaid balance at 12 percent per annum, beginning the date payment was due. The State may secure payments from the security provided.

G-240.2 Dispute Resolution

The following procedures apply in the event of a dispute regarding interpretation or administration of this contract and the parties agree that these procedures must be followed before a lawsuit can be initiated.

- a. In the event of a dispute, Purchaser must make a written request to the Region Manager for resolution prior to seeking other relief.
- b. The Region Manager will issue a written decision on Purchaser's request within five business days.

- c. Within five business days of receipt of the Region Manager's decision, the Purchaser may make a written request for resolution to the Deputy Supervisor - Uplands of the Department of Natural Resources.
- d. Unless otherwise agreed, the Deputy Supervisor - Uplands will hold a conference within 15 calendar days of the receipt of Purchaser's request for review of the Region Manager's written decision. Purchaser and the Region Manager will have an opportunity to present their positions. The Deputy Supervisor - Uplands will issue a decision within a reasonable time of being presented with both Parties' positions.

G-252.2 Forest Excise Tax

Purchaser shall be responsible for payment of all forest excise taxes pursuant to chapter 84.33 RCW.

G-253.2 Harvesting Cost Information

The State agrees to supply all harvesting cost information to the Purchaser for their consideration in payment of forest excise taxes.

G-260 Venue

This contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in Thurston County Superior Court.

G-330.2 Contract Review

Purchaser may arrange with the Contract Administrator to review the provisions of this contract prior to the delivery of forest products.

Section P: Payments and Securities**P-010 Initial Deposit**

Purchaser paid DATA MISSING initial deposit, which will be maintained pursuant to RCW 79.15.100(3). If the operating authority on this contract expires without Purchaser's payment of the full amount specified in the 'Payment for Forest Products' clause, the initial deposit will be immediately forfeited to the State, and will be offset against Purchaser's remaining balance due. Any excess initial deposit funds not needed to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

P-028.2 Payment for Forest Products Delivered

Purchaser agrees to pay the State for delivered forest products at the following rate:

\$0.00/MBF

Purchaser agrees to increase the above delivered payment rate as approved by the State in the event the location of delivery is changed per the G-026.2 clause.

P-036.2 Missorts and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet the sorting specifications in G-022.2 where species are incorrect, are scaled over 1” outside the listed diameter specifications, or ponderosa pine with blue stain are considered mis-sorts.

However, when mis-sorted Forest Products amount to more than 3% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-sort threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-sort payment reduction is subject to State approval and shall be determined by the State’s delivered product analysis. Forest Products determined by the State eligible for mis-sort price reduction are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-sorted will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times R$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor

0.3 for mis-sort except for blue stain

0.4 for mis-sort related to blue stain

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-sort payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser’s exclusive remedy for mis-sorts shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code

P-037.2 Mismatch and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths and Forest Products delivered not meeting minimum log quality specifications as described in the G-024.2 clause are considered mis-manufactured. Purchaser receiving mis-manufactured Forest Products is required to pay the State at the bid price under this contract.

However, when mis-manufactured Forest Products amount to more than 5% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-manufacture payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-manufacture price reductions are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-manufactured will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times (0.2)$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-manufacture payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-manufacture shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-038.2 Average Log Length and Payment Reduction

If the average log length for all logs delivered under this contract is less than the average log length specified in the table in clause G-024.2, The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028.2 by the total volume delivered, and the difference between the average length of logs delivered and the average log length specified in G-024.2, times 1% as follows:

$$\text{Log Length Payment Reduction} = (B \times V \times L) \times (.01)$$

Where:

B = Bid rate from P-028.2 clause

V = total delivered log Volume

L = Length in feet below specified average (rounded to nearest

1/10th)

Third party scaling organization information is required to determine Scribner mbf and Average log length for payment reduction purposes. Average log length is determined on a piece count basis. Value of log length price reduction will be derived from the applicable sort value as described in this contract.

Scale information for determining Average log length for payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for below average log lengths shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-040.2 Weighing and Scaling Costs

Purchaser agrees to pay for all weighing costs for logs delivered regardless if logs are purchased on a weight or scale basis. In addition, Purchaser agrees to pay for all scaling costs for logs delivered on a scale basis. Purchaser also agrees to pay for all costs associated with the transmission and reporting of scale or weight data.

P-045.2 Guarantee of Payment

Prior to the delivery of forest products and at a date determined by the State, Purchaser shall guarantee payment to the State for products delivered by posting with the State an approved payment security. If the Purchaser has purchased more than one sort, the payment securities may be consolidated for all the sorts. Acceptable payment security includes cash, certificate of deposit assignment, payment bond, savings account assignment, or irrevocable bank letter of credit.

The amount of payment security shall be determined by the State. The amount of payment security shall represent at least 30 days value of forest product deliveries. Payment security for products delivered will be used to guarantee payment to the State for late or non-payments.

If at any time the State determines that the security has become unsatisfactory or a demand is made against the payment security, the Purchaser agrees to increase the amount or replace the security with one acceptable to the state within 5 business days. Failure to increase the amount or replace the security is considered a breach of contract.

P-050.2 Billing and Payment Procedure for Forest Products Delivered

The State will compute and forward to Purchaser a billing statement of charges for forest products delivered during the billing period at the delivered rate shown in P-028.2 clause. After receipt of the billing statement, Purchaser's payment must be received by the Department of Natural Resources on or before the due date shown on the billing statement. Purchaser agrees to make payment, payable to the Department of Natural Resources. Failure to pay on time for forest products delivered is considered a breach of contract.

Included with the billing statement will be a summary report for the billing period compiled by the State or their log and load reporting service.

The State will adjust final billings to account for any State approved payment reductions.

P-080 Payment Account Refund

Advance payments made under P-045 or P-045.2 remaining on account above the value for the charges shall be returned to Purchaser within 30 days following the final report of charges. Refunds not made within the 30 day period will accrue interest at the interest rate, as established by WAC 332-100-030, computed on a daily basis until paid.

Section L: Log Definitions and Accountability

L-010.2 Forest Products Conveyed

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clauses G-022.2 and G-024.2 of this contract

L-014.2 Sorts Delivered to Incorrect Destination

Purchaser has agreed to purchase the sort as described in the G-022.2 clause. In the event a load from a different sort is delivered to Purchaser, Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load, provisions in the P-035.2 or P-036.2 clause may apply.

L-071.2 Log and Load Reporting Service

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within of logs being measured or weighed.

If during the term of this contract, the State discontinues use of the Log and Load Reporting Service, the State will notify the Purchaser in writing, and will approve an alternative log and load reporting process.

L-080 Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Westside log scaling and grading rules and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

Special scaling specifications shall be noted on the State's Brand Designation form which is hereby incorporated to this contract by reference.

L-110 State Approval of Log Scaling and Weighing Locations

Forest Product measurement and weighing facilities required by this contract must be approved by the State. Forest products sold under the contract which require log scaling shall be scaled, measured, or counted by a State approved third party log scaling organization. Forest products sold under the contract which require weighing shall be weighed at a location that meets Washington State Department of Agriculture approval.

Prior to forest products being hauled, the Contract Administrator must authorize in writing the use of State approved measurement and/or weighing facilities that are at or en-route to final destinations. Forest products from this sale shall be measured or weighed at facilities, which are currently approved for use by the State and are currently authorized for this sale. The State reserves the right to verify load volume and weights with State employees or contractors at the State's own expense. The State reserves the right to revoke the authorization of previously approved measurement locations.

Section D: Damages**D-010 Liquidated Damages**

The clauses in the DAMAGES section of this contract provide for payments by Purchaser to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. These liquidated damages provisions are agreed to by the State and Purchaser with the understanding of the difficulty of proving loss and the inconvenience or infeasibility of obtaining an adequate remedy. These liquidated damages provisions provide greater certainty for the Purchaser by allowing the Purchaser to better assess its responsibilities under the contract.

D-026.2 Damages for Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.
- b. Unless Purchaser and the State have made a prior agreement in writing, Purchaser's failure to accept at least the number of delivered loads as described in the G-027.2 (d) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$200 per each truck delivery not accepted, until breach is remedied.

D-027.2 Failure to Accept Forest Products Sold

Purchaser's failure to accept all or part of the forest products sold in this agreement prior to expiration or completion of the contract results in substantial injury to the State. Except for reasons other than 'Force Majeure' (G-056.2), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept forest products does not prevent further harvesting operations, or forest products can be re-sold to another buyer acceptable to the State, Purchaser shall be liable for and pay State for actual damages plus costs, as determined by the State associated with the administration and re-sale of forest products not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept forest products causes a stoppage of the State's harvesting operations and prevents the State from further harvest of the sale area, the actual damage to the State and associated costs are difficult to assess. The remaining value of all the forest products left in the sale area once the stoppage occurs is not readily ascertainable. Purchaser's failure to perform disrupts the State's management plans. Therefore, Purchaser agrees to pay the State as liquidated damages, a sum calculated using the following formula:

$$LD = (.35V - I) + C + A - P$$

Where:

- LD = Liquidated Damages
V = The stumpage value remaining in the sale area at the date of work stoppage. This will be determined by multiplying the contract bid rate contained in the P-028.2 clause for all sorts originating in the sale area, by the State's estimate of the remaining volume, less the cost of harvesting and delivery associated with each sort.
I = Initial Deposit
C = Costs associated with required harvesting services and road construction services prior to work stoppage but not amortized or paid.
A = Administrative fee = \$2,500.00
P = Advance payments received exceeding the value of logs delivered under this contract.

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

$$\text{Interest} = r \times LD \times N$$

Where:

r = daily equivalent of an annual interest at current interest rate as established by WAC 332-100-030.

N = Number of days from work stoppage to time of payment

D-030.2 Inadequate Log Accountability

Failure to provide weighing and third party scaling information result in substantial injury to the State. The potential loss of accountability is not readily ascertainable. These contractual breaches result in an increase in the potential for the delivery of forest products for which the State receives inadequate payment and causes an increase in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Purchaser's payments for forest product delivery under this contract will be increased in the following amounts, as liquidated damages, to compensate the State for these breaches: \$250.00 each time a load weight is not provided as required by the contract, and \$250.00 each time load scale data is not determined and provided by a State approved third party scaling organization in accordance with this contract.

IN WITNESS WHEREOF, the Parties hereto have entered into this contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Purchaser

Jean Fike
Northwest Region Manager

Date: _____
Address: _____

Date: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

_____)

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____

_____ to me known to be the _____ of the corporation

that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument.

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

Notary Public in and for the State of

My appointment expires _____

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-093662

SALE NAME: Walnut Sort 07

**THE STATE OF WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY
CAPACITY, STATE, AND PURCHASER, AGREE AS FOLLOWS:**

Section G: General Terms

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The following definitions apply throughout this contract;

Contract Administrator: Region Manager's designee responsible for assuring that the contractual obligations of the Purchaser and Contractor are met.

Contractor: State-selected harvester responsible to perform all duties as required by the Harvesting Services Contract, including but not limited to timber harvesting, road construction, debris removal and piling, hauling and delivery of forest products for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

Delivery: Occurs when logs or forest products meeting the sorting specifications arrive at the Purchasers destination, as described in the contract.

Forest Product: Any material derived from the forest for commercial use.

Harvesting: A general term, referring to the Contractor's various obligations under the Harvesting Services Contract.

Harvesting Services Contract: Contract between the Contractor and the State, which sets forth the procedures and obligations of the Contractor for completing the harvesting of timber, and the delivery of various log sorts to the State’s purchasers, and the payment obligations of the State, The Harvesting Services Contract will include a Road Plan for any road construction or reconstruction, where applicable.

Log Sale and Purchase Contract: Purchase Agreement between the State and Purchaser(s) of particular log sorts from the timber sale.

Purchaser: The company or individual that has entered a Log Sale Contract with the State for individual log sorts from the timber sale area. The Contractor must deliver the designated log sorts to this company or individual. Contractor will likely be delivering different log sorts to different purchasers under the Harvesting Services Contract.

State: The Washington State Department of Natural Resources, landowner and seller of forest products from the timber sale area. The State is represented by the Region Manager as designated on the contract signature page. Contractual obligations to the State are enforced by the Region Manager or the designated Contract Administrator.

G-010.2 Products Sold and Sale Area

Purchaser was the successful bidder on May 25, 2016 and sale was confirmed on _____. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the WALNUT VDT and VRH Sorts Timber Sale described as parts of Sections 2, 3, 11, and 14 all in Township 36 North, Range 3 East W.M., in Skagit County.

G-022.2 Sorting Specifications

Purchaser shall accept and pay for delivery of log sorts by a state selected contractor to the designated Purchaser location that meets the following specifications:

Agreement No.	Sort #	Description	Destination
93662	7	CONIFER UTILITY	

Unless otherwise specified, no blue stain is allowed in Ponderosa pine.

G-024.2 Manufacturing Standards

All forest products except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting preferred log lengths and to achieve the average log length listed.

Agreement No.	Sort #	Scaling Rule
93662	07	WS

Average Log Length	Preferred Log Lengths

"WS" indicates that west side scaling rules apply. Minimum trim is 8 inches per scaling segment for west side scaling rules. "ES" indicates that east side scaling rules apply. Minimum trim is 4 inches per scaling segment for east side scaling rules.

Poles produced under this contract will be manufactured to ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract.

- a. Sweep will be limited to within the bole of the log as measured using a tape stretched between the centers of each end of the log.
- b. Logs approved by the state for peelers shall be chuckable with no more than a 2 inch diameter area of rot within a 5 inch diameter circle located at the center of either end of the log.
- c. Limbs and knots shall be cut flush, with no more than 15 percent of a log having limbs or knots over 2 inches in diameter extending more than 2 inches above the surface of the log.
- d.

G-026.2 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-022.2 clause. Purchaser may make a written request to the State for a change in log delivery destination or scaling or weighing location. If agreeable and in the best interest of the State, the State may approve the Purchaser's request. Written approval must be granted by the State prior to log delivery to a new destination or use of a new scaling or weighing facility.

Increased haul distance shall result in an increase in the P-028.2 log delivery payment rate in an amount to be calculated by the State. In no circumstance shall the payment rate for delivered logs be reduced as a result of a state approved delivery destination or scaling or weighing facility change.

Purchaser may refuse loads delivered to the wrong destination.

G-027.2 Log Delivery Schedule and Conditions

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall

remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.

- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
 1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
 2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

G-030.2 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending January 6, 2017.

G-054.2 Early Contract Termination

The State may terminate this contract in whole or in part by giving fifteen (15) days written notice to the Purchaser when it is in the best interests of the State. If this contract is so terminated, the State shall be liable only for the return of that portion of the initial deposit that is not required for payment, and the return of unapplied payments. The State shall not be liable for damages, whether direct or consequential.

G-056.2 Force Majeure

No Party shall be liable for any failure to perform its obligations, other than payments due, where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, or other natural disaster), war, act of foreign enemies, hostilities (whether war is declared or not), terrorist activities, government sanction, fire, labor dispute, strike or lockout.

Any Party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

In the event of Force Majeure, the State reserves the right to terminate this agreement in accordance with clause G-054.2 'Early Contract Termination'.

G-060.2 Exclusion of Warranties

The PARTIES AGREE that the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE and ALL OTHER WARRANTIES EXPRESSED OR IMPLIED ARE EXCLUDED from this transaction and shall not apply to the goods to be harvested or sold. For example, THE FOLLOWING SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.
- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

G-065 Regulatory Disclaimer

The State disclaims any responsibility for, or liability relating to, regulatory actions by any government agency, including actions pursuant to the Forest Practices Act, Ch. 76.09 RCW that may affect the operability of the timber sale.

G-070.2 Limitation on Damage

In the event of a breach of any provision of this contract by the State, the liability of the State shall be limited to return of the unused initial deposit and unapplied payments to the Purchaser. The State shall not be liable for any damages, whether direct, incidental, or consequential.

G-112.2 Title

The State hereby warrants that State is the owner of said logs and has the right to sell same, free of liens, encumbrances, or claims, but subject to trade restrictions promulgated in WAC 240-15-015. Purchaser assumes title and all risk and responsibility for said logs upon delivery.

G-116.2 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: BV-SFIS-US09000572.

G-160.2 Agents

The State's rights and duties will be exercised by the Region Manager at Sedro Woolley, Washington. The Region Manager will notify Purchaser in writing who is responsible for administering the contract. The Region Manager has sole authority to waive, modify, or amend the terms of this contract in the manner prescribed in clause G-180. No agent, employee, or representative of the State has any authority to bind the State to any affirmation, representation, or warranty concerning the logs conveyed beyond the terms of this contract.

The Purchaser agrees to notify the State in writing of their authorized representative at the log delivery destination who will be readily available and who shall be authorized to receive, on behalf of the Purchaser any instructions or notices given by the State in regard to performance under this contract, and any limits to this person's authority.

G-180 Modifications

Waivers, modifications, or amendments of the terms of this contract must be in writing signed by Purchaser and the State.

G-190 Contract Complete

This contract is the final expression of the Parties' agreement. There are no understandings, agreements, or representations, expressed or implied, which are not specified in this contract.

G-200.2 Notice

Notices required to be given under the following clauses shall be in writing and shall be delivered to the State or Purchaser's authorized agent or sent by certified mail to the Purchaser's post office address, so that their receipt may be acknowledged.

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

All other notices required to be given under this contract shall be in writing and delivered to their respective authorized agent or mailed to the Party's post office address. Parties agree to notify the other of any change of mailing address.

G-210.2 Violation of Contract

- a. If Purchaser violates any provision of this contract, the Contract Administrator, by written notice, may suspend delivery of further loads of forest products. If the violation is capable of being remedied, the Purchaser has five (5) days after receipt of suspension notice to remedy the violation. If the violation cannot be remedied (such as violation of WAC 240-15-015) or Purchaser fails to remedy the violation within five (5) days after receipt of a suspension notice, the State may terminate the rights of the Purchaser under this contract and collect damages as described in the damages clause in this contract.
- b. The State has the right to remedy the breach in the absence of any indicated attempt by the Purchaser or if Purchaser is unable, as determined by the State, to remedy the breach. Any expense incurred by the State shall be charged to Purchaser and shall be paid within thirty (30) days of receipt of billing.
- c. If Purchaser's violation is a result of a failure to make payment to the State when due, in addition to (a.) above, interest shall accrue on the unpaid balance at 12 percent per annum, beginning the date payment was due. The State may secure payments from the security provided.

G-240.2 Dispute Resolution

The following procedures apply in the event of a dispute regarding interpretation or administration of this contract and the parties agree that these procedures must be followed before a lawsuit can be initiated.

- a. In the event of a dispute, Purchaser must make a written request to the Region Manager for resolution prior to seeking other relief.
- b. The Region Manager will issue a written decision on Purchaser's request within five business days.

- c. Within five business days of receipt of the Region Manager's decision, the Purchaser may make a written request for resolution to the Deputy Supervisor - Uplands of the Department of Natural Resources.
- d. Unless otherwise agreed, the Deputy Supervisor - Uplands will hold a conference within 15 calendar days of the receipt of Purchaser's request for review of the Region Manager's written decision. Purchaser and the Region Manager will have an opportunity to present their positions. The Deputy Supervisor - Uplands will issue a decision within a reasonable time of being presented with both Parties' positions.

G-252.2 Forest Excise Tax

Purchaser shall be responsible for payment of all forest excise taxes pursuant to chapter 84.33 RCW.

G-253.2 Harvesting Cost Information

The State agrees to supply all harvesting cost information to the Purchaser for their consideration in payment of forest excise taxes.

G-260 Venue

This contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in Thurston County Superior Court.

G-330.2 Contract Review

Purchaser may arrange with the Contract Administrator to review the provisions of this contract prior to the delivery of forest products.

Section P: Payments and Securities**P-010 Initial Deposit**

Purchaser paid DATA MISSING initial deposit, which will be maintained pursuant to RCW 79.15.100(3). If the operating authority on this contract expires without Purchaser's payment of the full amount specified in the 'Payment for Forest Products' clause, the initial deposit will be immediately forfeited to the State, and will be offset against Purchaser's remaining balance due. Any excess initial deposit funds not needed to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

P-028.2 Payment for Forest Products Delivered

Purchaser agrees to pay the State for delivered forest products at the following rate:

\$0.00/Ton

Purchaser agrees to increase the above delivered payment rate as approved by the State in the event the location of delivery is changed per the G-026.2 clause.

P-036.2 Missorts and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet the sorting specifications in G-022.2 where species are incorrect, are scaled over 1” outside the listed diameter specifications, or ponderosa pine with blue stain are considered mis-sorts.

However, when mis-sorted Forest Products amount to more than 3% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-sort threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-sort payment reduction is subject to State approval and shall be determined by the State’s delivered product analysis. Forest Products determined by the State eligible for mis-sort price reduction are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-sorted will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times R$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor

0.3 for mis-sort except for blue stain

0.4 for mis-sort related to blue stain

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-sort payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser’s exclusive remedy for mis-sorts shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code

P-037.2 Mismatch and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths and Forest Products delivered not meeting minimum log quality specifications as described in the G-024.2 clause are considered mis-manufactured. Purchaser receiving mis-manufactured Forest Products is required to pay the State at the bid price under this contract.

However, when mis-manufactured Forest Products amount to more than 5% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-manufacture payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-manufacture price reductions are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-manufactured will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times (0.2)$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-manufacture payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-manufacture shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-039.2 Tonnage Sort Payment Reduction Requirements

Purchaser must provide a plan in writing, acceptable to the State, to acquire third party Scribner mbf scaling information in order to be eligible for a payment reduction for a tonnage sort according to clauses P-036.2 or P-037.2. Logs delivered and accepted by the Purchaser prior to the State's acceptance of Purchaser's written payment reduction plan are not eligible for payment reduction.

Failure of Purchaser to provide sample scale data in a timely, accurate and legible basis will void an approved sample scale plan.

An approved payment reduction plan can be voided at the sole discretion of the State.

For the purpose of tonnage sort payment reduction requests, preferred log lengths for tonnage sawlog sorts shall include the following plus any additional lengths identified in clause G-024.2:

Species Type	Preferred Lengths
Conifer Sorts	16', 20', 24', 26', 32', 40'
Hardwood Sorts	18', 20', 26', 28', 30', 36', 38', 40'

P-040.2 Weighing and Scaling Costs

Purchaser agrees to pay for all weighing costs for logs delivered regardless if logs are purchased on a weight or scale basis. In addition, Purchaser agrees to pay for all scaling costs for logs delivered on a scale basis. Purchaser also agrees to pay for all costs associated with the transmission and reporting of scale or weight data.

P-045.2 Guarantee of Payment

Prior to the delivery of forest products and at a date determined by the State, Purchaser shall guarantee payment to the State for products delivered by posting with the State an approved payment security. If the Purchaser has purchased more than one sort, the payment securities may be consolidated for all the sorts. Acceptable payment security includes cash, certificate of deposit assignment, payment bond, savings account assignment, or irrevocable bank letter of credit.

The amount of payment security shall be determined by the State. The amount of payment security shall represent at least 30 days value of forest product deliveries. Payment security for products delivered will be used to guarantee payment to the State for late or non-payments.

If at any time the State determines that the security has become unsatisfactory or a demand is made against the payment security, the Purchaser agrees to increase the amount or replace the security with one acceptable to the state within 5 business days. Failure to increase the amount or replace the security is considered a breach of contract.

P-050.2 Billing and Payment Procedure for Forest Products Delivered

The State will compute and forward to Purchaser a billing statement of charges for forest products delivered during the billing period at the delivered rate shown in P-028.2 clause. After receipt of the billing statement, Purchaser's payment must be received by the Department of Natural Resources on or before the due date shown on the billing statement. Purchaser agrees to make payment, payable to the Department of Natural Resources. Failure to pay on time for forest products delivered is considered a breach of contract.

Included with the billing statement will be a summary report for the billing period compiled by the State or their log and load reporting service.

The State will adjust final billings to account for any State approved payment reductions.

P-080 Payment Account Refund

Advance payments made under P-045 or P-045.2 remaining on account above the value for the charges shall be returned to Purchaser within 30 days following the final report

of charges. Refunds not made within the 30 day period will accrue interest at the interest rate, as established by WAC 332-100-030, computed on a daily basis until paid.

Section L: Log Definitions and Accountability

L-010.2 Forest Products Conveyed

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clauses G-022.2 and G-024.2 of this contract

L-014.2 Sorts Delivered to Incorrect Destination

Purchaser has agreed to purchase the sort as described in the G-022.2 clause. In the event a load from a different sort is delivered to Purchaser, Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load, provisions in the P-035.2 or P-036.2 clause may apply.

L-071.2 Log and Load Reporting Service

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within of logs being measured or weighed.

If during the term of this contract, the State discontinues use of the Log and Load Reporting Service, the State will notify the Purchaser in writing, and will approve an alternative log and load reporting process.

L-080 Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Westside log scaling and grading rules and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

Special scaling specifications shall be noted on the State's Brand Designation form which is hereby incorporated to this contract by reference.

L-110 State Approval of Log Scaling and Weighing Locations

Forest Product measurement and weighing facilities required by this contract must be approved by the State. Forest products sold under the contract which require log scaling shall be scaled, measured, or counted by a State approved third party log scaling organization. Forest products sold under the contract which require weighing shall be weighed at a location that meets Washington State Department of Agriculture approval.

Prior to forest products being hauled, the Contract Administrator must authorize in writing the use of State approved measurement and/or weighing facilities that are at or en-route to final destinations. Forest products from this sale shall be measured or weighed at facilities, which are currently approved for use by the State and are

currently authorized for this sale. The State reserves the right to verify load volume and weights with State employees or contractors at the State's own expense. The State reserves the right to revoke the authorization of previously approved measurement locations.

Section D: Damages

D-010 Liquidated Damages

The clauses in the DAMAGES section of this contract provide for payments by Purchaser to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. These liquidated damages provisions are agreed to by the State and Purchaser with the understanding of the difficulty of proving loss and the inconvenience or infeasibility of obtaining an adequate remedy. These liquidated damages provisions provide greater certainty for the Purchaser by allowing the Purchaser to better assess its responsibilities under the contract.

D-026.2 Damages for Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.
- b. Unless Purchaser and the State have made a prior agreement in writing, Purchaser's failure to accept at least the number of delivered loads as described in the G-027.2 (d) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$200 per each truck delivery not accepted, until breach is remedied.

D-027.2 Failure to Accept Forest Products Sold

Purchaser's failure to accept all or part of the forest products sold in this agreement prior to expiration or completion of the contract results in substantial injury to the State. Except for reasons other than 'Force Majeure' (G-056.2), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept forest products does not prevent further harvesting operations, or forest products can be re-sold to another buyer acceptable to the State, Purchaser shall be liable for and pay State for actual damages plus costs, as determined by the State associated with the administration and re-sale of forest products not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept forest products causes a stoppage of the State's harvesting operations and prevents the State from further harvest of the sale area, the actual damage to the State and associated costs are difficult to

assess. The remaining value of all the forest products left in the sale area once the stoppage occurs is not readily ascertainable. Purchaser's failure to perform disrupts the State's management plans. Therefore, Purchaser agrees to pay the State as liquidated damages, a sum calculated using the following formula:

$$LD = (.35V-I) + C+ A - P$$

Where:

LD = Liquidated Damages

V = The stumpage value remaining in the sale area at the date of work stoppage. This will be determined by multiplying the contract bid rate contained in the P-028.2 clause for all sorts originating in the sale area, by the State's estimate of the remaining volume, less the cost of harvesting and delivery associated with each sort.

I = Initial Deposit

C = Costs associated with required harvesting services and road construction services prior to work stoppage but not amortized or paid.

A = Administrative fee = \$2,500.00

P = Advance payments received exceeding the value of logs delivered under this contract.

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

$$\text{Interest} = r \times LD \times N$$

Where:

r = daily equivalent of an annual interest at current interest rate as established by WAC 332-100-030.

N = Number of days from work stoppage to time of payment

D-030.2 Inadequate Log Accountability

Failure to provide weighing and third party scaling information result in substantial injury to the State. The potential loss of accountability is not readily ascertainable. These contractual breaches result in an increase in the potential for the delivery of forest products for which the State receives inadequate payment and causes an increase in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Purchaser's payments for forest product delivery under this contract will be increased in the following amounts, as liquidated damages, to compensate the State for these breaches: \$250.00 each time a load weight is not provided as required by the contract, and \$250.00 each time load scale data is not determined and provided by a State approved third party scaling organization in accordance with this contract.

IN WITNESS WHEREOF, the Parties hereto have entered into this contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Purchaser

Jean Fike
Northwest Region Manager

Date: _____

Date: _____

Address:

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

_____)

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____

_____ to me known to be the _____ of the corporation

that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument.

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

Notary Public in and for the State of

My appointment expires _____

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-093663

SALE NAME: Walnut Sort 08

**THE STATE OF WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY
CAPACITY, STATE, AND PURCHASER, AGREE AS FOLLOWS:**

Section G: General Terms

G-001.2 Definitions

The following definitions apply throughout this contract;

Contract Administrator: Region Manager's designee responsible for assuring that the contractual obligations of the Purchaser and Contractor are met.

Contractor: State-selected harvester responsible to perform all duties as required by the Harvesting Services Contract, including but not limited to timber harvesting, road construction, debris removal and piling, hauling and delivery of forest products for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

Delivery: Occurs when logs or forest products meeting the sorting specifications arrive at the Purchasers destination, as described in the contract.

Forest Product: Any material derived from the forest for commercial use.

Harvesting: A general term, referring to the Contractor's various obligations under the Harvesting Services Contract.

Harvesting Services Contract: Contract between the Contractor and the State, which sets forth the procedures and obligations of the Contractor for completing the harvesting of timber, and the delivery of various log sorts to the State’s purchasers, and the payment obligations of the State, The Harvesting Services Contract will include a Road Plan for any road construction or reconstruction, where applicable.

Log Sale and Purchase Contract: Purchase Agreement between the State and Purchaser(s) of particular log sorts from the timber sale.

Purchaser: The company or individual that has entered a Log Sale Contract with the State for individual log sorts from the timber sale area. The Contractor must deliver the designated log sorts to this company or individual. Contractor will likely be delivering different log sorts to different purchasers under the Harvesting Services Contract.

State: The Washington State Department of Natural Resources, landowner and seller of forest products from the timber sale area. The State is represented by the Region Manager as designated on the contract signature page. Contractual obligations to the State are enforced by the Region Manager or the designated Contract Administrator.

G-010.2 Products Sold and Sale Area

Purchaser was the successful bidder on May 25, 2016 and sale was confirmed on _____. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the WALNUT VDT and VRH Sorts Timber Sale described as parts of Sections 2, 3, 11, and 14 all in Township 36 North, Range 3 East W.M., in Skagit County.

G-022.2 Sorting Specifications

Purchaser shall accept and pay for delivery of log sorts by a state selected contractor to the designated Purchaser location that meets the following specifications:

Agreement No.	Sort #	Description	Destination
93663	8	HARDWOOD UTILITY	

Unless otherwise specified, no blue stain is allowed in Ponderosa pine.

G-024.2 Manufacturing Standards

All forest products except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting preferred log lengths and to achieve the average log length listed.

Agreement No.	Sort #	Scaling Rule
93663	08	WS

Average Log Length	Preferred Log Lengths

"WS" indicates that west side scaling rules apply. Minimum trim is 8 inches per scaling segment for west side scaling rules. "ES" indicates that east side scaling rules apply. Minimum trim is 4 inches per scaling segment for east side scaling rules.

Poles produced under this contract will be manufactured to ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract.

- a. Sweep will be limited to within the bole of the log as measured using a tape stretched between the centers of each end of the log.
- b. Logs approved by the state for peelers shall be chuckable with no more than a 2 inch diameter area of rot within a 5 inch diameter circle located at the center of either end of the log.
- c. Limbs and knots shall be cut flush, with no more than 15 percent of a log having limbs or knots over 2 inches in diameter extending more than 2 inches above the surface of the log.
- d.

G-026.2 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-022.2 clause. Purchaser may make a written request to the State for a change in log delivery destination or scaling or weighing location. If agreeable and in the best interest of the State, the State may approve the Purchaser’s request. Written approval must be granted by the State prior to log delivery to a new destination or use of a new scaling or weighing facility.

Increased haul distance shall result in an increase in the P-028.2 log delivery payment rate in an amount to be calculated by the State. In no circumstance shall the payment rate for delivered logs be reduced as a result of a state approved delivery destination or scaling or weighing facility change.

Purchaser may refuse loads delivered to the wrong destination.

G-027.2 Log Delivery Schedule and Conditions

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser’s working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall

remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.

- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
 1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
 2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

G-030.2 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending January 6, 2017.

G-054.2 Early Contract Termination

The State may terminate this contract in whole or in part by giving fifteen (15) days written notice to the Purchaser when it is in the best interests of the State. If this contract is so terminated, the State shall be liable only for the return of that portion of the initial deposit that is not required for payment, and the return of unapplied payments. The State shall not be liable for damages, whether direct or consequential.

G-056.2 Force Majeure

No Party shall be liable for any failure to perform its obligations, other than payments due, where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, or other natural disaster), war, act of foreign enemies, hostilities (whether war is declared or not), terrorist activities, government sanction, fire, labor dispute, strike or lockout.

Any Party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

In the event of Force Majeure, the State reserves the right to terminate this agreement in accordance with clause G-054.2 'Early Contract Termination'.

G-060.2 Exclusion of Warranties

The PARTIES AGREE that the IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE and ALL OTHER WARRANTIES EXPRESSED OR IMPLIED ARE EXCLUDED from this transaction and shall not apply to the goods to be harvested or sold. For example, THE FOLLOWING SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.
- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

G-065 Regulatory Disclaimer

The State disclaims any responsibility for, or liability relating to, regulatory actions by any government agency, including actions pursuant to the Forest Practices Act, Ch. 76.09 RCW that may affect the operability of the timber sale.

G-070.2 Limitation on Damage

In the event of a breach of any provision of this contract by the State, the liability of the State shall be limited to return of the unused initial deposit and unapplied payments to the Purchaser. The State shall not be liable for any damages, whether direct, incidental, or consequential.

G-112.2 Title

The State hereby warrants that State is the owner of said logs and has the right to sell same, free of liens, encumbrances, or claims, but subject to trade restrictions promulgated in WAC 240-15-015. Purchaser assumes title and all risk and responsibility for said logs upon delivery.

G-116.2 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: BV-SFIS-US09000572.

G-160.2 Agents

The State's rights and duties will be exercised by the Region Manager at Sedro Woolley, Washington. The Region Manager will notify Purchaser in writing who is responsible for administering the contract. The Region Manager has sole authority to waive, modify, or amend the terms of this contract in the manner prescribed in clause G-180. No agent, employee, or representative of the State has any authority to bind the State to any affirmation, representation, or warranty concerning the logs conveyed beyond the terms of this contract.

The Purchaser agrees to notify the State in writing of their authorized representative at the log delivery destination who will be readily available and who shall be authorized to receive, on behalf of the Purchaser any instructions or notices given by the State in regard to performance under this contract, and any limits to this person's authority.

G-180 Modifications

Waivers, modifications, or amendments of the terms of this contract must be in writing signed by Purchaser and the State.

G-190 Contract Complete

This contract is the final expression of the Parties' agreement. There are no understandings, agreements, or representations, expressed or implied, which are not specified in this contract.

G-200.2 Notice

Notices required to be given under the following clauses shall be in writing and shall be delivered to the State or Purchaser's authorized agent or sent by certified mail to the Purchaser's post office address, so that their receipt may be acknowledged.

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

All other notices required to be given under this contract shall be in writing and delivered to their respective authorized agent or mailed to the Party's post office address. Parties agree to notify the other of any change of mailing address.

G-210.2 Violation of Contract

- a. If Purchaser violates any provision of this contract, the Contract Administrator, by written notice, may suspend delivery of further loads of forest products. If the violation is capable of being remedied, the Purchaser has five (5) days after receipt of suspension notice to remedy the violation. If the violation cannot be remedied (such as violation of WAC 240-15-015) or Purchaser fails to remedy the violation within five (5) days after receipt of a suspension notice, the State may terminate the rights of the Purchaser under this contract and collect damages as described in the damages clause in this contract.
- b. The State has the right to remedy the breach in the absence of any indicated attempt by the Purchaser or if Purchaser is unable, as determined by the State, to remedy the breach. Any expense incurred by the State shall be charged to Purchaser and shall be paid within thirty (30) days of receipt of billing.
- c. If Purchaser's violation is a result of a failure to make payment to the State when due, in addition to (a.) above, interest shall accrue on the unpaid balance at 12 percent per annum, beginning the date payment was due. The State may secure payments from the security provided.

G-240.2 Dispute Resolution

The following procedures apply in the event of a dispute regarding interpretation or administration of this contract and the parties agree that these procedures must be followed before a lawsuit can be initiated.

- a. In the event of a dispute, Purchaser must make a written request to the Region Manager for resolution prior to seeking other relief.
- b. The Region Manager will issue a written decision on Purchaser's request within five business days.

- c. Within five business days of receipt of the Region Manager's decision, the Purchaser may make a written request for resolution to the Deputy Supervisor - Uplands of the Department of Natural Resources.
- d. Unless otherwise agreed, the Deputy Supervisor - Uplands will hold a conference within 15 calendar days of the receipt of Purchaser's request for review of the Region Manager's written decision. Purchaser and the Region Manager will have an opportunity to present their positions. The Deputy Supervisor - Uplands will issue a decision within a reasonable time of being presented with both Parties' positions.

G-252.2 Forest Excise Tax

Purchaser shall be responsible for payment of all forest excise taxes pursuant to chapter 84.33 RCW.

G-253.2 Harvesting Cost Information

The State agrees to supply all harvesting cost information to the Purchaser for their consideration in payment of forest excise taxes.

G-260 Venue

This contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in Thurston County Superior Court.

G-330.2 Contract Review

Purchaser may arrange with the Contract Administrator to review the provisions of this contract prior to the delivery of forest products.

Section P: Payments and Securities**P-010 Initial Deposit**

Purchaser paid DATA MISSING initial deposit, which will be maintained pursuant to RCW 79.15.100(3). If the operating authority on this contract expires without Purchaser's payment of the full amount specified in the 'Payment for Forest Products' clause, the initial deposit will be immediately forfeited to the State, and will be offset against Purchaser's remaining balance due. Any excess initial deposit funds not needed to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

P-028.2 Payment for Forest Products Delivered

Purchaser agrees to pay the State for delivered forest products at the following rate:

\$0.00/Ton

Purchaser agrees to increase the above delivered payment rate as approved by the State in the event the location of delivery is changed per the G-026.2 clause.

P-036.2 Missorts and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet the sorting specifications in G-022.2 where species are incorrect, are scaled over 1” outside the listed diameter specifications, or ponderosa pine with blue stain are considered mis-sorts.

However, when mis-sorted Forest Products amount to more than 3% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-sort threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-sort payment reduction is subject to State approval and shall be determined by the State’s delivered product analysis. Forest Products determined by the State eligible for mis-sort price reduction are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-sorted will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times R$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor

0.3 for mis-sort except for blue stain

0.4 for mis-sort related to blue stain

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-sort payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser’s exclusive remedy for mis-sorts shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code

P-037.2 Mismatch and Payment Reduction for Delivered Forest Products

Forest Products delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths and Forest Products delivered not meeting minimum log quality specifications as described in the G-024.2 clause are considered mis-manufactured. Purchaser receiving mis-manufactured Forest Products is required to pay the State at the bid price under this contract.

However, when mis-manufactured Forest Products amount to more than 5% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-manufacture payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-manufacture price reductions are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-manufactured will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times (0.2)$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

Third party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-manufacture payment reduction eligibility must be obtained from roll-out scale. Truck-ramp and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-manufacture shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

P-039.2 Tonnage Sort Payment Reduction Requirements

Purchaser must provide a plan in writing, acceptable to the State, to acquire third party Scribner mbf scaling information in order to be eligible for a payment reduction for a tonnage sort according to clauses P-036.2 or P-037.2. Logs delivered and accepted by the Purchaser prior to the State's acceptance of Purchaser's written payment reduction plan are not eligible for payment reduction.

Failure of Purchaser to provide sample scale data in a timely, accurate and legible basis will void an approved sample scale plan.

An approved payment reduction plan can be voided at the sole discretion of the State.

For the purpose of tonnage sort payment reduction requests, preferred log lengths for tonnage sawlog sorts shall include the following plus any additional lengths identified in clause G-024.2:

Species Type	Preferred Lengths
Conifer Sorts	16', 20', 24', 26', 32', 40'
Hardwood Sorts	18', 20', 26', 28', 30', 36', 38', 40'

P-040.2 Weighing and Scaling Costs

Purchaser agrees to pay for all weighing costs for logs delivered regardless if logs are purchased on a weight or scale basis. In addition, Purchaser agrees to pay for all scaling costs for logs delivered on a scale basis. Purchaser also agrees to pay for all costs associated with the transmission and reporting of scale or weight data.

P-045.2 Guarantee of Payment

Prior to the delivery of forest products and at a date determined by the State, Purchaser shall guarantee payment to the State for products delivered by posting with the State an approved payment security. If the Purchaser has purchased more than one sort, the payment securities may be consolidated for all the sorts. Acceptable payment security includes cash, certificate of deposit assignment, payment bond, savings account assignment, or irrevocable bank letter of credit.

The amount of payment security shall be determined by the State. The amount of payment security shall represent at least 30 days value of forest product deliveries. Payment security for products delivered will be used to guarantee payment to the State for late or non-payments.

If at any time the State determines that the security has become unsatisfactory or a demand is made against the payment security, the Purchaser agrees to increase the amount or replace the security with one acceptable to the state within 5 business days. Failure to increase the amount or replace the security is considered a breach of contract.

P-050.2 Billing and Payment Procedure for Forest Products Delivered

The State will compute and forward to Purchaser a billing statement of charges for forest products delivered during the billing period at the delivered rate shown in P-028.2 clause. After receipt of the billing statement, Purchaser's payment must be received by the Department of Natural Resources on or before the due date shown on the billing statement. Purchaser agrees to make payment, payable to the Department of Natural Resources. Failure to pay on time for forest products delivered is considered a breach of contract.

Included with the billing statement will be a summary report for the billing period compiled by the State or their log and load reporting service.

The State will adjust final billings to account for any State approved payment reductions.

P-080 Payment Account Refund

Advance payments made under P-045 or P-045.2 remaining on account above the value for the charges shall be returned to Purchaser within 30 days following the final report

of charges. Refunds not made within the 30 day period will accrue interest at the interest rate, as established by WAC 332-100-030, computed on a daily basis until paid.

Section L: Log Definitions and Accountability

L-010.2 Forest Products Conveyed

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clauses G-022.2 and G-024.2 of this contract

L-014.2 Sorts Delivered to Incorrect Destination

Purchaser has agreed to purchase the sort as described in the G-022.2 clause. In the event a load from a different sort is delivered to Purchaser, Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load, provisions in the P-035.2 or P-036.2 clause may apply.

L-071.2 Log and Load Reporting Service

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within of logs being measured or weighed.

If during the term of this contract, the State discontinues use of the Log and Load Reporting Service, the State will notify the Purchaser in writing, and will approve an alternative log and load reporting process.

L-080 Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Westside log scaling and grading rules and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

Special scaling specifications shall be noted on the State's Brand Designation form which is hereby incorporated to this contract by reference.

L-110 State Approval of Log Scaling and Weighing Locations

Forest Product measurement and weighing facilities required by this contract must be approved by the State. Forest products sold under the contract which require log scaling shall be scaled, measured, or counted by a State approved third party log scaling organization. Forest products sold under the contract which require weighing shall be weighed at a location that meets Washington State Department of Agriculture approval.

Prior to forest products being hauled, the Contract Administrator must authorize in writing the use of State approved measurement and/or weighing facilities that are at or en-route to final destinations. Forest products from this sale shall be measured or weighed at facilities, which are currently approved for use by the State and are

currently authorized for this sale. The State reserves the right to verify load volume and weights with State employees or contractors at the State's own expense. The State reserves the right to revoke the authorization of previously approved measurement locations.

Section D: Damages

D-010 Liquidated Damages

The clauses in the DAMAGES section of this contract provide for payments by Purchaser to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. These liquidated damages provisions are agreed to by the State and Purchaser with the understanding of the difficulty of proving loss and the inconvenience or infeasibility of obtaining an adequate remedy. These liquidated damages provisions provide greater certainty for the Purchaser by allowing the Purchaser to better assess its responsibilities under the contract.

D-026.2 Damages for Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.
- b. Unless Purchaser and the State have made a prior agreement in writing, Purchaser's failure to accept at least the number of delivered loads as described in the G-027.2 (d) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$200 per each truck delivery not accepted, until breach is remedied.

D-027.2 Failure to Accept Forest Products Sold

Purchaser's failure to accept all or part of the forest products sold in this agreement prior to expiration or completion of the contract results in substantial injury to the State. Except for reasons other than 'Force Majeure' (G-056.2), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept forest products does not prevent further harvesting operations, or forest products can be re-sold to another buyer acceptable to the State, Purchaser shall be liable for and pay State for actual damages plus costs, as determined by the State associated with the administration and re-sale of forest products not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept forest products causes a stoppage of the State's harvesting operations and prevents the State from further harvest of the sale area, the actual damage to the State and associated costs are difficult to

assess. The remaining value of all the forest products left in the sale area once the stoppage occurs is not readily ascertainable. Purchaser's failure to perform disrupts the State's management plans. Therefore, Purchaser agrees to pay the State as liquidated damages, a sum calculated using the following formula:

$$LD = (.35V - I) + C + A - P$$

Where:

LD = Liquidated Damages

V = The stumpage value remaining in the sale area at the date of work stoppage. This will be determined by multiplying the contract bid rate contained in the P-028.2 clause for all sorts originating in the sale area, by the State's estimate of the remaining volume, less the cost of harvesting and delivery associated with each sort.

I = Initial Deposit

C = Costs associated with required harvesting services and road construction services prior to work stoppage but not amortized or paid.

A = Administrative fee = \$2,500.00

P = Advance payments received exceeding the value of logs delivered under this contract.

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

$$\text{Interest} = r \times LD \times N$$

Where:

r = daily equivalent of an annual interest at current interest rate as established by WAC 332-100-030.

N = Number of days from work stoppage to time of payment

D-030.2 Inadequate Log Accountability

Failure to provide weighing and third party scaling information result in substantial injury to the State. The potential loss of accountability is not readily ascertainable. These contractual breaches result in an increase in the potential for the delivery of forest products for which the State receives inadequate payment and causes an increase in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Purchaser's payments for forest product delivery under this contract will be increased in the following amounts, as liquidated damages, to compensate the State for these breaches: \$250.00 each time a load weight is not provided as required by the contract, and \$250.00 each time load scale data is not determined and provided by a State approved third party scaling organization in accordance with this contract.

IN WITNESS WHEREOF, the Parties hereto have entered into this contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Purchaser

Jean Fike
Northwest Region Manager

Date: _____

Date: _____

Address: _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____

_____ to me known to be the _____ of the corporation

that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument.

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

Notary Public in and for the State of

My appointment expires _____



WASHINGTON STATE DEPARTMENT OF NATURAL RESOURCES

FOREST EXCISE TAX ROAD SUMMARY SHEET

Region:

Timber Sale Name:

Application Number:

EXCISE TAX APPLICABLE ACTIVITIES

Construction: **linear feet**
Road to be constructed (optional and required) but not abandoned

Reconstruction: **linear feet**
Road to be reconstructed (optional and required) but not abandoned

Abandonment: **linear feet**
Abandonment of existing roads not reconstructed under the contract

Decommission: **linear feet**
Road to be made undriveable but not officially abandoned.

Pre-Haul Maintenance: **linear feet**
Existing road to receive maintenance work (specifically required by the contract) prior to haul

EXCISE TAX EXEMPT ACTIVITIES

Temporary Optional Construction: **linear feet**
Optional roads to be constructed and then abandoned

Temporary Optional Reconstruction: **linear feet**
Optional roads to be reconstructed and then abandoned

New Abandonment: **linear feet**
Abandonment of roads constructed or reconstructed under the contract

All parties must make their own assessment of the taxable or non-taxable status of any work performed under the timber sale contract. The Department of Revenue bears responsibility for determining forest road excise taxes. The Department of Natural Resources developed this form to help estimate the impact of forest excise taxes. However, the information provided may not precisely calculate the actual amount of taxes due. The Department of Revenue is available for consultation by calling 1.800.548.8829.

(Revised 6/13)

Cruise Narrative

Sale Name: Walnut CH VDT & VRH	Region: Northwest
App. Number: 30-092530	District: Baker
Lead cruiser: Ken McGee Completion date: 01/05/16	
Other cruisers on sale: N/A	

Unit acreage specifications:

Unit #	Cruised acres	Cruised acres agree with sale acres? Yes/No	If acres do not agree explain why.
1	56.9	Yes	
2	5.8	Yes	
3	31.7	Yes	
4	14.4	Yes	
1 Gaps	5.0	Yes	
Corr 1,4	7.9	Yes	Corridor acres in unit 1; 6.3 ac and in unit 4; 1.6 ac
R/W 1	3.0	Yes	
R/W 2	10.3	Yes	
	135.0		

Unit cruise specifications:

Unit #	Sample type (VP, FP, ITS,100%)	Expansion factor (BAF, full/half)	Sighting height (4.5 ft, 16 ft.)	Grid size (Plot spacing or % of area)	Plot ratio (cruise:co unt)	Total number of plots
1	V.P.	Full 27.78	4.5	300 x 300	All Cruise	25
2	V.P.	Full 54.45 Full 40.00	4.5	150 x 150	All Cruise	10
3	V.P.	Full 62.50 Full 40.00	4.5	300 x 300	All Cruise	14
4	V.P.	Full 27.78	4.5	200 x 200	All Cruise	19
1 GAPS	V.P.	Full 27.78	4.5	300 x 300	All Cruise	4

Corr 1,4	V.P.	Full 27.78	4.5	300 x 300	All Cruise	4
R/W 1	V.P.	Full 27.78	4.5	300 x 300	All Cruise	2
R/W 2	V.P.	Full 20.00	4.5	Every 2,112 ft	All Cruise	9
						87

Sale/Cruise Description:

Minor species cruise intensity:	In units 2 and 3 the hardwoods were cruised with a 40 factor prism utilizing the same plot centers.					
Minimum cruise spec:	5 inch top or 40% of form point. 8 inch DBH minimum. Not less than 10 board feet. Pulp logs are 6 and 7 inch DBH holding 16 feet to a three inch top.					
Avg ring count by sp:	DF =	8.0	WH =		SS =	
Leave/take tree description:	Leave trees are tagged out in clumps or banded with blue paint and are scattered through-out the sale area.					
Other conditions	GPS points are marked on the ground with pink and white flagging. Some sample points were dropped due to the sale boundary and leave tree clumps. The average volume per acre in unit 1 was applied to the R/W in unit 1.					

Field observations:

<p>This contract harvest sale is located a few miles west of Alger, WA. on Blanchard Mountain. It consists of two VDT units and two VRH units with one mainline road daylighting project. The entire sale is said to be ground based logging methods. The grant appears to be 01- State Forest Board Transfer.</p>
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GRANTS: 01.....100%

PREPARED BY: Ken McGee / P. Kirner FCC1

TITLE: Special Forest Products Forester

TC		PSPCSTGR		Species, Sort Grade - Board Foot Volumes (Project)																		
T36N R03E S02 TyUNT3 THRU T36N R03E S14 TyUNT1				Project: WALNUTCH										Page 1								
				Acres 135.00										Date 1/5/2016								
														Time 1:19:45PM								
Spp	S	So	Gr	% Net BdFt	Bd. Ft. per Acre			Total Net MBF	Percent of Net Board Foot Volume								Average Log				Logs Per /Acre	
					Def%	Gross	Net		Log Scale Dia.				Log Length				Ln Ft	Dia In	Bd Ft	CF/ Lf		
									4-5	6-11	12-16	17+	12-20	21-30	31-35	36-99						
DF	T	D	2S	58	3.9	7,379	7,092	957		1	29	71		1	1	9	89	36	17	449	2.53	15.8
DF	T	D	3S	18	8.6	2,449	2,238	302			99	1		0	4	2	93	39	8	89	0.76	25.0
DF	T	D	4S	6	12.0	710	625	84		59	41			9	11		80	33	6	35	0.40	17.8
DF	T	D	UT	3	2.9	445	432	58		96	3	1		47	38	7	8	10	5	11	0.25	40.5
DF	T	HASM		14		1,654	1,654	223				9	91			35	65	37	20	663	3.26	2.5
DF	T	HA2S		1		94	94	13				61	39			100	40	16	393	2.11	.2	
DF Totals				49	4.7	12,731	12,135	1,638		6	21	19	54	3	3	11	83	26	8	119	1.07	101.8
DF		D	2S		18.8	11	9	1								100		32	12	130	1.47	.1
DF		D	3S	70	5.2	3,680	3,491	471			100					0	100	40	7	78	0.69	44.8
DF		D	4S	16	2.8	853	830	112		69	31			6	5	3	85	34	5	37	0.37	22.4
DF		D	UT	14	2.2	680	666	90		100				60	8	15	17	10	5	10	0.26	66.7
DF Totals				20	4.4	5,225	4,995	674		25	75	0		9	2	3	86	24	6	37	0.53	134.0
RC	T	D	3S	77	12.0	1,840	1,620	219			26	9	65	1		1	98	35	13	237	2.23	6.8
RC	T	D	4S	23	4.4	480	459	62		97	3			16	57	15	11	21	5	22	0.33	21.1
RC Totals				8	10.4	2,321	2,080	281		21	21	7	51	4	13	4	79	24	7	74	0.99	27.9
RC		D	3S	100	50.0	14	7	1			100					100		36	15	160	2.61	.0
RC Totals				0	50.0	14	7	1			100						100	36	15	160	2.61	.0
WH	T	D	2S	61	7.9	3,393	3,126	422				62	38			100		40	15	335	1.82	9.3
WH	T	D	3S	30	2.8	1,524	1,482	200			95	5			1	2	97	40	8	107	0.68	13.9
WH	T	D	4S	3	2.5	199	194	26		34	66			38	25	2	35	19	6	23	0.41	8.4
WH	T	D	UT	6		261	261	35		98	2			20	36	39	4	18	5	19	0.24	14.1
WH Totals				20	5.8	5,377	5,063	684		6	30	40	24	2	3	3	92	29	8	111	0.88	45.7
WH		D	2S	10		44	44	6				100				32	68	37	12	185	1.38	.2
WH		D	3S	60	3.4	266	257	35			100					100		40	7	78	0.68	3.3
WH		D	4S	21		91	91	12		19	81			2	9	5	84	30	6	41	0.44	2.2
WH		D	UT	9		38	38	5		100				70		30		8	5	9	0.25	4.4
WH Totals				2	2.0	440	431	58		13	77	10		7	2	7	85	24	6	42	0.58	10.2
RA	T	D	3S	34		27	27	4			100					100		30	10	118	1.06	.2
RA	T	D	4S	34	13.9	31	26	4		22	78					100		29	7	44	0.67	.6
RA	T	D	UT	32		24	24	3		100				87	13			15	5	14	0.18	1.7
RA Totals				0	5.2	82	77	10		39	61			27	73			20	6	31	0.47	2.5
BM	T	D	UT	100	26.6	85	63	8		100				86	14			19	5	15	0.22	4.0
BM Totals				0	26.6	85	63	8		100				86	14			19	5	15	0.22	4.0
Totals					5.4	26,274	24,850	3,355		12	35	18	35	4	4	7	85	25	7	76	0.80	326.2

DF 1,638
RC 281
WH 684
RA 10
BM 8
Total Take = 2,621

TC PSTATS		PROJECT STATISTICS							PAGE	1	
		PROJECT WALNUTC							DATE	1/5/2016	
TWP	RGE	SC	TRACT	TYPE		ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	02	WALNUT CH	UNT3	THR	135.00	131	735	S	W	
36N	03E	14	WALNUT CH	UNT1							
			PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES	PERCENT SAMPLE TREES				
TOTAL			131	735	5.6						
CRUISE			131	735	5.6	22,834	3.2				
DBH COUNT											
REFOREST											
COUNT											
BLANKS											
100 %											
STAND SUMMARY											
	SAMPLE TREES	TREES /ACRE	AVG DBH	BOLE LEN	REL DEN	BASAL AREA	GROSS BF/AC	NET BF/AC	GROSS CF/AC	NET CF/AC	
DOUG FIR	190	68.1	13.5	54	18.4	67.7	5,225	4,995	1,687	1,687	
DOUG FIR-T	421	48.7	16.7	63	18.2	74.5	12,731	12,135	2,856	2,856	
WHEMLOCK	35	5.2	13.8	53	1.5	5.5	440	431	141	141	
WHEMLOCK-T	50	21.2	15.6	72	7.1	28.2	5,377	5,063	1,182	1,182	
WR CEDAR	1	.0	26.0	60	0.0	.2	14	7	4	4	
WR CEDAR-T	25	19.8	14.6	42	6.0	22.9	2,321	2,080	672	672	
R ALDER-T	6	2.0	11.7	43	0.4	1.5	82	77	23	24	
BL MAPLE-T	7	4.0	7.6	30	0.5	1.3	85	63	16	17	
TOTAL	735	169.1	14.8	57	52.5	201.7	26,274	24,850	6,580	6,582	
CONFIDENCE LIMITS OF THE SAMPLE											
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR											
CL	68.1	COEFF	SAMPLE TREES - BF			# OF TREES REQ.		INF. POP.			
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		43.6	3.2	79	81	84					
DOUG FIR-T		193.2	9.4	218	241	263					
WHEMLOCK		53.4	9.0	85	93	102					
WHEMLOCK-T		115.5	16.3	241	288	335					
WR CEDAR											
WR CEDAR-T		108.3	22.1	262	336	410					
R ALDER-T		79.4	35.4	48	75	102					
BL MAPLE-T		34.0	13.8	14	16	18					
TOTAL		193.3	7.1	181	195	209	1,493	373	166		
CL	68.1	COEFF	TREES/ACRE			# OF PLOTS REQ.		INF. POP.			
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		191.2	16.7	57	68	79					
DOUG FIR-T		118.3	10.3	44	49	54					
WHEMLOCK		365.5	31.9	4	5	7					
WHEMLOCK-T		318.0	27.8	15	21	27					
WR CEDAR		1144.6	99.9	0	0	0					
WR CEDAR-T		460.9	40.2	12	20	28					
R ALDER-T		598.8	52.3	1	2	3					
BL MAPLE-T		618.0	53.9	2	4	6					
TOTAL		114.8	10.0	152	169	186	527	132	59		
CL	68.1	COEFF	BASAL AREA/ACRE			# OF PLOTS REQ.		INF. POP.			
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		186.2	16.3	57	68	79					
DOUG FIR-T		154.4	13.5	64	74	85					
WHEMLOCK		376.7	32.9	4	5	7					
WHEMLOCK-T		334.2	29.2	20	28	36					
WR CEDAR		1144.6	99.9	0	0	0					
WR CEDAR-T		392.2	34.2	15	23	31					

TC PSTATS		PROJECT STATISTICS							PAGE	2
		PROJECT WALNUTC							DATE	1/5/2016
TWP	RGE	SC	TRACT	TYPE		ACRES	PLOTS	TREES	CuFt	BdFt
36N	03E	02	WALNUT CH	UNT3	THR	135.00	131	735	S	W
36N	03E	14	WALNUT CH	UNT1						
CL	68.1	COEFF		BASAL AREA/ACRE			# OF PLOTS REQ.		INF. POP.	
SD:	1.00	VAR.	S.E.%	LOW	AVG	HIGH	5	10	15	
R ALDER-T		609.3	53.2	1	1	2				
BL MAPLE-T		612.8	53.5	1	1	2				
TOTAL		<i>118.8</i>	<i>10.4</i>	<i>181</i>	<i>202</i>	<i>223</i>	<i>563</i>	<i>141</i>	<i>63</i>	
CL	68.1	COEFF		NET BF/ACRE			# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		194.8	17.0	4,146	4,995	5,844				
DOUG FIR-T		239.6	20.9	9,597	12,135	14,674				
WHEMLOCK		384.8	33.6	286	431	575				
WHEMLOCK-T		369.5	32.3	3,430	5,063	6,696				
WR CEDAR		1144.6	99.9	0	7	14				
WR CEDAR-T		388.6	33.9	1,374	2,080	2,785				
R ALDER-T		579.0	50.5	38	77	117				
BL MAPLE-T		634.1	55.3	28	63	97				
TOTAL		<i>177.9</i>	<i>15.5</i>	<i>20,991</i>	<i>24,850</i>	<i>28,710</i>	<i>1,264</i>	<i>316</i>	<i>140</i>	
CL	68.1	COEFF		V BAR/ACRE			# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		194.8	17.0	61	74	86				
DOUG FIR-T		189.1	16.5	129	163	197				
WHEMLOCK		384.8	33.6	52	79	105				
WHEMLOCK-T		349.3	30.5	122	179	237				
WR CEDAR		1144.6	99.9	0	43	87				
WR CEDAR-T		385.9	33.7	60	91	122				
R ALDER-T		633.2	55.3	26	52	78				
BL MAPLE-T		634.1	55.3	22	49	76				
TOTAL		<i>128.8</i>	<i>11.2</i>	<i>104</i>	<i>123</i>	<i>142</i>	<i>663</i>	<i>166</i>	<i>74</i>	

T36N R03E S14 TUNT1										T36N R03E S14 TUNT1				
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt					
36N	03E	14	WALNUT CH	UNT1	56.90	25	147	S	W					

Spp	So	Gr	% Net BdFt	Bd. Ft. per Acre			Total Net MBF	Percent Net Board Foot Volume								Average Log				Logs Per /Acre		
								Log Scale Dia.				Log Length				Ln Ft	Dia In	Bd Ft	CF/ Lf			
								4-5	6-11	12-16	17+	12-20	21-30	31-35	36-99							
DF	DM	3S	71	4.9	7,721	7,342	418	100				100				40	7	78	0.67	94.7		
DF	DM	4S	14	2.1	1,496	1,464	83	74	26			5	6	5	84	35	5	38	0.36	39.0		
DF	DM	UT	15	2.2	1,486	1,453	83	100				61	9	16	14	10	5	10	0.26	139.9		
DF	Totals		87	4.1	10,703	10,260	584	25	75			9	2	3	85	24	6	38	0.52	273.5		
DF	T	DM	2S	5	21.1	97	76	4	100				100				32	13	150	1.56	.5	
DF	T	DM	3S	24	32.3	515	348	20	100				100				40	8	58	0.66	6.0	
DF	T	DM	4S	44	18.9	775	628	36	73	27			2		98		40	5	37	0.42	17.1	
DF	T	DM	UT	27	2.4	385	376	21	100				30	70				10	5	10	0.23	38.4
DF	T	Totals		12	19.3	1,771	1,429	81	58	36	5	8	20	5	67	21	5	23	0.42	62.0		
BM	T	DM	UT	100	25.3	143	107	6	100				100				18	5	15	0.22	7.1	
BM	T	Totals		1	25.3	143	107	6	100				100				18	5	15	0.22	7.1	
WH	T	DM	UT	100		45	45	3	100				100				23	5	20	0.29	2.3	
WH	T	Totals		0		45	45	3	100				100				23	5	20	0.29	2.3	
Type Totals					6.5	12,662	11,840	674	30	70	1	10	5	3	82	23	6	34	0.50	344.9		

T36N R03E S11 TUNT2										T36N R03E S11 TUNT2				
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt					
36N	03E	11	WALNUT CH	UNT2	5.80	10	46	S	W					

Spp	Sp	So	Gr	ad	% Net BdFt	Bd. Ft. per Acre Def% Gross Net			Total Net MBF	Percent Net Board Foot Volume								Average Log			Logs Per /Acre	
										Log Scale Dia.				Log Length				Ln Ft	Dia In	Bd Ft		CF/Lf
										4-5	6-11	12-16	17+	12-20	21-30	31-35	36-99					
DF	T	DM	2S		74	2.0	27,935	27,388	159		44	56					100	40	16	409	2.25	67.0
DF	T	DM	3S		12	1.6	4,570	4,497	26		100				19	5	77	36	9	107	0.84	42.0
DF	T	DM	4S		3		1,095	1,095	6		100			53	23		24	18	7	33	0.49	33.6
DF	T	HA	SM		5		1,717	1,717	10			100					100	40	19	645	3.00	2.7
DF	T	HA	2S		6		2,196	2,196	13			61	39				100	40	16	393	2.11	5.6
DF	T	Totals			83	1.7	37,513	36,894	214		15	36	49	2	3	1	95	34	12	245	1.64	150.9
WH	T	DM	2S		20	9.9	1,506	1,356	8		100						100	40	13	236	1.41	5.8
WH	T	DM	3S		64	13.8	4,840	4,173	24		100						100	40	9	114	0.83	36.5
WH	T	DM	4S		9	12.1	628	551	3	85	15			15		18	67	26	5	23	0.39	23.9
WH	T	DM	UT		7		429	429	2	100				12	43	45		24	5	26	0.28	16.2
WH	T	Totals			15	12.1	7,402	6,509	38	14	65	21		2	3	5	91	33	8	79	0.70	82.3
RC	T	DM	3S		62		637	637	4		100						100	36	8	78	0.91	8.1
RC	T	DM	4S		38	10.2	419	376	2	43	57			43			57	17	6	23	0.57	16.7
RC	T	Totals			2	4.0	1,056	1,014	6	16	84			16			84	23	6	41	0.75	24.8
Type Totals						3.4	45,972	44,417	258	2	24	33	40	2	3	1	94	32	10	172	1.28	258.0

T36N R03E S02 TUNT3										T36N R03E S02 TUNT3			
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt				
36N	03E	02	WALNUT CH	UNT3	31.70	14	77	S	W				

Spp	S	So	Gr	%	Bd. Ft. per Acre			Total	Percent Net Board Foot Volume								Average Log			Logs Per /Acre			
									Net	Def%	Gross	Net	Net MBF	Log Scale Dia.				Log Length				Ln	Dia
					4-5	6-11	12-16							17+	12-20	21-30	31-35	36-99	Ft		In		
DF	T	DM	2S	69	4.1	25,998	24,928	790		1	25	74		1	1	10	88	36	17	467	2.63	53.3	
DF	T	DM	3S	10	5.7	3,975	3,749	119		98	2			1	5	4	90	38	9	113	0.84	33.1	
DF	T	DM	4S	1	3.7	403	388	12		100				16	28		56	25	7	37	0.42	10.6	
DF	T	DM	UT	1		99	99	3	37	38	26			100				4	7	8	0.41	12.5	
DF	T	HA	SM	19		6,732	6,732	213			9	91				36	64	37	20	664	3.28	10.1	
DF	T	Totals		56	3.5	37,207	35,896	1,138	0	12	19	69	2	2	14	83	32	13	300	1.93	119.6		
WH	T	DM	2S	66	7.8	14,114	13,018	413			61	39				100	40	15	339	1.84	38.4		
WH	T	DM	3S	29	.8	5,564	5,519	175		94	6				1	2	97	40	8	106	0.66	52.0	
WH	T	DM	4S	2	.0	499	499	16	6	94			59	41			13	7	19	0.43	26.0		
WH	T	DM	UT	3		397	397	13	94	6			28	38	34		19	5	19	0.26	20.6		
WH	T	Totals		30	5.5	20,574	19,434	616	2	29	43	26	2	2	1	94	32	9	142	1.02	137.0		
RC	T	DM	3S	78	12.1	7,721	6,784	215		25	9	66	1		1	98	35	13	246	2.30	27.6		
RC	T	DM	4S	22	4.2	1,953	1,871	59	99	1			16	59	15	10	21	5	22	0.31	86.4		
RC	T	Totals		14	10.5	9,674	8,655	274	21	20	7	52	4	13	4	79	24	7	76	1.00	114.0		
RA	T	DM	4S	100	28.6	64	45	1		100				100			30	9	50	0.93	.9		
RA	T	Totals		0	28.6	64	45	1		100				100			30	9	50	0.93	.9		
Type Totals					5.2	67,519	64,030	2,030	4	18	25	53	2	3	9	86	30	10	172	1.33	371.5		

T36N R03E S03 TUNT4
 Twp Rge Sec Tract Type Acres Plots Sample Trees CuFt BdFt
 36N 03E 03 WALNUT CH UNT4 14.40 19 133 S W

Spp	So	Gr	% Net BdFt	Bd. Ft. per Acre			Total Net MBF	Percent Net Board Foot Volume								Average Log			Logs Per /Acre	
				Def%	Gross	Net		Log Scale Dia.				Log Length				Ln Ft	Dia In	Bd Ft		CF/ Lf
								4-5	6-11	12-16	17+	12-20	21-30	31-35	36-99					
DF	DM	2S	1	18.8	107	87	1	100				100				32	12	130	1.47	.7
DF	DM	3S	59	7.0	3,993	3,713	53	100				2 98				40	8	81	0.80	45.9
DF	DM	4S	32	4.6	2,087	1,991	29	56	44	9 2 88				31	5	35	0.42	56.3		
DF	DM	UT	8	1.3	504	497	7	100				47 3 51				7	5	7	0.32	72.2
DF	Totals		47	6.0	6,691	6,289	91	26	73	1	7	1	3	90	23	6	36	0.58	175.1	
DF	T DM	2S	11	18.7	116	95	1	100				100				32	12	130	1.28	.7
DF	T DM	3S	23	42.7	335	192	3	100				28 72				38	9	64	1.21	3.0
DF	T DM	4S	19	4.6	159	152	2	90	10	17 10 74				26	5	26	0.32	5.8		
DF	T DM	UT	47	12.4	437	383	6	98	2	2 33 28 37				20	5	19	0.29	19.9		
DF	T Totals		6	21.6	1,048	821	12	62	26	12	4	17	31	48	23	6	28	0.48	29.4	
WH	DM	2S	10		413	413	6	100				32 68				37	12	185	1.38	2.2
WH	DM	3S	60	3.4	2,497	2,413	35	100				100				40	7	78	0.68	31.1
WH	DM	4S	21		854	854	12	19	81	2 9 5 84				30	6	41	0.44	20.9		
WH	DM	UT	9		357	357	5	100				70 30				8	5	9	0.25	40.9
WH	Totals		30	2.0	4,122	4,038	58	13	77	10	7	2	7	85	24	6	42	0.58	95.2	
WH	T DM	2S	5	20.0	134	107	2	100				100				40	12	160	1.47	.7
WH	T DM	3S	4	33.3	92	61	1	100				100				40	8	60	0.87	1.0
WH	T DM	4S	26	3.2	512	496	7	72	28	3 97				39	5	42	0.38	11.9		
WH	T DM	UT	65		1,187	1,187	17	100				20 23 49 9				16	5	17	0.21	69.7
WH	T Totals		14	3.8	1,925	1,851	27	83	11	6	13	15	32	41	20	5	22	0.29	83.3	
RA	T DM	UT	100		196	196	3	100				100				16	5	15	0.17	13.1
RA	T Totals		1		196	196	3	100				100				16	5	15	0.17	13.1
BM	T DM	UT	100	33.3	126	84	1	100				100				25	5	20	0.24	4.2
BM	T Totals		1	33.3	126	84	1	100				100				25	5	20	0.24	4.2
RC	DM	3S	100	50.0	127	63	1	100				100				36	15	160	2.61	.4
RC	Totals		0	50.0	127	63	1	100				100				36	15	160	2.61	.4
Type Totals				6.3	14,234	13,342	192	33	61	6	9	5	10	77	23	6	33	0.51	400.6	

T36N R03E S14 TGAP1										T36N R03E S14 TGAP1				
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt					
36N	03E	14	WALNUT CH	GAP1	5.00	4	16	S	W					

Spp	T	So	Gr	%	Bd. Ft. per Acre			Total	Percent Net Board Foot Volume								Average Log				Logs							
									Net	BdFt	Def%	Gross	Net	Net MBF	Log Scale Dia.				Log Length				Ln	Dia	Bd	CF/	Per	
															4-5	6-11	12-16	17+	12-20	21-30		31-35						36-99
DF	T	DM	3S	79	7.0	7,033	6,542	33	100				100				40	8	83	0.73	78.9							
DF	T	DM	4S	11	4.4	965	922	5	100					22	27	51	28	5	27	0.32	34.1							
DF	T	DM	UT	10		812	812	4	100					100				10	5	10	0.22	80.8						
DF	T	Totals		100	6.1	8,810	8,277	41	21	79					12	3	85	25	6	43	0.57	193.8						
Type	Totals				6.1	8,810	8,277	41	21	79					12	3	85	25	6	43	0.57	193.8						

T36N R03E S14 TCORR									T36N R03E S14 TCORR				
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt				
36N	03E	14	WALNUT CH	CORR	7.90	25	147	S	W				

Spp	Sp	T	So	Gr	%	Bd. Ft. per Acre			Total	Percent Net Board Foot Volume								Average Log			Logs Per /Acre			
										Net	Def%	Gross	Net	Net MBF	Log Scale Dia.				Log Length				Ln	Dia
						4-5	6-11	12-16							17+	12-20	21-30	31-35	36-99	Ft		In		
DF	T	DM	2S			21.1	97	76	1		100				100				32	13	150	1.56	.5	
DF	T	DM	3S	66		6.6	8,235	7,690	61		100				100				40	7	76	0.67	100.7	
DF	T	DM	4S	17		8.1	2,202	2,024	16	76	24			4	5		91	36	5	37	0.38	54.6		
DF	T	DM	UT	17		2.2	1,926	1,884	15	100				53	21	13	13	10	5	10	0.26	179.7		
DF	T	Totals		99		6.3	12,460	11,674	92	29	70	1		9	4	3	84	24	6	35	0.50	335.5		
BM	T	DM	UT	100		25.3	143	107	1	100				100				18	5	15	0.22	7.1		
BM	T	Totals		1		25.3	143	107	1	100				100				18	5	15	0.22	7.1		
WH	T	DM	UT	100			45	45	0	100				100				23	5	20	0.29	2.3		
WH	T	Totals		0			45	45	0	100				100				23	5	20	0.29	2.3		
Type	Totals					6.5	12,649	11,826	93	30	69	1		10	5	3	83	23	6	34	0.50	344.9		

T36N R03E S14 TROW1									T36N R03E S14 TROW1				
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt				
36N	03E	14	WALNUT CH	ROW1	3.00	25	147	S	W				

Spp	S	So	Gr	T	rt	ad	%	Percent Net Board Foot Volume										Average Log			Logs Per /Acre			
								Bd. Ft. per Acre			Total Net MBF	Log Scale Dia.				Log Length				Ln Ft		Dia In	Bd Ft	CF/ Lf
								Def%	Gross	Net		4-5	6-11	12-16	17+	12-20	21-30	31-35	36-99					
DF	T	DM	2S					21.1	97	76	0	100				100				32	13	150	1.56	.5
DF	T	DM	3S				66	6.6	8,235	7,690	23	100				100				40	7	76	0.67	100.7
DF	T	DM	4S				17	8.1	2,202	2,024	6	76	24		4	5		91	36	5	37	0.38	54.6	
DF	T	DM	UT				17	2.2	1,926	1,884	6	100				53	21	13	13	10	5	10	0.26	179.7
DF	T	Totals					99	6.3	12,460	11,674	35	29	70	1	9	4	3	84	24	6	35	0.50	335.5	
BM	T	DM	UT				100	25.3	143	107	0	100				100				18	5	15	0.22	7.1
BM	T	Totals					1	25.3	143	107	0	100				100				18	5	15	0.22	7.1
WH	T	DM	UT				100		45	45	0	100				100				23	5	20	0.29	2.3
WH	T	Totals					0		45	45	0	100				100				23	5	20	0.29	2.3
Type Totals									6.5	12,649	11,826	35	30	69	1	10	5	3	83	23	6	34	0.50	344.9

TC TSTATS		STATISTICS						PAGE	1	
		PROJECT WALNUTC						DATE	1/5/2016	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	02	WALNUT CH	UNT3	31.70	14	77	S	W	
		PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES	PERCENT SAMPLE TREES				
TOTAL		14	77	5.5						
CRUISE		14	77	5.5	5,467	1.4				
DBH COUNT										
REFOREST										
COUNT										
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE TREES	TREES /ACRE	AVG DBH	BOLE LEN	REL DEN	BASAL AREA	GROSS BF/AC	NET BF/AC	GROSS CF/AC	NET CF/AC
DOUG FIR-T	33	36.4	27.3	110	28.2	147.3	37,207	35,896	7,392	7,390
WHEMLOCK-T	22	53.6	18.3	88	22.9	98.2	20,574	19,434	4,431	4,432
WR CEDAR-T	21	81.6	14.5	41	24.6	93.8	9,674	8,655	2,771	2,769
R ALDER-T	1	.9	24.0	70	0.6	2.9	64	45	25	25
TOTAL	77	172.5	19.1	70	78.3	342.1	67,519	64,030	14,619	14,617
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL:	68.1 %	COEFF	SAMPLE TREES - BF				# OF TREES REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T		57.0	9.9	1,268	1,407	1,547				
WHEMLOCK-T		67.0	14.6	460	538	617				
WR CEDAR-T		97.6	21.8	302	386	470				
R ALDER-T										
TOTAL		87.9	10.0	777	863	949	308	77	34	
CL:	68.1 %	COEFF	TREES/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T		96.7	26.8	27	36	46				
WHEMLOCK-T		111.5	30.9	37	54	70				
WR CEDAR-T		127.7	35.4	53	82	111				
R ALDER-T		374.2	103.6	1	1	2				
TOTAL		70.2	19.4	139	172	206	212	53	24	
CL:	68.1 %	COEFF	BASAL AREA/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T		63.6	17.6	121	147	173				
WHEMLOCK-T		95.7	26.5	72	98	124				
WR CEDAR-T		97.0	26.9	69	94	119				
R ALDER-T		374.2	103.6	3	3	6				
TOTAL		25.8	7.2	318	342	367	29	7	3	
CL:	68.1 %	COEFF	NET BF/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T		66.6	18.4	29,274	35,896	42,519				
WHEMLOCK-T		97.7	27.1	14,174	19,434	24,693				
WR CEDAR-T		92.1	25.5	6,448	8,655	10,862				
R ALDER-T		374.2	103.6		45	93				
TOTAL		33.4	9.2	58,111	64,030	69,949	48	12	5	
CL:	68.1 %	COEFF	V-BAR/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T		66.6	18.4	199	244	289				
WHEMLOCK-T		97.7	27.1	144	198	251				
WR CEDAR-T		92.1	25.5	69	92	116				

TC TSTATS				STATISTICS				PAGE	2	
				PROJECT WALNUTC				DATE	1/5/2016	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	02	WALNUT CH	UNT3	31.70	14	77	S	W	
CL:	68.1 %	COEFF		V-BAR/ACRE			# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.	S.E. %	LOW	AVG	HIGH	5	10	15	
R ALDER-T		374.2	103.6		16	32				
TOTAL		33.3	9.2	170	187	204	48	12	5	

TC TSTATS		STATISTICS						PAGE	1	
		PROJECT WALNUTC						DATE	1/5/2016	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	03	WALNUT CH	UNT4	14.40	19	133	S	W	
				TREES	ESTIMATED	PERCENT				
		PLOTS	TREES	PER PLOT	TOTAL	SAMPLE				
					TREES	TREES				
TOTAL		19	133	7.0						
CRUISE		19	133	7.0	3,333	4.0				
DBH COUNT										
REFOREST										
COUNT										
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE	TREES	AVG	BOLE	REL	BASAL	GROSS	NET	GROSS	NET
	TREES	/ACRE	DBH	LEN	DEN	AREA	BF/AC	BF/AC	CF/AC	CF/AC
DOUG FIR	68	90.8	14.2	52	26.4	99.4	6,691	6,289	2,366	2,370
DOUG FIR-T	10	18.1	12.2	47	4.2	14.6	1,048	821	327	328
WHEMLOCK	35	48.9	13.8	53	13.8	51.2	4,122	4,038	1,320	1,318
WHEMLOCK-T	16	55.9	8.8	46	7.9	23.4	1,925	1,851	493	493
R ALDER-T	2	13.1	6.4	34	1.2	2.9	196	196	35	35
BL MAPLE-T	1	4.2	8.0	38	0.5	1.5	126	84	25	25
WR CEDAR	1	.4	26.0	60	0.3	1.5	127	63	37	37
TOTAL	<i>133</i>	<i>231.5</i>	<i>12.4</i>	<i>49</i>	<i>55.2</i>	<i>194.5</i>	<i>14,234</i>	<i>13,342</i>	<i>4,604</i>	<i>4,606</i>
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL:	68.1 %	COEFF	SAMPLE TREES - BF			# OF TREES REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR	46.8	5.7		74	78	83				
DOUG FIR-T	61.2	20.4		49	62	75				
WHEMLOCK	53.4	9.0		85	93	102				
WHEMLOCK-T	84.3	21.7		36	46	56				
R ALDER-T	47.1	44.1		8	15	22				
BL MAPLE-T										
WR CEDAR										
TOTAL	<i>57.5</i>	<i>5.0</i>		<i>73</i>	<i>76</i>	<i>80</i>	<i>132</i>	<i>33</i>	<i>15</i>	
CL:	68.1 %	COEFF	TREES/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR	51.0	12.0		80	91	102				
DOUG FIR-T	146.4	34.5		12	18	24				
WHEMLOCK	106.2	25.0		37	49	61				
WHEMLOCK-T	235.6	55.5		25	56	87				
R ALDER-T	299.5	70.6		4	13	22				
BL MAPLE-T	435.9	102.7			4	8				
WR CEDAR	435.9	102.7			0	1				
TOTAL	<i>74.0</i>	<i>17.4</i>		<i>191</i>	<i>231</i>	<i>272</i>	<i>231</i>	<i>58</i>	<i>26</i>	
CL:	68.1 %	COEFF	BASAL AREA/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR	50.4	11.9		88	99	111				
DOUG FIR-T	132.4	31.2		10	15	19				
WHEMLOCK	111.9	26.4		38	51	65				
WHEMLOCK-T	169.2	39.9		14	23	33				
R ALDER-T	299.5	70.6		1	3	5				
BL MAPLE-T	435.9	102.7			1	3				
WR CEDAR	435.9	102.7			1	3				
TOTAL	<i>40.1</i>	<i>9.5</i>		<i>176</i>	<i>194</i>	<i>213</i>	<i>68</i>	<i>17</i>	<i>8</i>	
CL:	68.1 %	COEFF	NET BF/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR	57.0	13.4		5,444	6,289	7,134				

TC TSTATS				STATISTICS			PAGE	2		
				PROJECT WALNUTC			DATE	1/5/2016		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	03	WALNUT CH	UNT4	14.40	19	133	S	W	
CL:	68.1 %	COEFF		NET BF/ACRE			# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T		137.6	32.4	555	821	1,087				
WHEMLOCK		116.0	27.3	2,934	4,038	5,142				
WHEMLOCK-T		191.9	45.2	1,014	1,851	2,688				
R ALDER-T		317.6	74.8	49	196	343				
BL MAPLE-T		435.9	102.7		84	170				
WR CEDAR		435.9	102.7		63	129				
TOTAL		<i>52.1</i>	<i>12.3</i>	<i>11,705</i>	<i>13,342</i>	<i>14,980</i>	<i>114</i>	<i>29</i>	<i>13</i>	
CL:	68.1 %	COEFF		V-BAR/ACRE			# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		57.0	13.4	55	63	72				
DOUG FIR-T		137.6	32.4	38	56	74				
WHEMLOCK		116.0	27.3	57	79	100				
WHEMLOCK-T		191.9	45.2	43	79	115				
R ALDER-T		317.6	74.8	17	67	117				
BL MAPLE-T		435.9	102.7		57	116				
WR CEDAR		435.9	102.7		43	88				
TOTAL		<i>52.1</i>	<i>12.3</i>	<i>60</i>	<i>69</i>	<i>77</i>	<i>114</i>	<i>29</i>	<i>13</i>	

TC TSTATS				STATISTICS				PAGE	1	
PROJECT				WALNUTC				DATE	1/5/2016	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	11	WALNUT CH	ROW	10.30	9	22	S	W	
				TREES	ESTIMATED	PERCENT				
				PER PLOT	TOTAL	SAMPLE				
				PLOTS	TREES	TREES	TREES			
TOTAL	9	22	2.4							
CRUISE	9	22	2.4	420		5.2				
DBH COUNT										
REFOREST										
COUNT										
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE	TREES	AVG	BOLE	REL	BASAL	GROSS	NET	GROSS	NET
	TREES	/ACRE	DBH	LEN	DEN	AREA	BF/AC	BF/AC	CF/AC	CF/AC
DOUG FIR-T	18	34.4	14.6	43	10.5	40.0	2,517	2,389	906	905
R ALDER-T	3	5.1	15.5	60	1.7	6.7	601	601	181	181
WR CEDAR-T	1	1.3	18.0	35	0.5	2.2	50	50	44	44
TOTAL	22	40.8	14.8	45	12.7	48.9	3,168	3,040	1,131	1,130
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL: 68.1 %	COEFF	SAMPLE TREES - BF					# OF TREES REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	63.7	15.4	78	93	107					
R ALDER-T	30.7	21.2	97	123	150					
WR CEDAR-T										
TOTAL	60.1	13.1	82	95	107	151	38	17		
CL: 68.1 %	COEFF	TREES/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	62.6	22.1	27	34	42					
R ALDER-T	230.9	81.5	1	5	9					
WR CEDAR-T	300.0	105.9		1	3					
TOTAL	45.8	16.2	34	41	47	94	24	10		
CL: 68.1 %	COEFF	BASAL AREA/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	55.9	19.7	32	40	48					
R ALDER-T	212.1	74.9	2	7	12					
WR CEDAR-T	300.0	105.9		2	5					
TOTAL	46.2	16.3	41	49	57	96	24	11		
CL: 68.1 %	COEFF	NET BF/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	76.9	27.1	1,741	2,389	3,037					
R ALDER-T	217.2	76.6	140	601	1,061					
WR CEDAR-T	300.0	105.9		50	104					
TOTAL	74.1	26.2	2,245	3,040	3,836	246	62	27		
CL: 68.1 %	COEFF	V-BAR/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	76.9	27.1	44	60	76					
R ALDER-T	217.2	76.6	21	90	159					
WR CEDAR-T	300.0	105.9		23	47					
TOTAL	74.1	26.2	46	62	78	246	62	27		

TC TSTATS				STATISTICS				PAGE	1	
PROJECT				WALNUTC				DATE	1/5/2016	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	11	WALNUT CH	UNT2	5.80	10	46	S	W	
				TREES	ESTIMATED	PERCENT				
				PER PLOT	TOTAL	SAMPLE				
				PLOTS	TREES	TREES	TREES			
TOTAL	10	46	4.6							
CRUISE	10	46	4.6		579		7.9			
DBH COUNT										
REFOREST										
COUNT										
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE	TREES	AVG	BOLE	REL	BASAL	GROSS	NET	GROSS	NET
	TREES	/ACRE	DBH	LEN	DEN	AREA	BF/AC	BF/AC	CF/AC	CF/AC
DOUG FIR-T	34	51.0	25.8	103	36.5	185.1	37,513	36,894	8,386	8,385
WHEMLOCK-T	9	36.5	15.7	77	12.4	49.0	7,402	6,509	1,881	1,886
WR CEDAR-T	3	12.4	15.5	52	4.1	16.3	1,056	1,014	425	425
TOTAL	46	99.9	21.4	87	54.1	250.5	45,972	44,417	10,692	10,697
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL:	68.1 %	COEFF	SAMPLE TREES - BF				# OF TREES REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T	44.7	7.7		748	810	872				
WHEMLOCK-T	51.5	18.2		162	198	234				
WR CEDAR-T	42.1	29.2		59	83	108				
TOTAL	65.9	9.7		580	643	705	173	43	19	
CL:	68.1 %	COEFF	TREES/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T	27.4	9.1		46	51	56				
WHEMLOCK-T	187.3	62.3		14	36	59				
WR CEDAR-T	161.7	53.8		6	12	19				
TOTAL	60.9	20.3		80	100	120	165	41	18	
CL:	68.1 %	COEFF	BASAL AREA/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T	24.8	8.3		170	185	200				
WHEMLOCK-T	177.2	59.0		20	49	78				
WR CEDAR-T	161.0	53.6		8	16	25				
TOTAL	27.5	9.2		228	250	273	33	8	4	
CL:	68.1 %	COEFF	NET BF/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T	32.9	10.9		32,860	36,894	40,927				
WHEMLOCK-T	184.5	61.4		2,514	6,509	10,505				
WR CEDAR-T	170.0	56.6		440	1,014	1,587				
TOTAL	24.8	8.2		40,752	44,417	48,081	27	7	3	
CL:	68.1 %	COEFF	V-BAR/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T	32.9	10.9		177	199	221				
WHEMLOCK-T	184.5	61.4		51	133	214				
WR CEDAR-T	170.0	56.6		27	62	97				
TOTAL	24.8	8.2		163	177	192	27	7	3	

TC TSTATS				STATISTICS				PAGE	1	
				PROJECT WALNUTC				DATE	1/5/2016	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	14	WALNUT CH	CORR	7.90	25	147	S	W	
				TREES	ESTIMATED	PERCENT				
				PER PLOT	TOTAL	SAMPLE				
				PLOTS	TREES	TREES	TREES			
TOTAL	25	147	5.9							
CRUISE	25	147	5.9	1,456		10.1				
DBH COUNT										
REFOREST										
COUNT										
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE	TREES	AVG	BOLE	REL	BASAL	GROSS	NET	GROSS	NET
	TREES	/ACRE	DBH	LEN	DEN	AREA	BF/AC	BF/AC	CF/AC	CF/AC
DOUG FIR-T	144	174.9	13.0	53	44.5	160.0	12,460	11,674	3,957	3,959
BL MAPLE-T	2	7.1	7.5	29	0.8	2.2	143	107	26	29
WHEMLOCK-T	1	2.3	9.5	30	0.4	1.1	45	45	15	15
TOTAL	<i>147</i>	<i>184.3</i>	<i>12.7</i>	<i>52</i>	<i>45.8</i>	<i>163.3</i>	<i>12,649</i>	<i>11,826</i>	<i>3,998</i>	<i>4,003</i>
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL: 68.1 %	COEFF	SAMPLE TREES - BF				# OF TREES REQ.		INF. POP.		
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	46.9	3.9	75	78	81					
BL MAPLE-T	47.1	44.1	8	15	22					
WHEMLOCK-T										
TOTAL	<i>48.5</i>	<i>4.0</i>	<i>74</i>	<i>77</i>	<i>80</i>	<i>94</i>	<i>24</i>	<i>10</i>		
CL: 68.1 %	COEFF	TREES/ACRE				# OF PLOTS REQ.		INF. POP.		
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	43.2	8.8	159	175	190					
BL MAPLE-T	346.1	70.6	2	7	12					
WHEMLOCK-T	500.0	102.0		2	5					
TOTAL	<i>35.1</i>	<i>7.2</i>	<i>171</i>	<i>184</i>	<i>198</i>	<i>51</i>	<i>13</i>	<i>6</i>		
CL: 68.1 %	COEFF	BASAL AREA/ACRE				# OF PLOTS REQ.		INF. POP.		
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	34.8	7.1	149	160	171					
BL MAPLE-T	346.1	70.6	1	2	4					
WHEMLOCK-T	500.0	102.0		1	2					
TOTAL	<i>30.0</i>	<i>6.1</i>	<i>153</i>	<i>163</i>	<i>173</i>	<i>37</i>	<i>9</i>	<i>4</i>		
CL: 68.1 %	COEFF	NET BF/ACRE				# OF PLOTS REQ.		INF. POP.		
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	39.8	8.1	10,728	11,674	12,621					
BL MAPLE-T	365.0	74.4	27	107	186					
WHEMLOCK-T	500.0	102.0		45	91					
TOTAL	<i>36.7</i>	<i>7.5</i>	<i>10,942</i>	<i>11,826</i>	<i>12,711</i>	<i>56</i>	<i>14</i>	<i>6</i>		
CL: 68.1 %	COEFF	V-BAR/ACRE				# OF PLOTS REQ.		INF. POP.		
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	39.8	8.1	67	73	79					
BL MAPLE-T	365.0	74.4	12	48	84					
WHEMLOCK-T	500.0	102.0		41	82					
TOTAL	<i>36.7</i>	<i>7.5</i>	<i>67</i>	<i>72</i>	<i>78</i>	<i>56</i>	<i>14</i>	<i>6</i>		

TC TSTATS				STATISTICS				PAGE	1	
PROJECT				WALNUTC				DATE	1/5/2016	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	14	WALNUT CH	GAP1	5.00	4	16	S	W	
				TREES	ESTIMATED	PERCENT				
				PER PLOT	TOTAL	SAMPLE				
				PLOTS	TREES	TREES	TREES			
TOTAL	4	16	4.0							
CRUISE	4	16	4.0	539		3.0				
DBH COUNT										
REFOREST										
COUNT										
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE	TREES	AVG	BOLE	REL	BASAL	GROSS	NET	GROSS	NET
	TREES	/ACRE	DBH	LEN	DEN	AREA	BF/AC	BF/AC	CF/AC	CF/AC
DOUG FIR-T	16	107.9	13.7	53	29.9	111.0	8,810	8,277	2,783	2,784
TOTAL	16	107.9	13.7	53	29.9	111.0	8,810	8,277	2,783	2,784
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL: 68.1 %	COEFF	SAMPLE TREES - BF					# OF TREES REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	46.0	11.9	81	92	103					
TOTAL	46.0	11.9	81	92	103	90	23	10		
CL: 68.1 %	COEFF	TREES/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	59.4	33.9	71	108	144					
TOTAL	59.4	33.9	71	108	144	184	46	20		
CL: 68.1 %	COEFF	BASAL AREA/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	54.0	30.9	77	111	145					
TOTAL	54.0	30.9	77	111	145	152	38	17		
CL: 68.1 %	COEFF	NET BF/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	70.7	40.4	4,933	8,277	11,620					
TOTAL	70.7	40.4	4,933	8,277	11,620	261	65	29		
CL: 68.1 %	COEFF	V-BAR/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	70.7	40.4	44	75	105					
TOTAL	70.7	40.4	44	75	105	261	65	29		

TC TSTATS		STATISTICS					PAGE	1		
		PROJECT WALNUTC					DATE	1/5/2016		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	14	WALNUT CH	ROW	3.00	25	147	S	W	
		PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES	PERCENT SAMPLE TREES				
TOTAL		25	147	5.9						
CRUISE		25	147	5.9	553	26.6				
DBH COUNT										
REFOREST COUNT										
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE TREES	TREES /ACRE	AVG DBH	BOLE LEN	REL DEN	BASAL AREA	GROSS BF/AC	NET BF/AC	GROSS CF/AC	NET CF/AC
DOUG FIR-T	144	174.9	13.0	53	44.5	160.0	12,460	11,674	3,957	3,959
BL MAPLE-T	2	7.1	7.5	29	0.8	2.2	143	107	26	29
WHEMLOCK-T	1	2.3	9.5	30	0.4	1.1	45	45	15	15
TOTAL	<i>147</i>	<i>184.3</i>	<i>12.7</i>	<i>52</i>	<i>45.8</i>	<i>163.3</i>	<i>12,649</i>	<i>11,826</i>	<i>3,998</i>	<i>4,003</i>
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL: 68.1 %	COEFF	SAMPLE TREES - BF					# OF TREES REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	46.9	3.9	75	78	81					
BL MAPLE-T	47.1	44.1	8	15	22					
WHEMLOCK-T										
TOTAL	<i>48.5</i>	<i>4.0</i>	<i>74</i>	<i>77</i>	<i>80</i>	<i>94</i>	<i>24</i>	<i>10</i>		
CL: 68.1 %	COEFF	TREES/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	43.2	8.8	159	175	190					
BL MAPLE-T	346.1	70.6	2	7	12					
WHEMLOCK-T	500.0	102.0	2	5	5					
TOTAL	<i>35.1</i>	<i>7.2</i>	<i>171</i>	<i>184</i>	<i>198</i>	<i>51</i>	<i>13</i>	<i>6</i>		
CL: 68.1 %	COEFF	BASAL AREA/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	34.8	7.1	149	160	171					
BL MAPLE-T	346.1	70.6	1	2	4					
WHEMLOCK-T	500.0	102.0	1	2	2					
TOTAL	<i>30.0</i>	<i>6.1</i>	<i>153</i>	<i>163</i>	<i>173</i>	<i>37</i>	<i>9</i>	<i>4</i>		
CL: 68.1 %	COEFF	NET BF/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	39.8	8.1	10,728	11,674	12,621					
BL MAPLE-T	365.0	74.4	27	107	186					
WHEMLOCK-T	500.0	102.0	45	91	91					
TOTAL	<i>36.7</i>	<i>7.5</i>	<i>10,942</i>	<i>11,826</i>	<i>12,711</i>	<i>56</i>	<i>14</i>	<i>6</i>		
CL: 68.1 %	COEFF	V-BAR/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	39.8	8.1	67	73	79					
BL MAPLE-T	365.0	74.4	12	48	84					
WHEMLOCK-T	500.0	102.0	41	82	82					
TOTAL	<i>36.7</i>	<i>7.5</i>	<i>67</i>	<i>72</i>	<i>78</i>	<i>56</i>	<i>14</i>	<i>6</i>		

TC TSTATS		STATISTICS						PAGE	1	
		PROJECT WALNUTC						DATE	1/5/2016	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
36N	03E	14	WALNUT CH	UNT1	56.90	25	147	S	W	
		PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES	PERCENT SAMPLE TREES				
TOTAL		25	147	5.9						
CRUISE		25	147	5.9	10,487	1.4				
DBH COUNT										
REFOREST COUNT										
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE TREES	TREES /ACRE	AVG DBH	BOLE LEN	REL DEN	BASAL AREA	GROSS BF/AC	NET BF/AC	GROSS CF/AC	NET CF/AC
DOUG FIR	122	138.6	13.4	55	37.0	135.6	10,703	10,260	3,403	3,402
DOUG FIR-T	22	36.3	11.1	47	7.3	24.4	1,771	1,429	553	556
BL MAPLE-T	2	7.1	7.5	29	0.8	2.2	143	107	26	29
WHEMLOCK-T	1	2.3	9.5	30	0.4	1.1	45	45	15	15
TOTAL	<i>147</i>	<i>184.3</i>	<i>12.7</i>	<i>52</i>	<i>45.8</i>	<i>163.3</i>	<i>12,662</i>	<i>11,840</i>	<i>3,997</i>	<i>4,002</i>
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL:	68.1 %	COEFF	SAMPLE TREES - BF			# OF TREES REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		42.0	3.8	80	83	86				
DOUG FIR-T		67.5	14.7	43	51	58				
BL MAPLE-T		47.1	44.1	8	15	22				
WHEMLOCK-T										
TOTAL		<i>48.4</i>	<i>4.0</i>	<i>74</i>	<i>77</i>	<i>80</i>	<i>94</i>	<i>23</i>	<i>10</i>	
CL:	68.1 %	COEFF	TREES/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		40.2	8.2	127	139	150				
DOUG FIR-T		112.3	22.9	28	36	45				
BL MAPLE-T		346.1	70.6	2	7	12				
WHEMLOCK-T		500.0	102.0	2	2	5				
TOTAL		<i>35.1</i>	<i>7.2</i>	<i>171</i>	<i>184</i>	<i>198</i>	<i>51</i>	<i>13</i>	<i>6</i>	
CL:	68.1 %	COEFF	BASAL AREA/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		37.6	7.7	125	136	146				
DOUG FIR-T		82.5	16.8	20	24	29				
BL MAPLE-T		346.1	70.6	1	2	4				
WHEMLOCK-T		500.0	102.0	1	1	2				
TOTAL		<i>30.0</i>	<i>6.1</i>	<i>153</i>	<i>163</i>	<i>173</i>	<i>37</i>	<i>9</i>	<i>4</i>	
CL:	68.1 %	COEFF	NET BF/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		42.4	8.6	9,373	10,260	11,146				
DOUG FIR-T		86.2	17.6	1,177	1,429	1,680				
BL MAPLE-T		365.0	74.4	27	107	186				
WHEMLOCK-T		500.0	102.0	45	45	91				
TOTAL		<i>36.4</i>	<i>7.4</i>	<i>10,961</i>	<i>11,840</i>	<i>12,719</i>	<i>55</i>	<i>14</i>	<i>6</i>	
CL:	68.1 %	COEFF	V-BAR/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		42.4	8.6	69	76	82				
DOUG FIR-T		86.2	17.6	48	58	69				
BL MAPLE-T		365.0	74.4	12	48	84				
WHEMLOCK-T		500.0	102.0	41	41	82				
TOTAL		<i>36.4</i>	<i>7.4</i>	<i>67</i>	<i>72</i>	<i>78</i>	<i>55</i>	<i>14</i>	<i>6</i>	

Log Stock Table - MBF

5 inch top

T36N R03E S02 TyUNT3
THRU
T36N R03E S14 TyUNT1

Project: WALNUTCH
Acres 135.00

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Date 1/5/2016
Time 1:19:48PM

Spp	S T	So Gr rt de	Log Len	Gross MBF	Def %	Net MBF	% Spc	Net Volume by Scaling Diameter in Inches											
								2-3	4-5	6-7	8-9	10-11	12-13	14-15	16-19	20-23	24-29	30-39	40+
DF	T	DM	4S	25	3		3	.2			3								
DF	T	DM	4S	26	0	33.3	0	.0			0								
DF	T	DM	4S	30	1	25.0	1	.1			1								
DF	T	DM	4S	40	78	13.0	68	4.1		45	21		2						
DF	T	DM	UT	8	3		3	.2		3									
DF	T	DM	UT	9	1		1	.1		1									
DF	T	DM	UT	10	2		2	.1		2									
DF	T	DM	UT	11	8		8	.5		7		1	1						
DF	T	DM	UT	12	2		2	.1		2									
DF	T	DM	UT	13	1		1	.1		1									
DF	T	DM	UT	14	1	10.2	1	.1		1	0								
DF	T	DM	UT	15	3		3	.2		3									
DF	T	DM	UT	16	0		0	.0		0									
DF	T	DM	UT	17	1	11.8	1	.0		1									
DF	T	DM	UT	18	2		2	.1		1	0								
DF	T	DM	UT	19	4	17.6	3	.2		3									
DF	T	DM	UT	20	0		0	.0		0									
DF	T	DM	UT	21	1		1	.1		1									
DF	T	DM	UT	23	0		0	.0		0									
DF	T	DM	UT	24	0		0	.0		0									
DF	T	DM	UT	26	6		6	.4		6									
DF	T	DM	UT	27	2		2	.1		2									
DF	T	DM	UT	28	1		1	.1		1									
DF	T	DM	UT	29	5		5	.3		5									
DF	T	DM	UT	30	6		6	.4		6									
DF	T	DM	UT	33	1		1	.1		1									
DF	T	DM	UT	34	2		2	.1		2									
DF	T	DM	UT	35	2		2	.1		2									
DF	T	DM	UT	36	2	17.3	2	.1		2									
DF	T	DM	UT	37	1	25.0	1	.1		1									
DF	T	DM	UT	39	2	8.7	2	.1		2									
DF	T	HA	SM	32	78		78	4.7						21	19	38			
DF	T	HA	SM	40	146		146	8.9						72	26	21	27		
DF	T	HA	2S	40	13		13	.8						4	9				
DF		Totals			1,719	4.7	1,638	48.8		106	114	111	115	101	108	405	258	274	46
DF		DM	2S	32	2	18.8	1	.2					1						

Log Stock Table - MBF

5 inch top

T36N R03E S02 TyUNT3
THRU
T36N R03E S14 TyUNT1

Project: WALNUTCH
Acres 135.00

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Date 1/5/2016
Time 1:19:48PM

Spp	S T	So rt	Gr de	Log Len	Gross MBF	Def %	Net MBF	% Spc	Net Volume by Scaling Diameter in Inches										
									2-3	4-5	6-7	8-9	10-11	12-13	14-15	16-19	20-23	24-29	30-39
WH		DM	UT	10	0		0	.6		0									
WH		DM	UT	11	0		0	.3		0									
WH		DM	UT	12	1		1	1.0		1									
WH		DM	UT	14	0		0	.2		0									
WH		DM	UT	17	0		0	.6		0									
WH		DM	UT	33	2		2	2.7		2									
WH		Totals			59	2.0	58	1.7		7	29	14	2	6					
RA	T	DM	3S	30	4		4	34.7				4							
RA	T	DM	4S	23	0		0	2.4		0									
RA	T	DM	4S	30	4	14.8	3	31.6		1		3							
RA	T	DM	UT	13	1		1	9.0		1									
RA	T	DM	UT	19	2		2	18.0		2									
RA	T	DM	UT	22	0		0	4.2		0									
RA		Totals			11	5.2	10	.3		4		3	4						
BM	T	DM	UT	18	10	25.3	7	85.7		7									
BM	T	DM	UT	25	2	33.3	1	14.3		1									
BM		Totals			12	26.6	8	.3		8									
Total		All Species			3,547	5.4	3,355	100.0		397	449	453	262	225	222	661	334	308	46

T36N R03E S02 TyUNT3
THRU
T36N R03E S14 TyUNT1

Project: WALNUTCH
Acres 135.00

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Spp	S T	So Gr rt de	Log Len	Gross MBF	Def %	Net MBF	% Spc	Net Volume by Scaling Diameter in Inches									
								2-3	4-5	6-7	8-9	10-11	12-13	14-15	16-19	20-23	24-29
RC	T	DM 4S	32	9		9	3.6		9								
RC	T	DM 4S	34	3		3	1.2	3	0								
RC	T	DM 4S	36	7	3.4	7	2.8		6	1							
RC		Totals		280	10.7	250	7.6	8	21	4	20	35	14	6	91	35	16
RC		DM 3S	36	2	50.0	1	100.0							1			
RC		Totals		2	50.0	1	.0							1			
WH	T	DM 2S	40	458	7.9	422	62.9					92	107	165	41	18	
WH	T	DM 3S	25	2		2	.3				2						
WH	T	DM 3S	35	4		4	.6				4						
WH	T	DM 3S	40	200	2.9	194	28.9		33	83	68	11					
WH	T	DM 4S	11	1		1	.1			1							
WH	T	DM 4S	12	4		4	.6			3	1						
WH	T	DM 4S	13	2		2	.3		1		1						
WH	T	DM 4S	15	0		0	.0			0							
WH	T	DM 4S	16	1		1	.2			1							
WH	T	DM 4S	19	2		2	.2				2						
WH	T	DM 4S	23	2		2	.3			2							
WH	T	DM 4S	25	4		4	.6			4							
WH	T	DM 4S	28	0	33.3	0	.0			0							
WH	T	DM 4S	32	1		1	.1		1								
WH	T	DM 4S	36	1		1	.1		1								
WH	T	DM 4S	40	9	4.2	8	1.2		6	2							
WH	T	DM UT	9	1		1	.1			1							
WH	T	DM UT	10	0		0	.0		0								
WH	T	DM UT	14	0		0	.0	0									
WH	T	DM UT	16	0		0	.0		0								
WH	T	DM UT	23	3		3	.4	3									
WH	T	DM UT	30	1		1	.1		1								
WH	T	DM UT	31	3		3	.5		3								
WH	T	DM UT	33	3		3	.4		3								
WH	T	DM UT	36	1		1	.1		1								
WH	T	DM UT	38	1		1	.2		1								
WH	T	DM UT	40	10		10	1.5	4	6								
WH		Totals		714	5.9	671	20.5	9	22	47	87	73	103	107	165	41	18
WH		DM 2S	32	2		2	3.2					2					

T36N R03E S02 TyUNT3
THRU
T36N R03E S14 TyUNT1

Project: **WALNUTCH**
Acres **135.00**

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Date **1/5/2016**
Time **1:30:50PM**

Spp	S T	So rt	Gr de	Log Len	Gross MBF	Def %	Net MBF	% Spc	Net Volume by Scaling Diameter in Inches										
									2-3	4-5	6-7	8-9	10-11	12-13	14-15	16-19	20-23	24-29	30-39
WH		DM	2S	40	4		4	7.0				4							
WH		DM	3S	40	36	3.4	35	59.4		19	14	2							
WH		DM	4S	8	0		0	.7		0									
WH		DM	4S	12	0		0	.2		0									
WH		DM	4S	14	0		0	.3		0									
WH		DM	4S	21	0		0	.6		0									
WH		DM	4S	24	0		0	.5		0									
WH		DM	4S	30	0		0	.7		0									
WH		DM	4S	34	1		1	1.0		1									
WH		DM	4S	40	10		10	17.7		2	8								
WH		DM	UT	8	1		1	1.2		1									
WH		DM	UT	10	1		1	.9		1									
WH		DM	UT	11	1		1	1.2		1									
WH		DM	UT	12	1		1	1.9		1									
WH		DM	UT	13	0		0	.8	0	0									
WH		DM	UT	14	0		0	.6		0									
WH		DM	UT	15	0		0	.4		0									
WH		DM	UT	18	0		0	.3		0									
WH		DM	UT	40	1		1	1.3	1										
WH		Totals			60	2.0	58	1.8	1	7	29	14	2	6					
RA	T	DM	3S	30	4		4	42.3				4							
RA	T	DM	4S	23	0		0	2.9		0									
RA	T	DM	4S	30	4	14.8	3	38.6		1		3							
RA	T	DM	UT	26	0		0	5.1		0									
RA	T	DM	UT	41	1		1	11.0	1										
RA		Totals			9	6.3	9	.3	1	1	3	4							
BM	T	DM	UT	37	1		1	100.0	1										
BM		Totals			1		1	.0	1										
Total		All Species			3,455	5.4	3,270	100.0	51	261	449	453	262	225	222	661	334	308	46

Species Summary - Trees, Logs, Tons, CCF, MBF

T36N R03E S02 TyUNT	31.7
T36N R03E S03 TyUNT	14.4
T36N R03E S14 TyUNT	56.9

Project WALNUTC
Acres 135.00

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Species	S T	Total	Total	Total	Net Cubic Ft/		CF/	Total CCF		Total MBF	
		Trees	Logs	Tons	Tree	Log	LF	Gross	Net	Gross	Net
DOUG FIR	T	6,573	13,747	10,988	58.67	28.05	1.10	3,855	3,856	1,719	1,638
WHEMLOCK	T	2,868	6,172	5,104	55.64	25.85	0.86	1,595	1,596	726	684
DOUG FIR		9,196	18,084	6,489	24.76	12.59	0.53	2,277	2,277	705	674
WR CEDAR	T	2,673	3,772	2,133	33.93	24.05	1.00	907	907	313	281
WHEMLOCK		705	1,371	608	26.94	13.85	0.60	190	190	59	58
R ALDER	T	270	341	87	11.75	9.31	0.46	32	32	11	10
BL MAPLE	T	545	545	56	4.22	4.22	0.22	21	23	12	8
WR CEDAR		6	6	13	94.00	94.00	2.61	5	5	2	1
Totals		22,834	44,037	25,478	38.91	20.18	0.80	8,883	8,886	3,547	3,355

Wood Type Species	Total	Total	Total	Net Cubic Ft/		CF/	Total CCF		Total MBF	
	Trees	Logs	Tons	Tree	Log	LF	Gross	Net	Gross	Net
C	22,019	43,151	25,334	40.11	20.47	0.81	8,830	8,831	3,524	3,336
H	815	886	143	6.72	6.18	0.32	53	55	23	19
Totals	22,834	44,037	25,478	38.91	20.18	0.80	8,883	8,886	3,547	3,355

PRE-CRUISE NARRATIVE

Sale Name: Walnut VDT & VRH	Region: Northwest
Agreement #: 30-092530	District: Baker
Contact Forester: Joel Dryden Phone / Location: 360-391-5374	County(s): Skagit, Choose a county
Alternate Contact: Chris Hankey Phone / Location: 360-854-8310	Other information: Click here to enter text.

Type of Sale: Log Sort (Contract harvest)	
Harvest System: Ground based VRH	70
Harvest System: Ground based Cut-to-length Thinning	30

UNIT ACREAGES AND METHOD OF DETERMINATION:

Unit # Harvest R/W or RMZ WMZ	Legal Description (Enter only one legal for each unit) Sec/Twp/Rng	Grant or Trust	Gross Proposal Acres	Deductions from Gross Acres (No harvest acres)				Net Harvest Acres	Acreage Determination (List method and error of closure if applicable)
				RMZ/ WMZ Acres	Leave Tree Acres	Existing Road Acres	Other Acres (describe)		
1	S14T36R3E	01	71.5			1	2.3 ROW 5.0 Voids	63.2	GPS (Garmin)
1GAPS	S14T36R3E	01	5.0					5.0	GPS (Garmin)
2	S11T36R3E	01	7.7		0.9	1		5.8	GPS (Garmin)
3	S2T36R3E	01	33.7		2			31.7	GPS (Garmin)
4	S3T36R3E	01	19.3			2	0.7 ROW 0.6 Voids	16.0	GPS (Garmin)
RW1	S3,14 T36R3E	01	3.0					3.0	Combination
*RW2	S2,3,11,14 T36R3E	01	10.3					10.3	Combination
TOTAL ACRES			150.5		2.9	4	3.0 ROW 5.6 Voids	135.0	

HARVEST PLAN AND SPECIAL CONDITIONS:

Unit #	Harvest Prescription: (Leave, take, paint color, tags, flagging etc.)	Special Management areas:	Other conditions (# leave trees, etc.)
1	Variable Density Thinning. (VDT) Leave 120 TPA (19x19 Spacing) 1. Cut all hardwoods	Included in net acres: 6.3 acres for corridors	See attached Schedule B for prescription.

	2. Cut all hemlock 3. Cut Douglas-fir up to 13 inches DBH.		
1 GAPS	Remove all timber within Blue "Special Management Area" tags.	N/A	
2	Variable Retention Harvest (VRH). Leave tree clumps marked with yellow "Leave Tree Area" Tags.	N/A	68 total leave trees (all clumped) are marked with yellow leave tree area tags and/or blue paint.
3	Variable Retention Harvest (VRH). Dispersed single leave trees marked with blue paint on bole and root collar. Leave tree clumps marked with yellow "Leave Tree Area" Tags.	N/A	278 total leave trees (250 clumped, 28 dispersed) are marked with yellow leave tree area tags and/or blue paint.
4	Variable Density Thinning. (VDT) Leave 130-140 TPA (18x18 Spacing) 1. Cut all hardwoods 2. Cut Douglas-fir up to 12 inches DBH. 3. Cut western hemlock up to 14 inches DBH.	Included in net acres: 1.6 acres for corridors	See attached Schedule B for prescription.
RW1	Harvest all trees within orange right-of-way tags.	N/A	
RW2	Road Daylighting - Cut all trees within 30' of uphill side of centerline and 20' of downhill side of described areas of BL-ML and BL-44, as well as any orange-painted trees. Cut no blue-painted trees.	N/A	See Road Plan and H-140 for more details.

OTHER PRE-CRUISE INFORMATION:

Unit #	Primary,secondary Species / Estimated Volume (MBF)	Access information (Gates, locks, etc.)	Photos, traverse maps required
1	DF – 4mbf/acre (250mbf)	BM-ML gate, F1-3 lock.	See attached driving and traverse maps
2	DF, WH – 42mbf/acre (240mbf)	BM-ML gate, F1-3 lock.	See attached driving and traverse maps
3	DF, WH – 60 mbf/acre (1.9mmbf)	BM-ML gate, F1-3 lock.	See attached driving and traverse maps
4	WH, DF – 4mbf/acre (64mbf)	BM-ML gate, F1-3 lock.	See attached driving and traverse maps
RW1	DF, WH – 12mbf/acre (36mbf)	BM-ML gate, F1-3 lock.	See attached driving and traverse maps
RW2*	RA, DF – 50mbf	BM-ML gate, F1-3 lock.	See attached driving and traverse maps
Corridors**	DF, WH – 95mbf	BM-ML gate, F1-3 lock.	See attached driving and traverse maps

TOTAL MBF	2600 mmbf		
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REMARKS:

This sale is on Blanchard Mountain. Unit 1 is an almost entirely Douglas-fir plantation with a small mix of western hemlock and hardwoods, and will be thinned according to the schedule B. Units 2 and 3 are VRH units containing sorts of Douglas-fir, western hemlock, and western redcedar. Unit 4 is a mix plantation of western hemlock and Douglas-fir, and will be thinned according to the schedule B.

Existing Roads - Acreage deducted from gross acres was determined by the following equation: $((\text{Road LxW})/43,560)$. Length was determined by GIS measure tool, and width being 60'.

ROW 1 – This contains all merchantable timber within new road construction going through Units 1 and 4 (VDT), and a small portion at the beginning of the middle road going into Unit 3 (BL-4403). Acreage was determined by the following equation: $((\text{New Road LxW})/43,560)$. Length was determined by GIS measure tool (2,200'), and width being 60'.

***ROW 2** – This includes all timber along the BL-ML and BL-44 to be daylighted. 15,000' of road with merchantable timber x 30' harvestable ROW (Existing 60' ROW minus road prism and ditches = 20' uphill, 10' downhill) / 43,560 = 10.3 acres. $10.3 \times 10 \text{ mbf/acre} = 103 \text{ mbf}$.

****Corridors** – 7.9 total acres (10 % of harvest area) were estimated for corridors in Units 1 and 4, with an estimated volume for 95 mbf (12mbf/acre). Unit 1 – 6.3 acres, Unit 2 – 1.6 acres.

Traverse points on the unit edge are marked with pink and green flagging and labeled with the traverse point number.

Driving Directions:

From I-5, Take exit 240 west on Lake Samish Rd for 0.4 mile and take a left on Barrel Springs Rd. Continue for 0.3 mile and turn right on the BL-ML.

Unit 1: Continue on BL-ML for 1.5 miles to the unit.

Unit 2: Continue for an additional 1.5 miles on the BL-ML to the BL-31, turn right and follow for 0.4 mile.

Unit 3: From the junction of the BL-ML and the BL-31, continue 0.7 mile to the unit.

Unit 4: From Unit 3, continue 0.6 mile on the BL-ML to the unit.

Prepared By: Joel Dryden	Title: NRS2	CC:
Date: 10/15/2015		



WASHINGTON STATE DEPARTMENT OF
Natural Resources
 Peter Goldmark - Commissioner of Public Lands

FPA/N No: 2814947

Effective Date: 1/19/2016

Expiration Date: 1/19/2019

Shut Down Zone: 656

EARR Tax Credit: Eligible Non-eligible

Reference: Walnut

**Forest Practices Application/Notification
 Notice of Decision**

DECISION:

NOTIFICATION

Operations shall not begin before the effective date.

APPROVED

This Forest Practices Application is subject to the conditions listed below.

DISAPPROVED

This Forest Practices Application is disapproved for the reasons listed below.

CLOSED

Applicant has withdrawn FPA/N.

FPA/N CLASSIFICATION

Number of Years Granted on Multi-Year Request

Class II

Class III

Class IVG

Class IVS

4yrs

5 yrs

Conditions on Approval / Reasons for Disapproval

[Empty box for conditions on approval / reasons for disapproval]

Issued By: Dave Klingbiel *DK*

Region: Northwest

Title: Chuckanut Forest Practice Forester

Date: 1/19/2016

Copies to: Landowner, Timber Owner and Operator

Issued in Person: Landowner, Timber Owner Operator By: *[Signature]*

Appeal Information

You have thirty (30) days to appeal this Decision and any related State Environmental Policy Act determinations to the Pollution Control Hearings Board in writing at the following addresses:

Physical address: 1111 Israel Rd. SW, Ste 301, Tumwater, WA 98501

Mailing address: P.O. BOX 40903, OLYMPIA, WA 98504-0903

Information regarding the Pollution Control Hearings Board can be found at: <http://www.eluho.wa.gov/>

At the same time you file an appeal with the Pollution Control Hearings Board, also send a copy of the appeal to the Department of Natural Resources' region office and the Office of the Attorney General at the following addresses:

Office of the Attorney General
Natural Resources Division
1125 Washington Street SE
PO Box 40100
Olympia, WA 98504-0100

And

Department Of Natural Resources
Northwest Region
919 N Township Street
Sedro-Woolley, WA 98284

Other Applicable Laws

Operating as described in this application/notification does not ensure compliance with the Endangered Species Act, or other federal, state, or local laws.

Hydraulic Project Approval (HPA) (Chapter 77.55RCW and WAC 222-50-020(2))

The Department of Fish and Wildlife (WDFW), as the jurisdictional agency issuing HPAs, has final authority for approving water crossing structures in Type S and F waters. WDFW continues to have authority on Type N waters and may exercise that authority on some Type N waters.

Notice: The HPA water crossing requirements supersede what is indicated on the FPA. Landowners are required by law to follow the provisions as directed on the HPA.

Transfer of Forest Practices Application/Notification (WAC 222-20-010)

Use the "Notice of Transfer of Approved Forest Practices Application/Notification" form. This form is available at region offices and on the Forest Practices Division website: <http://www.dnr.wa.gov/businesspermits/forestpractices>. Notify DNR of new Operators within 48 hours.

Continuing Forest Land Obligations (RCW 76.09.060, RCW 76.09.070, RCW 76.09.390, and WAC 222-20-055)

Obligations include reforestation, road maintenance and abandonment plans, conversions of forest land to non-forestry use and/or harvest strategies on perennial non-fish habitat (Type Np) waters in Eastern Washington.

Before the sale or transfer of land or perpetual timber rights subject to continuing forest land obligations, the seller must notify the buyer of such an obligation on a form titled "Notice of Continuing Forest Land Obligation". The seller and buyer must both sign the "Notice of Continuing Forest Land Obligation" form and send it to the DNR Region Office for retention. This form is available at DNR region offices.

If the seller fails to notify the buyer about the continuing forest land obligation, the seller must pay the buyer's costs related to continuing forest land obligations, including all legal costs and reasonable attorneys' fees incurred by the buyer in enforcing the continuing forest land obligation against the seller.

Failure by the seller to send the required notice to the DNR at the time of sale will be prima facie evidence in an action by the buyer against the seller for costs related to the continuing forest land obligation prior to sale.

DNR affidavit of mailing:

On this day _____, I placed in the United States mail at Sedro-Woolley, WA, postage paid, a true and accurate copy of the attached document. Notice of Decision FPA # __2814947_____
____Braelyn Hamilton_____
(Printed name) (Signature)