

TIMBER NOTICE OF SALE

SALE NAME: SHOWJUMPER SORTS

AGREEMENT NO: 30-92775 - 30-92786

AUCTION: November 19, 2015 starting at 10:00 a.m.
Pacific Cascade Region Office, Castle Rock, WA

COUNTY: Lewis

SALE LOCATION: Sale located approximately 7 miles north of Adna.

PRODUCTS SOLD

AND SALE AREA: All timber described below, except leave trees bounded by yellow "Leave Tree Area" tags and pink flagging and individual leave trees marked with blue paint bounded by the following: white "Timber Sale Boundary" in Unit 1; white "Timber Sale Boundary" and the D-1500 in Unit 2; white "Timber Sale Boundary" tags, reprod and the D-1500 in Unit 3; orange "Right-of-Way Boundary" tags in Unit 4 meeting the specifications described below; on parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., containing 136 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		
30-092775	1	DF 5"-7" dib	N/A	225	1800	8		\$55.00	\$99,000.00	\$9,900.00
30-092776	2	DF 8"-11" dib	28'	439	2985	6.8	\$500.00		\$219,500.00	\$21,950.00
30-092777	3	DF 12"-19" dib	28'	1170	5850	5	\$525.00		\$614,250.00	\$61,425.00
30-092778	4	DF 20"+ dib	28'	1079	5179	4.8	\$490.00		\$528,710.00	\$52,871.00
30-092779	5	DF HQB+ 8"-15" dib	28'	809	4207	5.2	\$550.00		\$444,950.00	\$44,495.00
30-092780	6	DF HQB+ 16"+ dib	28'	798	3751	4.7	\$575.00		\$458,850.00	\$45,885.00
30-092781	7	WW 5"+ dib	28'	103	721	7	\$400.00		\$41,200.00	\$4,120.00
30-092782	8	RA 8"+ dib	24'	182	1274	7	\$600.00		\$109,200.00	\$10,920.00
30-092783	9	MA 8"+ dib	24'	73	511	7	\$425.00		\$31,025.00	\$3,102.50
30-092784	10	RC 5"+ dib	24'	242	1742	7.2	\$1,200.00		\$290,400.00	\$29,040.00
30-092785	11	Conifer Pulp 2"+ dib	N/A	69	1035	15		\$28.00	\$28,980.00	\$2,898.00
30-092786	12	HDWD Pulp 2"+ dib	N/A	191	2865	15		\$28.00	\$80,220.00	\$8,022.00

Totals: **5380 31920 \$2,946,285.00**

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: June 30, 2016 **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 Pacific Cascade Region Office in Castle Rock WA. Phone number (360)577-2025.

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 = \$67.10 per MBF for sorts 2, 3, 4, 5, 6, 7, 8, 9 and 10, \$10.00 per Ton for sorts 11 and 12 and \$12.00 per Ton for sort 1.

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 = \$26.75 per MBF for sorts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12.

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.

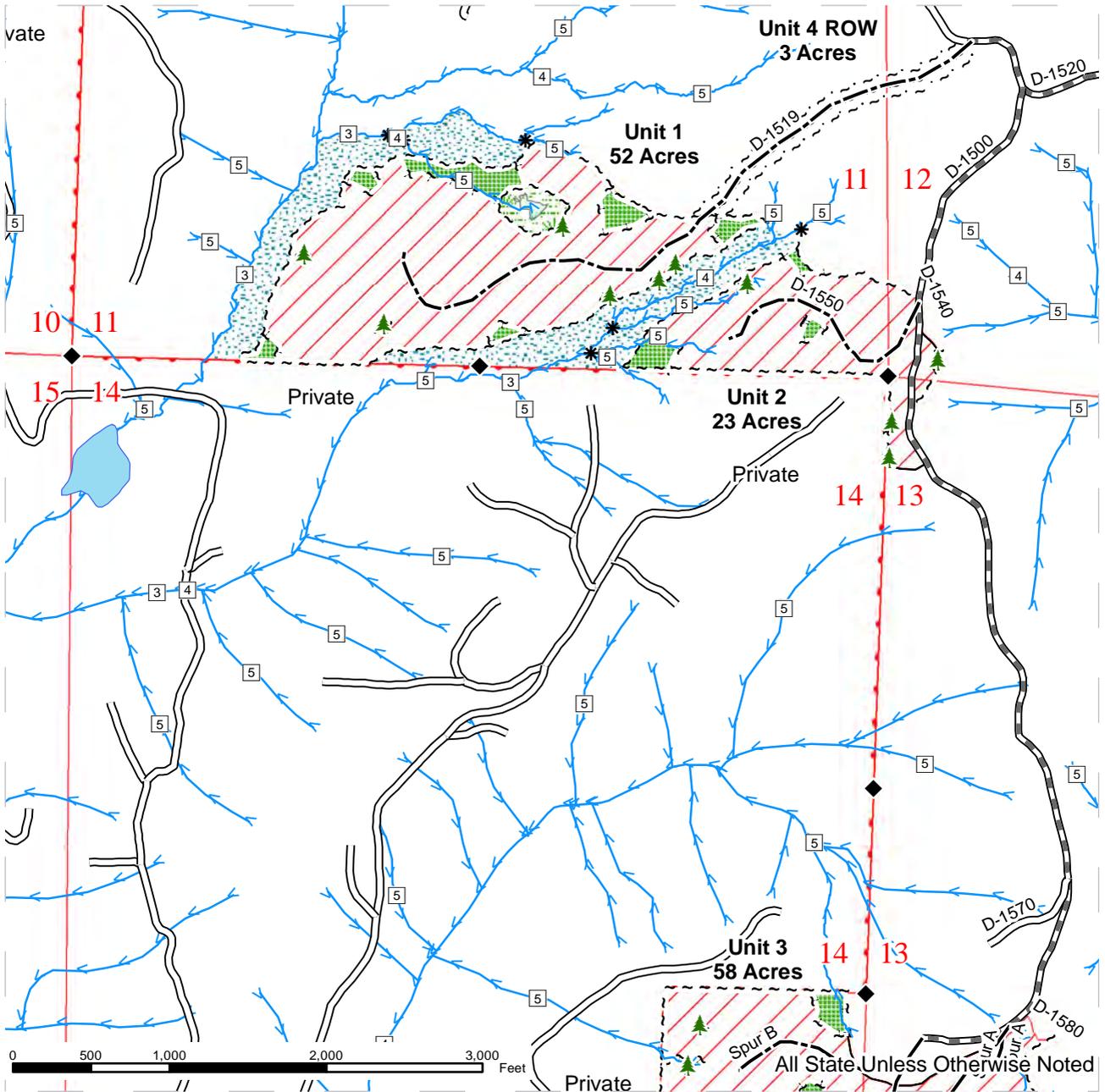
SPECIAL REMARKS: The successful Purchaser(s) will be required to purchase logs from the sale area upon delivery to their location specified in the bid submitted. Logs will be delivered to the Purchaser's delivery location by the State's contract harvester. Purchaser is responsible for weighing and scaling 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.

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 Dave Sund at the Pacific Cascade Region Office at (360)880-5802 or Steve Teitzel at the Product Sales and Leasing Division Office in Olympia at (360)902-1741.

TIMBER SALE MAP

SALE NAME: SHOWJUMPER SORTS
AGREEMENT#: 30-092774
TOWNSHIP(S): T14R04W
TRUST(S): State Forest Transfer(1), Common School and Indemnity(3), Capitol Grant(7)

REGION: Pacific Cascade Region
COUNTY(S): LEWIS
ELEVATION RGE: 305-736

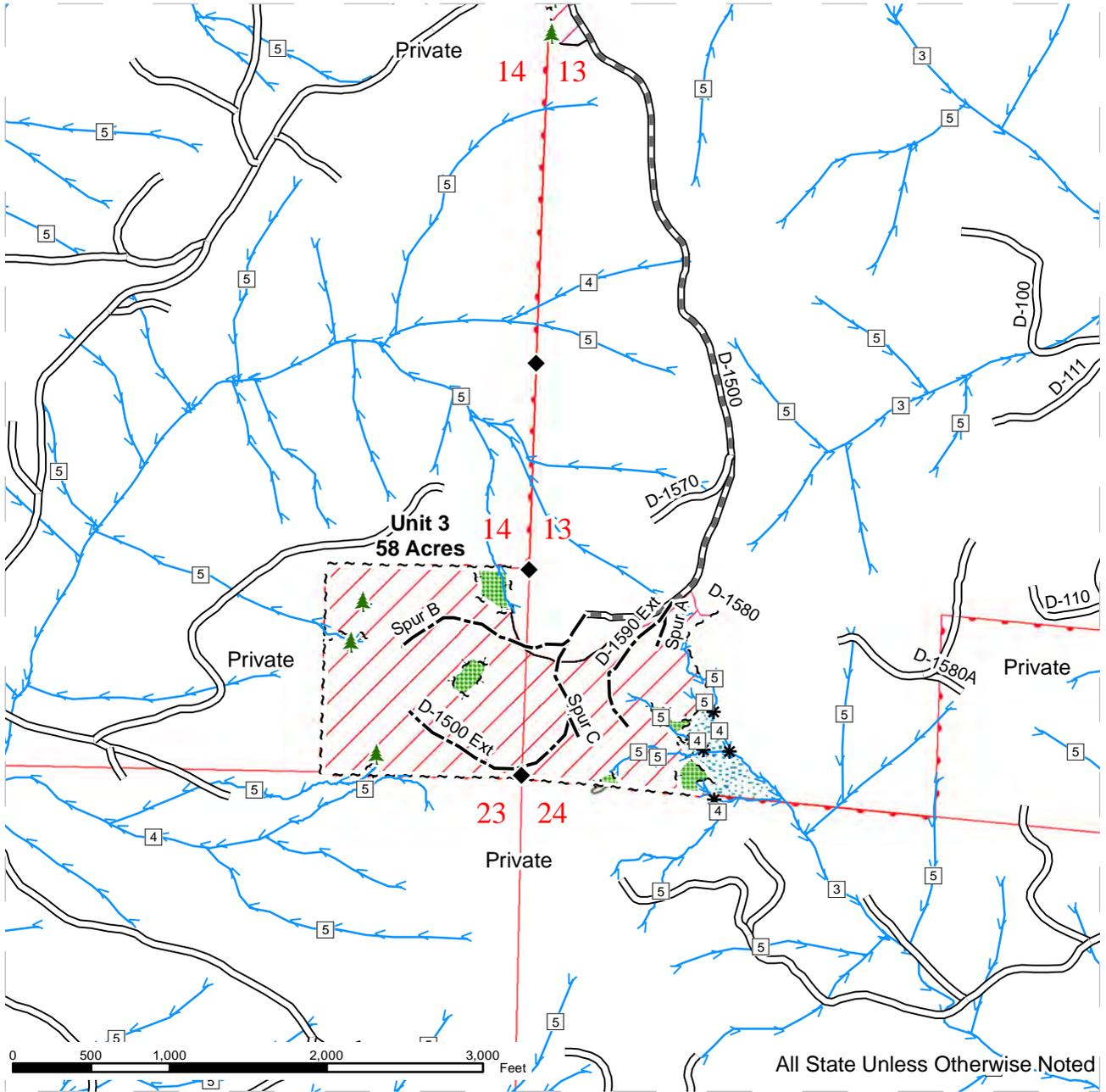


Variable Retention Harvest	Right of Way Tags	Streams
Leave Tree Area	Reprod	Stream Type
Riparian Mgt Zone	Existing Roads	Stream Type Break
Wetland Mgt Zone	Required Pre-Haul Maintenance	< 1/4 Acre Leave Tree Area
Forested Wetland	Optional Construction	Gate (PCP 1-1)
Sale Boundary Tags		Monumented Corners
Leave Tree Tags		

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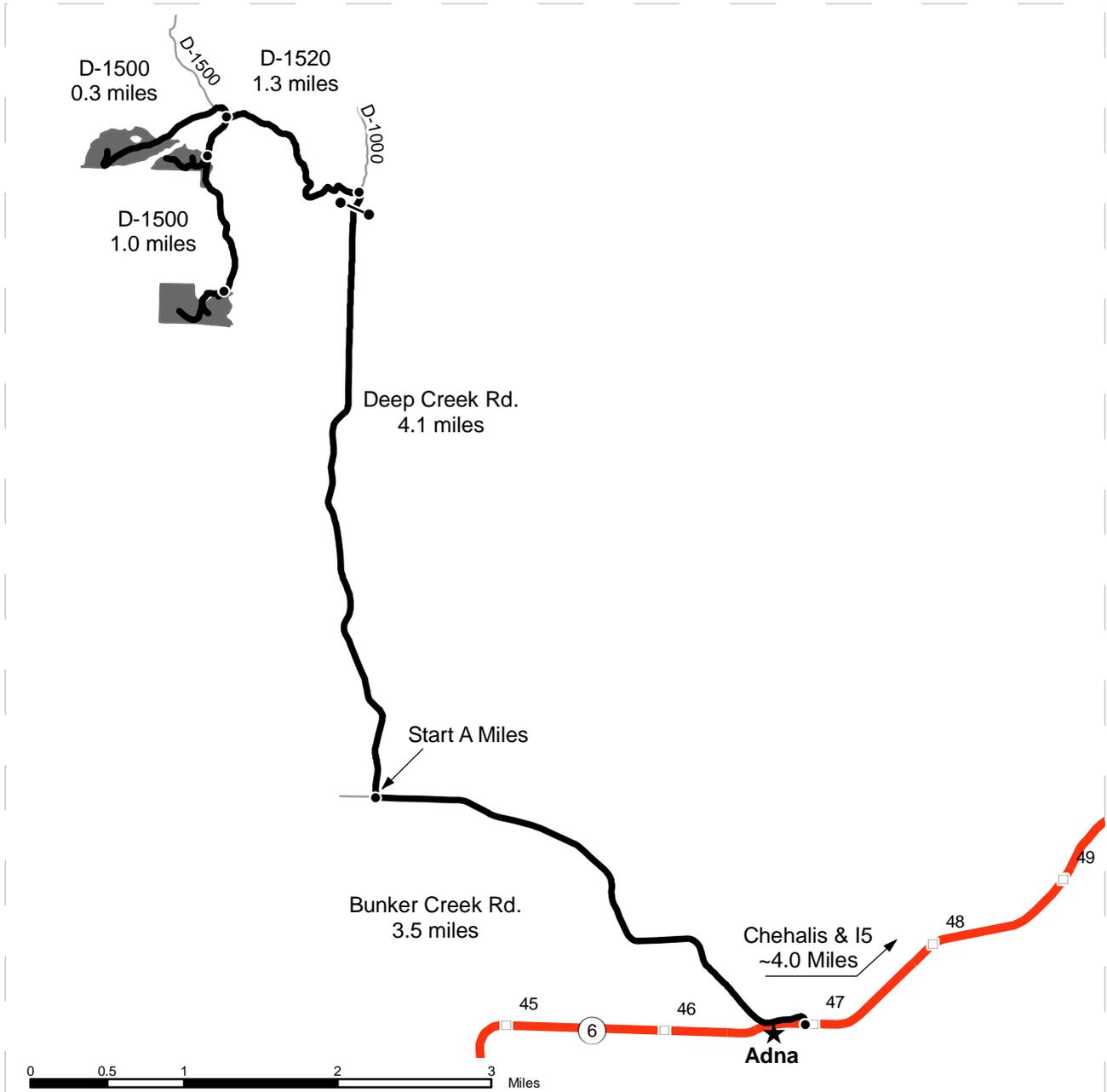
Variable Retention Harvest	Right of Way Tags	Streams
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DRIVING MAP

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	Timber Sale Unit
	Highways
	Haul Route
	Other Route
	Distance Indicator
	Milepost Markers

DRIVING DIRECTIONS:

From I-5, head west on State highway 6 (exit 77) for approximately 4 miles. After milepost 47, turn right onto Bunker Creek Road and travel for about 3.5 miles to Deep Creek Road. Turn right (north) onto Deep Creek Road. Travel on Deep Creek Road for 4 miles which turns into the D-1000, go through the gate for about 0.1 miles and turn left onto the D-1520. Continue on the D-1520 for 1.3 miles and turn left onto the D-1500. Follow the D-1500 for 0.3 miles and Unit 1 and 2 will be on your right. Follow the D-1500 for 1.0 mile and Unit 3 will be on your left.



**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-092775

SALE NAME: SHOWJUMPER SORT 1

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92775	1	DF 5"-7" dib	

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
92775	01	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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092776

SALE NAME: SHOWJUMPER SORT 2

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92776	2	DF 8"-11" dib	

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
92776	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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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

\$20/mbf for Utility logs (Adjusted Gross).

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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092777

SALE NAME: SHOWJUMPER SORT 3

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92777	3	DF 12"-19" dib	

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
92777	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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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

\$20/mbf for Utility logs (Adjusted Gross).

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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092778

SALE NAME: SHOWJUMPER SORT 4

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92778	4	DF 20"+ dib	

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
92778	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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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

\$20/mbf for Utility logs (Adjusted Gross).

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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092779

SALE NAME: SHOWJUMPER SORT 5

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92779	5	DF HQB+ 8"-15" dib	

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
92779	05	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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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

\$20/mbf for Utility logs (Adjusted Gross).

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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092780

SALE NAME: SHOWJUMPER SORT 6

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92780	6	DF HQB+ 16"+ dib	

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
92780	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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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

\$20/mbf for Utility logs (Adjusted Gross).

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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092781

SALE NAME: SHOWJUMPER SORT 7

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92781	7	WW 5"+ dib	

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
92781	07	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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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

\$20/mbf for Utility logs (Adjusted Gross).

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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092782

SALE NAME: SHOWJUMPER SORT 8

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

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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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92782	8	RA 8"+ dib	

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
92782	8	WS

Average Log Length	Preferred Log Lengths
24'	

"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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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

\$20/mbf for Utility logs (Adjusted Gross).

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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092783

SALE NAME: SHOWJUMPER SORT 9

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92783	9	MA 8"+ dib	

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
92783	09	WS

Average Log Length	Preferred Log Lengths
24'	

"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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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

\$20/mbf for Utility logs (Adjusted Gross).

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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092784

SALE NAME: SHOWJUMPER SORT 10

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92784	10	RC 5"+ dib	

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
92784	10	WS

Average Log Length	Preferred Log Lengths
24'	

"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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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

\$20/mbf for Utility logs (Adjusted Gross).

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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092785

SALE NAME: SHOWJUMPER SORT 11

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92785	11	Conifer Pulp 2"+ dib	

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
92785	11	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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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. 30-092786

SALE NAME: SHOWJUMPER SORT 12

**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 November 19, 2015 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 SHOWJUMPER SORTS Timber Sale described as parts of Sections 11, 12, 13, and 14 all in Township 14 North, Range 4 West W.M., in Lewis 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
92786	12	HDWD Pulp 2"+ dib	

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
92786	12	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. Surface characteristics for a high quality (HQ) "B" log sort will have sound tight knots not to exceed 1½ inch in diameter. May include logs with not more than two larger knots up to 2½ inch in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log.

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 June 30, 2016.

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 Castle Rock, 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 5% 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 24 hours 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

Eric Wisch
Pacific Cascade 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 _____

FOREST EXCISE TAX -- ROAD SUMMARY SHEET

Region: PACIFIC CASCADE

Timber Sale Name: SHOW JUMPER SORTS TIMBER SALE

Application Number: 30-92774 -

Excise Tax Applicable Activities

Construction: 10,751 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

Deactivation: _____ linear feet

Road to be made undriveable but not officially abandoned.

Pre-Haul Maintenance: 15,555 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 7/04)

PRE-CRUISE NARRATIVE

Sale Name: Show Jumper Sorts	Region: Pacific Cascade
Agreement #: 30-092774	District: Lewis
Contact Forester: Hunter Decker Phone / Location: 360-623-9909 / Lewis	County(s): Lewis, Choose a county
Alternate Contact: Jacob Vaughn Phone / Location: 360-880-5801 / Lewis	Other information: Click here to enter text.

Type of Sale: Log Sort (Contract harvest)	
Harvest System: Ground based Unit 1 is all ground based.	100%
Harvest System: Ground based Unit 2 is all ground based.	100%
Harvest System: Other(Specify) Unit 3 could be a mixture of ground and cable systems.	75% Ground, 25% Cable

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	Gra nt or Tru st	Gross Proposal Acres	Deductions from Gross Acres (No harvest acres)				Net Harve st Acres	Acreage Determinatio n (List method and error of closure if applicable)
				RMZ/ WMZ Acres	Leave Tree Acres	Existing Road Acres	Other Acres (Reprod)		
1	S11,T14,R04W	01, 03, 07	82	26	4	N/A	N/A	52	GPS (Garmin)
2	S11,T14,R04W S12,T14,R04W S13,T14,R04W	01, 03, 07	32	5	3	N/A	1	23	GPS (Garmin)
3	S13,T14,R04W S14,T14,R04W	01	65	4	3	N/A	N/A	58	GPS (Garmin)
4 (ROW)	S11,T14,R04W S12,T14,R04W	01, 03	3	N/A	N/A	N/A	N/A	3	Laser/compass
TOTAL ACRES			182	35	10	N/A	1	136	

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 Retention Harvest-Boundaries marked with white "Timber Sale Boundary" tags and pink flagging.	None	464 Leave trees marked. Leave tree areas marked with yellow "Leave Tree Area" tags and pink flagging.
2	Variable Retention Harvest-Boundaries marked with white "Timber Sale Boundary" tags and pink flagging and South line will have tags plus property line carsonite posts.	None	224 Leave trees marked. Leave tree areas marked with yellow "Leave Tree Area" tags and pink flagging.
3	Variable Retention Harvest-Boundaries marked with white "Timber Sale Boundary" tags and pink flagging and North, West, and South lines will have tags plus property line carsonite posts.	None	488 Leave trees marked. Leave tree areas marked with yellow "Leave Tree Area" tags and pink flagging.
4 (ROW)	Right-of-Way clearing marked with orange "Right-of-Way" tags and orange flagging.	None	None

OTHER PRE-CRUISE INFORMATION:

Unit #	Primary,secondary Species / Estimated Volume (MBF)	Access information (Gates, locks, etc.)	Photos, traverse maps required
1	Douglas-fir, Western Red Cedar / 1,795 MBF	(Deep Creek Gate, PCP-1-1)	See Driving Map
2	Douglas-fir, Western Red Cedar / 1,037 MBF	(Deep Creek Gate, PCP-1-1)	See Driving Map
3	Douglas-fir, Red Alder / 2,443 MBF	(Deep Creek Gate, PCP-1-1)	See Driving Map
4 (ROW)	Douglas-fir, Big Leaf Maple / 111 MBF	(Deep Creek Gate, PCP-1-1)	See Driving Map
TOTAL MBF	5,386 MBF		

REMARKS:

This is a sort sale.

Prepared By: Hunter Decker Date: 5/5/2015	Title: Forester	CC: Jacob Vaughn
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Cruise Narrative

Sale Name: Show Jumper Sorts	Region: Pacific Cascade
App. #: 30-092774	District: Lewis
Lead Cruiser: Bryce Frank	Completion date: 6-22-2015
Other Cruisers: Calvin Bailey	

Unit acreage specifications:

Unit #	Cruised acres	Cruised acres agree with sale acres? Yes/No	If acres do not agree explain why.
1	52	Yes	
2	23	Yes	
3	58	Yes	
4 (ROW)	3	Yes	
Total	136	Yes	

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 (Cru./Tally)	Total number of plots
1	VP	MAJOR: 54.44 MINOR: 40	4.5 ft	180' x 180'	1:1	69
2	VP	MAJOR: 40 MINOR: 33.61	4.5 ft	180' x 180'	1:1	31
3	VP	MAJOR: 40 MINOR: 33.61	4.5 ft	190' x 190'	1:1	69
4 (ROW)	VP	40	4.5 ft	400'	Cruise All	5

Sale/Cruise Description:

Minor species cruise intensity:	Cruised on appropriate plots.
Minimum cruise spec:	40% Of Form- Factor at 16 feet D.O.B or 5 inch Top, and merchantable top.
Avg. ring count by sp:	DF = 7 WH = 7 SS = n/a
Leave/take tree description:	Leave tree clumps are bounded with yellow "Leave Tree Area" tags and pink flagging in Units 1, 2 and 3. Individual leave trees are marked with a single band of blue paint with a butt mark within the harvest area.
Sort Description:	<p>HA – Logs meeting the following criteria: Surface characteristics for a high quality A sort will have sound tight knots not to exceed 1 ½" in diameter, numbering not more than an average of one per foot of log length. May include logs with not more than two larger knots. Knots and knot indicators ½" in diameter and smaller shall not be a determining factor. Logs will have a growth ring count of 6 or more rings per inch in the outer third top end of the log. (min dia 8".)</p> <p>HB – Logs meeting the following criteria: Surface characteristics for a B sort will have sound tight knots not to exceed 1 ½" in diameter. May include logs with not more than two larger knots up to 2 ½" in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third to end of the log. (min dia 8".)</p> <p>R – Logs meeting the following criteria: Gross diameter of 12 inches or</p>

	greater, excessive knots greater than 2 ½ inches with recovery less than 65% of the net scale.
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Field observations:

Show Jumper Sorts consists of 3 VRH units. Units 1 and 2 will be harvested using only ground based methods and Unit 3 will use a mixture of ground and cable methods (75% and 25% respectively).

Unit 1 is variable in stand structure, consisting of large gaps in consistent timber throughout the center and northern side of the unit. More consistent stands of Western Red Cedar (RC) and Douglas-fir (DF) exist in the southeastern quarter. Defect is common (5.5%) throughout the unit, consisting mainly of large spike knots, forks, sweep, bear damage (especially on RC) and butt rot. Unit 1 is composed mainly of Douglas-fir at 88% net merchantable volume. Some high quality is present in this unit at ~17% of DF net merchantable volume, all as B sort. Western Red Cedar at 7% net merchantable volume. Minor amounts of Big Maple, Grand Fir and Red Alder are present in Unit 1. Average diameter and bole height for Douglas-fir are 24.9 inches and 96 ft respectively. Average diameter and bole height for Western Red Cedar are 15.4 inches and 86 ft respectively.

Unit 4 is an ROW that connects the D-1500 to Unit 1. It is approximately three acres in size and contains approximately 112 net MBF of almost entirely Douglas-fir (99%) and very minor amounts of BM. The timber in the ROW is smaller than in the VRH units, and as such is composed mainly of domestic 3S at 44% merchantable volume, followed by domestic 2S at 27% merchantable volume. Some high quality B sort is also present in the unit.

Unit 2 presents a mixture of Douglas-fir, Western Red Cedar, Bigleaf Maple. Minor amounts of Red Alder and Grand Fir are also present but were not picked up in the cruise. Size and quality varied from clean 18-24" Douglas-fir to rougher 36"+ Douglas-fir. Both A and B sort high quality logs are present in this unit, most aggressively in B at ~44% of DF net merchantable volume. Average diameter and bole height for DF are 24.6 in and 107 ft respectively A fair amount of defect was present in the Douglas-fir including butt swell, spikes, forks and sweep. Some standing dead is present.

Unit 3 is consistent in stand structure, save for the far eastern quarter which is composed mostly of a BM and RA stand. Douglas-fir comprises the rest of the unit with minor amounts of Western Red Cedar intermixed. Defect was present at 4.9% sharing similar characteristics to units 1 and 2. Substantial amounts of high quality exist in the Douglas-fir as B sort (~44% of DF volume). Average diameter and bole height for Douglas-fir are 20.5 inches and 98 ft respectively.

Grants: 01, 03, 07

Prepared by: Bryce Frank

Title: Timber Cruiser

TC		PSPCSTGR		Species, Sort Grade - Board Foot Volumes (Project)																	
<div style="border: 1px solid black; padding: 5px;"> T14N R04W S11 Ty00U1 THRU T14N R04W S11 TyROW1 </div>				Project: SHOWJUMP										Page 1							
				Acres 136.00										Date 7/6/2015			Time 9:07:56AM				
Spp	S T	So rt	Gr ad	% 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	
									5-7	8-11	12-15	16+	12-20	21-30	31-35	36-99					
DF	CU	CU			100.0	71											2	12		0.00	12.9
DF	HA	2S			1.3	289	285	39			100						40	14	312	1.75	.9
DF	HB	2S		28	2.8	9,374	9,111	1,239			38	62			3	97	40	16	391	2.12	23.3
DF	HB	3S		6	.8	2,224	2,206	300		100					9	91	39	10	134	0.80	16.5
DF	D	SM		1	2.2	218	214	29				100					40	20	659	3.33	.3
DF	D	2S		48	5.7	17,121	16,143	2,195			24	76		0	0	3	40	17	472	2.53	34.2
DF	D	3S		12	2.0	4,007	3,926	534	20	80				1	7	21	36	8	92	0.71	42.6
DF	D	4S		3		905	905	123	94	6				18	38	9	27	6	31	0.32	29.3
DF	D	UT		1	.4	302	300	41	58	14	10	18		57	11	4	21	6	33	0.37	9.2
DF	RO	3S		1	8.4	302	277	38			65	35		2	16	18	33	14	244	1.91	1.1
DF Totals				84	4.2	34,812	33,367	4,538	5	16	23	55	1	2	6	91	33	11	196	1.35	170.3
DF	D	CU	CU		100.0	45											19	6		0.00	1.8
DF	D	D	2S		24	14.0	106	91	12		22	78					40	15	340	2.16	.3
DF	D	D	3S		15	19.7	68	55	7		60	40			30		34	10	98	0.88	.6
DF	D	D	4S		4	33.3	22	15	2	100							40	6	40	0.43	.4
DF	D	D	UT		57		210	210	29	70	12	18		4	7	19	35	6	56	0.41	3.8
DF Totals				1	17.8	452	371	51	44	16	21	19	2	9	11	79	31	7	55	0.48	6.8
RC	CU	CU			100.0	47											3	7		0.00	4.9
RC	D	3S		83	2.5	1,571	1,532	208	12	21	19	47		0	8	26	36	11	177	1.34	8.7
RC	D	4S		14		250	250	34	91	9				5	37	13	31	5	34	0.38	7.3
RC	D	UT		3		44	44	6	100								40	6	60	0.49	.7
RC Totals				5	4.5	1,913	1,827	248	25	19	16	40	1	11	24	64	27	8	84	0.89	21.6
BM	CU	CU			100.0	178											6	9		0.00	9.8
BM	D	UT		39	.6	485	482	66	40	39	9	12		40	14	19	24	7	51	0.65	9.4
BM	D	1S		8	17.3	114	94	13				100		79	21		19	20	266	3.03	.4
BM	D	2S		11	12.0	150	132	18			100			76	24		19	13	92	1.47	1.4
BM	D	3S		14	7.4	182	168	23		100				14	55	31	26	10	94	1.02	1.8
BM	D	4S		12	11.7	160	142	19		100				6	36	29	30	9	65	0.75	2.2
BM	D	4S		16	10.1	213	192	26	100					7	12	26	33	6	40	0.49	4.8
BM Totals				3	18.4	1,483	1,210	165	32	41	14	12	34	24	15	27	20	8	41	0.64	29.8
WH	CU	CU															5			0.00	.3
WH	D	4S		100		13	13	2	100							100	40	5	40	0.53	.3
WH Totals				0		13	13	2	100							100	20	5	20	0.53	.7
GF	CU	CU			100.0	6											6	24		0.00	.1
GF	HB	2S		11		83	83	11			57	43				100	40	16	417	2.02	.2
GF	HB	3S		3		24	24	3		100						100	40	11	180	0.94	.1
GF	D	2S		77	8.5	624	571	78			41	59			8	2	38	16	405	2.35	1.4
GF	D	3S		5		44	44	6	46	54				9	9	22	33	8	71	0.62	.6
GF	D	4S		3		17	17	2	87	13				29	31	40	24	6	34	0.46	.5
GF	RO	3S		1	31.0	8	5	1			100						40	14	200	2.25	.0
GF Totals				2	7.7	806	744	101	5	7	38	50	1	7	4	88	34	13	252	1.67	2.9
CW	D	2S		100	6.8	37	34	5			100					27	31	14	205	1.55	.2

Species, Sort Grade - Board Foot Volumes (Project)

T14N R04W S11 Ty00U1
 THRU
 T14N R04W S11 TyROW1

Project: SHOWJUMP
Acres 136.00

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S Spp	So T	Gr rt ad	% Net BdFt	Bd. Ft. per Acre Def% Gross Net			Total Net MBF	Percent of Net Board Foot Volume								Average Log				Logs Per /Acre			
								Log Scale Dia.				Log Length				Ln Ft	Dia In	Bd Ft	CF/ Lf				
								5-7	8-11	12-15	16+	12-20	21-30	31-35	36-99								
CW Totals			0	6.8	37	34	5	100				27				73	31	14	205	1.55	.2		
RA	CU	CU		100.0		4											2	7		0.00	5.8		
RA	D	UT	5		103	103	14	100				42				7	51	23	5	24	0.26	4.3	
RA	D	1S	3	8.8	86	78	11					100						30	17	312	2.73	.3	
RA	D	2S	13	6.1	283	265	36	100				14				11	75	37	13	201	1.49	1.3	
RA	D	3S	18	4.9	383	365	50	100										38	10	149	1.09	2.5	
RA	D	4S	31	8.4	690	632	86	100				5						37	9	99	0.86	6.4	
RA	D	4S	30	1.7	606	595	81	100				16				31	3	50	28	6	36	0.41	16.6
RA Totals			5	5.4	2,154	2,039	277	34	49	13	4	9	15	8	68	26	7	55	0.64	37.1			
Totals				5.0	41,670	39,605	5,386	9	19	23	50	3	4	7	86	30	10	147	1.16	269.3			

TC PSTATS		PROJECT STATISTICS							PAGE	1	
		PROJECT SHOWJUMP							DATE	7/6/2015	
TWP	RGE	SC	TRACT	TYPE		ACRES	PLOTS	TREES	CuFt	BdFt	
14N	04	11	SHOWJUMPERSO	00U1	THR	136.00	174	934	S	W	
14N	04W	11	SHOWJUMPERS	ROW1							
			PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES	PERCENT SAMPLE TREES				
TOTAL			174	934	5.4						
CRUISE			99	504	5.1	14,954	3.4				
DBH COUNT REFOREST COUNT			71	381	5.4						
BLANKS			4								
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	348	61.7	22.1	97	34.8	163.6	34,812	33,367	7,482	7,472	
DOUG FIR-D	13	3.8	12.3	75	0.9	3.1	452	371	111	101	
BL MAPLE	46	14.4	15.2	47	4.6	18.1	1,483	1,210	421	384	
WR CEDAR	38	11.6	16.1	72	4.1	16.5	1,913	1,827	530	521	
R ALDER	46	17.0	14.8	67	5.3	20.3	2,154	2,039	616	615	
GRAND F	11	1.0	25.0	100	0.7	3.6	806	744	170	169	
WHEMLOCK	1	.3	13.0	46	0.1	.3	13	13	7	7	
COTWOOD	1	.1	22.0	63	0.0	.2	37	34	8	8	
TOTAL	504	110.0	19.4	82	51.2	225.7	41,670	39,605	9,345	9,277	
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		69.1	3.7	838	871	903					
DOUG FIR-D		132.0	38.1	143	231	319					
BL MAPLE		101.8	15.0	102	120	138					
WR CEDAR		95.0	15.4	332	392	452					
R ALDER		51.1	7.5	140	152	163					
GRAND F		68.7	21.7	842	1,075	1,309					
WHEMLOCK											
COTWOOD											
TOTAL		88.9	4.0	657	684	712	315	79	35		
CL	68.1	COEFF	SAMPLE TREES - CF				# OF TREES REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		62.3	3.4	182	188	194					
DOUG FIR-D		117.9	34.0	39	60	80					
BL MAPLE		71.9	10.6	32	36	40					
WR CEDAR		87.8	14.2	91	106	121					
R ALDER		49.9	7.4	42	46	49					
GRAND F		68.5	21.6	188	240	292					
WHEMLOCK											
COTWOOD											
TOTAL		79.5	3.6	147	152	157	252	63	28		
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		93.8	7.1	57	62	66					
DOUG FIR-D		571.4	43.3	2	4	5					
BL MAPLE		232.0	17.6	12	14	17					
WR CEDAR		319.5	24.2	9	12	14					
R ALDER		282.8	21.4	13	17	21					
GRAND F		505.0	38.2	1	1	1					
WHEMLOCK		1319.1	99.9	0	0	1					

TC PSTATS		PROJECT STATISTICS							PAGE	2	
		PROJECT		SHOWJUMP			DATE		7/6/2015		
TWP	RGE	SC	TRACT	TYPE		ACRES	PLOTS	TREES	CuFt	BdFt	
14N	04	11	SHOWJUMPERSO	00U1	THR	136.00	174	934	S	W	
14N	04W	11	SHOWJUMPERS	ROW1							
CL	68.1		COEFF	TREES/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.00		VAR.	S.E.%	LOW	AVG	HIGH	5	10	15	
COTWOOD			1319.1	99.9	0	0	0				
TOTAL			<i>66.1</i>	<i>5.0</i>	<i>104</i>	<i>110</i>	<i>115</i>	<i>174</i>	<i>44</i>	<i>19</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			75.3	5.7	154	164	173				
DOUG FIR-D			410.7	31.1	2	3	4				
BL MAPLE			215.4	16.3	15	18	21				
WR CEDAR			276.6	21.0	13	16	20				
R ALDER			273.5	20.7	16	20	25				
GRAND F			394.4	29.9	2	4	5				
WHEMLOCK			1319.1	99.9	0	0	1				
COTWOOD			1319.1	99.9	0	0	0				
TOTAL			<i>52.5</i>	<i>4.0</i>	<i>217</i>	<i>226</i>	<i>235</i>	<i>110</i>	<i>28</i>	<i>12</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			79.4	6.0	31,360	33,367	35,374				
DOUG FIR-D			410.4	31.1	256	371	487				
BL MAPLE			217.3	16.5	1,011	1,210	1,409				
WR CEDAR			287.6	21.8	1,429	1,827	2,225				
R ALDER			273.7	20.7	1,616	2,039	2,462				
GRAND F			379.3	28.7	530	744	957				
WHEMLOCK			1319.1	99.9	0	13	26				
COTWOOD			1319.1	99.9	0	34	69				
TOTAL			<i>64.1</i>	<i>4.9</i>	<i>37,683</i>	<i>39,605</i>	<i>41,527</i>	<i>164</i>	<i>41</i>	<i>18</i>	
CL	68.1		COEFF	NET CUFT FT/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0		VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR			77.7	5.9	7,032	7,472	7,912				
DOUG FIR-D			402.3	30.5	71	101	132				
BL MAPLE			215.2	16.3	321	384	446				
WR CEDAR			281.2	21.3	410	521	632				
R ALDER			273.0	20.7	488	615	742				
GRAND F			382.2	28.9	120	169	218				
WHEMLOCK			1319.1	99.9	0	7	14				
COTWOOD			1319.1	99.9	0	8	16				
TOTAL			<i>59.4</i>	<i>4.5</i>	<i>8,860</i>	<i>9,277</i>	<i>9,694</i>	<i>141</i>	<i>35</i>	<i>16</i>	
CL	68.1		COEFF	TONS/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0		VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR			77.7	5.9	201	213	226				
DOUG FIR-D			396.8	30.1	2	3	4				
BL MAPLE			216.9	16.4	9	11	13				
WR CEDAR			282.8	21.4	10	12	15				
R ALDER			273.2	20.7	13	17	20				
GRAND F			382.2	29.0	4	5	7				
WHEMLOCK			1319.1	99.9	0	0	0				
COTWOOD			1319.1	99.9	0	0	0				
TOTAL			<i>59.4</i>	<i>4.5</i>	<i>251</i>	<i>263</i>	<i>275</i>	<i>141</i>	<i>35</i>	<i>16</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					192	204	216				
DOUG FIR-D			410.4	31.1	82	119	156				
BL MAPLE			127.9	9.7	56	67	78				
WR CEDAR			187.7	14.2	87	111	135				
R ALDER			159.7	12.1	80	100	121				
GRAND F			308.7	23.4	149	209	269				
WHEMLOCK			1319.1	99.9	0	43	87				
COTWOOD			1319.1	99.9	0	155	310				

TC PSTATS		PROJECT STATISTICS							PAGE	3
		PROJECT		SHOWJUMP			DATE		7/6/2015	
TWP	RGE	SC	TRACT	TYPE		ACRES	PLOTS	TREES	CuFt	BdFt
14N	04	11	SHOWJUMPERSO	00U1	THR	136.00	174	934	S	W
14N	04W	11	SHOWJUMPERS	ROW1						
CL	68.1		COEFF	V_BAR/ACRE			# OF PLOTS REQ.		INF. POP.	
SD:	1.00		VAR.	S.E.%	LOW	AVG	HIGH	5	10	15
TOTAL			65.8	5.0	167	175	184	173	43	19

T14N R04W S11 T00U1 T14N R04W S11 T00U1
 Twp Rge Sec Tract Type Acres Plots Sample Trees CuFt BdBft
 14N 04W 11 SHOWJUMPERS 00U1 52.00 69 130 S W

S Sp	So T	Gr rt ad	% 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			
								5-7	8-11	12-15	16+	12-20	21-30	31-35	36-99							
DF	CU	CU		100.0	139													1	14		0.00	9.4
DF	HB	2S	14	2.4	4,332	4,230	220			34	66							40	16	388	2.14	10.9
DF	HB	3S	3		1,133	1,133	59		100					12	88			38	9	126	0.77	9.0
DF	DM	2S	70	5.9	22,463	21,147	1,100			20	80			1	2	97		40	18	543	2.85	39.0
DF	DM	3S	9	.4	2,528	2,516	131	17	83					1	15	31	53	34	8	88	0.74	28.5
DF	DM	4S	1		470	470	24	94	6					18	45		36	26	6	30	0.34	15.6
DF	DM	UT	1	1.2	277	273	14	41	9	8	42			79		21		19	7	43	0.52	6.3
DF	RO	3S	2	8.1	455	418	22			63	37			3	28	21	48	30	14	218	1.93	1.9
DF	Totals		88	5.1	31,796	30,187	1,570	3	11	20	66			1	3	5	91	32	12	250	1.70	120.5
RC	CU	CU		100.0	97													3	6		0.00	7.5
RC	DM	3S	85	1.7	2,019	1,984	103	20	24	19	38					12	88	38	9	145	1.06	13.7
RC	DM	4S	9		210	210	11	98	2					6	28		65	33	5	35	0.29	6.1
RC	DM	UT	6		116	116	6	100									100	40	6	60	0.49	1.9
RC	Totals		7	5.4	2,442	2,310	120	31	20	16	32			1	3	10	87	28	8	79	0.79	29.1
BM	CU	CU		100.0	91													5	11		0.00	6.5
BM	DM	UT	48	.8	388	385	20	32	33	19	16			68	13		19	24	9	65	0.77	6.0
BM	DM	1S	5	12.5	48	42	2				100			100				16	16	140	1.81	.3
BM	DM	2S	26	11.6	233	206	11			100				60	40			21	13	105	1.47	2.0
BM	DM	3S	12	11.1	108	96	5		100						100			24	10	80	0.81	1.2
BM	DM	4S	9		69	69	4	100						53	47			20	7	34	0.59	2.0
BM	Totals		2	14.8	938	799	42	24	28	35	13			58	33		9	16	10	44	0.78	18.0
GF	CU	CU		100.0	16													8	25		0.00	.1
GF	DM	2S	87	7.4	778	720	37			47	53			6		94		39	15	364	2.20	2.0
GF	DM	3S	7		60	60	3	40	60						17	42	40	34	7	64	0.58	.9
GF	DM	4S	4		31	31	2	82	18					42		58		23	6	32	0.45	.9
GF	RO	3S	2	31.0	21	14	1			100						100		40	14	200	2.25	.1
GF	Totals		2	8.9	905	825	43	6	5	43	46			2	6	5	87	33	11	206	1.51	4.0
RA	DM	4S	79	16.3	228	191	10		100							43	57	36	8	75	0.76	2.5
RA	DM	4S	21		51	51	3	100						47	53			21	5	20	0.26	2.5
RA	Totals		1	13.3	279	242	13	21	79					10	11	34	45	29	7	48	0.57	5.1
WH	CU	CU																5			0.00	.9
WH	DM	4S	100		34	34	2	100								100		40	5	40	0.53	.9
WH	Totals		0		34	34	2	100								100		20	5	20	0.53	1.7
CW	DM	2S	100	6.8	97	90	5		100						27	73		31	14	205	1.55	.4
CW	Totals		0	6.8	97	90	5		100						27	73		31	14	205	1.55	.4
Type Totals				5.5	36,491	34,487	1,793	6	12	20	62			2	4	5	89	30	11	193	1.47	178.9

T14N R04W S11 T00U2										T14N R04W S11 T00U2				
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt					
14N	04W	11	SHOWJUMPERS	00U2	23.00	31	105	S	W					

S Sp	So T	Gr rt	%	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			
								5-7	8-11	12-15	16+	12-20	21-30	31-35	36-99							
DF	CU	CU															1	13		0.00	9.5	
DF	HA	2S	2		965	965	22			100							100	40	14	311	1.73	3.1
DF	HB	2S	39	2.4	14,843	14,481	333			22	78						100	40	17	494	2.47	29.3
DF	HB	3S	5		1,848	1,848	43		100							13	87	39	9	126	0.73	14.7
DF	DM	2S	42	4.5	16,174	15,443	355			12	88		1		3	96	39	18	528	2.66	29.2	
DF	DM	3S	8	1.6	3,293	3,239	74	12	88				1	9	37	53	35	9	93	0.78	34.8	
DF	DM	4S	2		717	717	16	94	6				8	46	15	31	28	5	33	0.29	21.8	
DF	DM	UT			82	82	2			82	18		71	29			17	10	48	0.79	1.7	
DF	RO	3S	2		416	416	10				100					25	75	38	13	245	1.65	1.7
DF	Totals		82	3.0	38,338	37,191	855	3	13	17	67		1	2	6	92	34	12	255	1.59	145.8	
DF	D	CU	CU		100.0	26												34	8		0.00	.4
DF	D	DM	2S	42	14.2	305	262	6			45	55				100	40	14	253	1.79	1.0	
DF	D	DM	3S	36	18.6	282	229	5		43	57			43		57	29	11	117	1.06	2.0	
DF	D	DM	UT	22		131	131	3	45		55			15	55	30	32	8	77	0.59	1.7	
DF	D	Totals		1	16.4	744	622	14	9	16	52	23		19	12	69	33	10	123	1.00	5.1	
BM	CU	CU			100.0	315												8	7		0.00	29.0
BM	DM	UT	41		997	997	23	70	22	8			13	24	54	9	27	6	41	0.49	24.6	
BM	DM	2S	11	10.8	288	257	6				100		100				16	12	77	1.49	3.3	
BM	DM	3S	9	7.2	255	237	5			100				54		46	29	11	108	1.35	2.2	
BM	DM	4S	17	4.5	419	400	9			100			13	49	38		27	8	54	0.64	7.3	
BM	DM	4S	22	8.2	566	519	12	100							13	87	37	6	56	0.56	9.2	
BM	Totals		5	15.1	2,839	2,409	55	51	36	14			18	23	31	27	20	7	32	0.52	75.6	
RC	CU	CU			100.0	60												9	7		0.00	5.6
RC	DM	3S	91	4.4	2,797	2,674	62	6	15	8	71			22	32	46	34	12	234	1.95	11.4	
RC	DM	4S	9		261	261	6	54	46					86	14		27	6	35	0.56	7.4	
RC	Totals		7	5.9	3,118	2,935	68	11	17	7	65			28	30	42	26	9	120	1.36	24.4	
RA	CU	CU																8			0.00	.9
RA	DM	UT	2		43	43	1	100						100			28	5	30	0.34	1.4	
RA	DM	2S	51	6.2	870	816	19				100				22	78	38	13	202	1.42	4.0	
RA	DM	3S	21	8.3	370	339	8			100						100	32	10	110	0.93	3.1	
RA	DM	4S	13	12.0	234	206	5			100						100	32	9	73	0.71	2.8	
RA	DM	4S	13		203	203	5	100						55		45	29	5	31	0.42	6.6	
RA	Totals		4	6.5	1,720	1,608	37	15	34	51				10	45	45	31	8	85	0.81	18.9	
GF	DM	2S	89	9.7	338	305	7				100					100	40	22	790	3.87	.4	
GF	DM	3S	11		35	35	1			100						100	39	11	180	1.31	.2	
GF	Totals		1	8.8	373	340	8			10	90					100	40	18	587	3.04	.6	
Type	Totals			4.3	47,133	45,105	1,037	6	15	18	60		2	5	10	83	29	10	167	1.30	270.5	

T14N R04W S11 T00U3 T14N R04W S11 T00U3
 Twp Rge Sec Tract Type Acres Plots Sample Trees CuFt BdBft
 14N 04W 11 SHOWJUMPERS 00U3 58.00 69 236 S W

S Sp	So T	Gr rt ad	% 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		
								5-7	8-11	12-15	16+	12-20	21-30	31-35	36-99						
DF	CU	CU		100.0	27												2	11		0.00	15.6
DF	HA	2S		3.1	294	285	17			100						100	40	14	313	1.77	.9
DF	HB	2S	34	3.1	12,044	11,668	677			47	53			5	95		39	15	356	1.99	32.8
DF	HB	3S	10	1.2	3,370	3,331	193		100					7	93		38	10	139	0.83	24.0
DF	DM	SM	1	2.2	512	501	29					100			100		40	20	659	3.33	.8
DF	DM	2S	36	6.2	13,059	12,255	711			36	64		1		3	96	39	16	381	2.15	32.2
DF	DM	3S	14	2.5	4,952	4,828	280	24	76				1	5	14	80	37	8	92	0.68	52.5
DF	DM	4S	3		1,168	1,168	68	93	7				21	38	7	34	26	6	31	0.32	38.1
DF	DM	UT	1		378	378	22	82	5	13			42	18		40	22	5	26	0.29	14.6
DF	RO	3S	1	19.3	136	110	6			22	78					100	40	17	403	2.41	.3
DF	Totals		82	3.9	35,940	34,523	2,002	7	21	30	43		2	2	6	91	32	10	163	1.16	211.8
DF	D	CU	CU		100.0	94											18	6		0.00	4.1
DF	D	DM	2S	17	13.8	128	111	6			100				100		40	19	500	2.86	.2
DF	D	DM	3S	6	22.2	49	38	2		100					100		40	8	70	0.70	.5
DF	D	DM	4S	6	33.3	53	35	2	100						100		40	6	40	0.43	.9
DF	D	DM	UT	71		441	441	26	73	14	13		4	6	15	75	36	6	54	0.40	8.2
DF	D	Totals	1	18.4	765	624	36	57	16	9	18		3	4	11	82	31	6	45	0.40	13.9
RA	CU	CU		100.0	10												2	7		0.00	13.2
RA	DM	UT	5		224	224	13	100					45		55		23	5	24	0.26	9.4
RA	DM	1S	5	8.8	202	184	11				100			100			30	17	312	2.73	.6
RA	DM	2S	7	6.0	318	299	17			100				29	71		36	13	201	1.58	1.5
RA	DM	3S	19	4.2	752	720	42		100						100		40	11	159	1.13	4.5
RA	DM	4S	31	6.9	1,320	1,230	71		100				6		94		37	9	106	0.90	11.6
RA	DM	4S	33	1.8	1,294	1,270	74	100					16	28	4	52	28	6	37	0.42	34.1
RA	Totals		9	4.7	4,119	3,927	228	38	50	8	5		10	16	1	73	25	7	52	0.63	74.9
BM	CU	CU		100.0	211												5	11		0.00	5.6
BM	DM	UT	32		369	369	21	18	61		21		45	5	50		21	8	55	0.78	6.7
BM	DM	1S	16	18.2	224	183	11				100		74	26			20	22	326	3.51	.6
BM	DM	2S	2	20.0	29	23	1			100			100				16	13	80	1.45	.3
BM	DM	3S	18	5.9	228	215	12		100				26	38	36		27	10	95	0.97	2.3
BM	DM	4S	16	17.4	210	173	10		100					23	21	57	35	9	78	0.86	2.2
BM	DM	4S	16	14.9	214	182	11	100						13	49	37	34	5	32	0.42	5.8
BM	Totals		3	22.8	1,484	1,145	66	22	53	2	23		33	19	11	37	22	9	49	0.70	23.4
RC	CU	CU															0	8		0.00	2.6
RC	DM	3S	71	1.6	765	753	44		26	37	37		1	4	51	43	33	12	211	1.65	3.6
RC	DM	4S	29		295	295	17	100					6	25	21	48	31	5	34	0.39	8.8
RC	Totals		2	1.1	1,060	1,048	61	28	19	27	26		2	10	43	45	26	7	70	0.77	14.9
GF	CU	CU															5	23		0.00	.1

T14N R04W S11 T00U3										T14N R04W S11 T00U3				
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt					
14N	04W	11	SHOWJUMPERS	00U3	58.00	69	236	S	W					

S Spp	So T	Gr rt ad	% 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	Dia	Bd	CF/	
								5-7	8-11	12-15	16+	12-20	21-30	31-35	36-99	Ft	In	Ft	Lf	
GF	HB	2S	22	195	195	11		57	43					100	40	16	417	2.02	.5	
GF	HB	3S	6	56	56	3		100						100	40	11	180	0.94	.3	
GF	DM	2S	66	9.6	632	571	33		42	58		11	5	84	38	16	416	2.38	1.4	
GF	DM	3S	4	35	35	2	73	27				27		73	31	8	67	0.56	.5	
GF	DM	4S	2	12	12	1	100					100			27	7	40	0.46	.3	
GF	Totals		2	6.5	930	870	50	4	8	41	47	1	9	3	87	35	14	281	1.72	3.1
Type	Totals			4.9	44,298	42,137	2,444	12	24	27	38	3	4	6	86	30	9	123	1.00	342.0

T14N R04W S11 TROW1										T14N R04W S11 TROW1				
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt					
14N	04W	11	SHOWJUMPERS	ROW1	3.00	5	33	S	W					

S Twp	So Rge	Gr Sec	%	Bd. Ft. per Acre			Total Net MBF	Percent Net Board Foot Volume								Average Log				Logs Per /Acre	
								Log Scale Dia.				Log Length				Ln	Dia	Bd	CF/		
				Def%	Gross	Net		5-7	8-11	12-15	16+	12-20	21-30	31-35	36-99	Ft	In	Ft	Lf		
DF	CU	CU		100.0	293												6	5		0.00	48.8
DF	HB	2S	8	2.0	3,189	3,126	9			64	36					100	40	15	354	1.89	8.8
DF	HB	3S	5	2.4	1,857	1,812	5		100							100	40	10	136	0.83	13.3
DF	DM	2S	27	3.7	10,303	9,926	30			42	58				10	90	39	15	360	1.97	27.6
DF	DM	3S	44	4.0	16,874	16,198	49	19	81						13	87	39	9	104	0.77	156.4
DF	DM	4S	13		4,803	4,803	14	98	2				14	20	24	43	29	5	31	0.29	154.4
DF	DM	UT	3		943	943	3			55	45		45		55		28	10	88	0.78	10.7
DF	Totals		99	3.8	38,263	36,808	110	21	42	17	20		3	3	13	82	31	8	88	0.72	420.1
BM	DM	UT	100	16.7	488	406	1		100						100		40	9	100	1.42	4.1
BM	Totals		1	16.7	488	406	1		100						100		40	9	100	1.42	4.1
Type Totals				4.0	38,751	37,214	112	21	43	17	20		3	3	13	82	31	8	88	0.73	424.1

TC TSTATS				STATISTICS				PAGE	1		
				PROJECT	SHOWJUMP			DATE	7/6/2015		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt		
14N	04W	11	SHOWJUMPERSO	00U1	52.00	69	242	S	W		
				TREES	ESTIMATED	PERCENT					
				PER PLOT	TOTAL	SAMPLE					
				PLOTS	TREES	TREES	TREES				
TOTAL		69	242	3.5							
CRUISE		36	130	3.6	3,691		3.5				
DBH COUNT											
REFOREST											
COUNT		29	107	3.7							
BLANKS		4									
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	98	42.8	24.9	96	29.1	145.2	31,796	30,187	6,655	6,637	
WR CEDAR	13	15.3	15.4	86	5.0	19.7	2,442	2,310	661	642	
BL MAPLE	9	7.7	16.6	43	2.8	11.6	938	799	246	228	
GRAND F	6	1.6	23.3	86	1.0	4.7	905	825	204	202	
R ALDER	2	2.5	14.5	61	0.8	2.9	279	242	84	84	
WHEMLOCK	1	.9	13.0	46	0.2	.8	34	34	18	18	
COTWOOD	1	.2	22.0	63	0.1	.6	97	90	21	21	
TOTAL	<i>130</i>	<i>71.0</i>	<i>21.9</i>	<i>86</i>	<i>39.6</i>	<i>185.5</i>	<i>36,491</i>	<i>34,487</i>	<i>7,889</i>	<i>7,833</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	53.5	5.5	1,114	1,179	1,244						
WR CEDAR	102.2	29.5	263	372	482						
BL MAPLE	74.7	26.4	102	139	175						
GRAND F	87.2	38.8	530	867	1,203						
R ALDER	7.4	7.0	88	95	102						
WHEMLOCK											
COTWOOD											
TOTAL	<i>70.7</i>	<i>6.3</i>	<i>913</i>	<i>974</i>	<i>1,036</i>	<i>200</i>	<i>50</i>	<i>22</i>			
CL: 68.1 %	COEFF	SAMPLE TREES - CF					# OF TREES REQ.		INF. POP.		
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15			
DOUG FIR	48.7	5.0	239	252	264						
WR CEDAR	91.9	26.5	72	98	124						
BL MAPLE	61.9	21.9	29	38	46						
GRAND F	89.1	39.7	126	208	291						
R ALDER	3.0	2.8	32	33	34						
WHEMLOCK											
COTWOOD											
TOTAL	<i>65.0</i>	<i>5.8</i>	<i>200</i>	<i>212</i>	<i>224</i>	<i>169</i>	<i>42</i>	<i>19</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	83.4	10.0	39	43	47						
WR CEDAR	340.5	41.0	9	15	22						
BL MAPLE	227.1	27.3	6	8	10						
GRAND F	488.7	58.8	1	2	3						
R ALDER	360.8	43.4	1	3	4						
WHEMLOCK	830.7	99.9	0	1	2						
COTWOOD	830.7	99.9	0	0	0						
TOTAL	<i>94.3</i>	<i>11.3</i>	<i>63</i>	<i>71</i>	<i>79</i>	<i>355</i>	<i>89</i>	<i>39</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			

TC TSTATS				STATISTICS				PAGE	2	
				PROJECT	SHOWJUMP			DATE	7/6/2015	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
14N	04W	11	SHOWJUMPERSO	00U1	52.00	69	242	S	W	
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		72.4	8.7	133	145	158				
WR CEDAR		299.3	36.0	13	20	27				
BL MAPLE		229.9	27.7	8	12	15				
GRAND F		381.4	45.9	3	5	7				
R ALDER		360.4	43.3	2	3	4				
WHEMLOCK		830.7	99.9	0	1	2				
COTWOOD		830.7	99.9	0	1	1				
TOTAL		67.9	8.2	170	185	201	184	46	20	
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		79.4	9.6	27,303	30,187	33,070				
WR CEDAR		295.2	35.5	1,490	2,310	3,130				
BL MAPLE		236.7	28.5	571	799	1,026				
GRAND F		366.0	44.0	462	825	1,188				
R ALDER		361.5	43.5	137	242	347				
WHEMLOCK		830.7	99.9	0	34	68				
COTWOOD		830.7	99.9	0	90	180				
TOTAL		74.7	9.0	31,390	34,487	37,584	223	56	25	
CL:	68.1 %	COEFF	NET CUFT FT/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		76.5	9.2	6,026	6,637	7,248				
WR CEDAR		296.3	35.6	413	642	871				
BL MAPLE		227.5	27.4	166	228	291				
GRAND F		370.1	44.5	112	202	292				
R ALDER		361.0	43.4	47	84	120				
WHEMLOCK		830.7	99.9	0	18	36				
COTWOOD		830.7	99.9	0	21	42				
TOTAL		71.8	8.6	7,157	7,833	8,509	206	51	23	
CL:	68.1 %	COEFF	TONS/ACRE				# OF PLOTS REQ.		INF. POP.	
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR		76.5	9.2	172	190	207				
WR CEDAR		297.8	35.8	10	16	21				
BL MAPLE		227.0	27.3	5	7	8				
GRAND F		369.8	44.5	4	7	9				
R ALDER		361.1	43.4	1	2	3				
WHEMLOCK		830.7	99.9	0	1	1				
COTWOOD		830.7	99.9	0	1	1				
TOTAL		70.3	8.5	203	222	240	197	49	22	
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				188	208	228				
WR CEDAR		216.3	26.0	76	117	159				
BL MAPLE		138.9	16.7	49	69	89				
GRAND F		366.0	44.0	98	174	251				
R ALDER		216.1	26.0	47	83	120				
WHEMLOCK		830.7	99.9	0	43	87				
COTWOOD		830.7	99.9	0	155	310				
TOTAL		207.4	24.9	169	186	203	1,717	429	191	

TC TSTATS				STATISTICS						PAGE	1
				PROJECT	SHOWJUMP		DATE		7/6/2015		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt		
14N	04W	11	SHOWJUMPERSO	00U2	23.00	31	201	S	W		
				TREES	ESTIMATED	PERCENT					
				PER PLOT	TOTAL	SAMPLE					
				PLOTS	TREES	TREES	TREES				
TOTAL		31	201	6.5							
CRUISE		17	105	6.2	2,515		4.2				
DBH COUNT											
REFOREST											
COUNT		14	90	6.4							
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	63	47.9	24.6	107	32.0	158.7	38,338	37,191	7,804	7,804	
DOUG FIR-D	3	1.7	20.5	102	0.9	3.9	744	622	175	167	
BL MAPLE	19	37.9	13.6	49	10.3	37.9	2,839	2,409	872	805	
WR CEDAR	12	12.7	20.2	55	6.3	28.2	3,118	2,935	886	874	
R ALDER	7	9.0	16.9	68	3.4	14.1	1,720	1,608	469	470	
GRAND F	1	.2	35.0	123	0.2	1.3	373	340	70	70	
TOTAL	<i>105</i>	<i>109.3</i>	<i>20.2</i>	<i>78</i>	<i>54.3</i>	<i>244.1</i>	<i>47,133</i>	<i>45,105</i>	<i>10,276</i>	<i>10,189</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	51.3	6.5		1,035	1,106	1,177					
DOUG FIR-D	39.2	27.1		289	397	504					
BL MAPLE	53.8	12.7		71	82	92					
WR CEDAR	76.4	23.0		365	474	583					
R ALDER	33.5	13.6		168	194	221					
GRAND F											
TOTAL	<i>82.5</i>	<i>8.0</i>		<i>711</i>	<i>774</i>	<i>836</i>	<i>272</i>	<i>68</i>	<i>30</i>		
CL:	68.1 %	COEFF	SAMPLE TREES - CF				# OF TREES REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR	46.3	5.8		214	227	240					
DOUG FIR-D	29.7	20.5		83	105	126					
BL MAPLE	52.5	12.4		24	28	31					
WR CEDAR	69.4	20.9		106	134	162					
R ALDER	35.0	14.3		49	57	65					
GRAND F											
TOTAL	<i>72.8</i>	<i>7.1</i>		<i>155</i>	<i>167</i>	<i>179</i>	<i>212</i>	<i>53</i>	<i>24</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	75.1	13.5		41	48	54					
DOUG FIR-D	319.7	57.4		1	2	3					
BL MAPLE	155.5	27.9		27	38	48					
WR CEDAR	176.2	31.6		9	13	17					
R ALDER	236.0	42.4		5	9	13					
GRAND F	556.8	99.9		0	0	0					
TOTAL	<i>48.5</i>	<i>8.7</i>		<i>100</i>	<i>109</i>	<i>119</i>	<i>94</i>	<i>23</i>	<i>10</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	68.1	12.2		139	159	178					
DOUG FIR-D	310.6	55.7		2	4	6					
BL MAPLE	151.3	27.1		28	38	48					
WR CEDAR	174.4	31.3		19	28	37					
R ALDER	236.7	42.5		8	14	20					
GRAND F	556.8	99.9		0	1	3					

TC TSTATS				STATISTICS						PAGE	2
				PROJECT	SHOWJUMP			DATE	7/6/2015		
TWP	RGE	SECT	TRACT	TYPE	ACRES		PLOTS	TREES	CuFt	BdFt	
14N	04W	11	SHOWJUMPERSO	00U2	23.00		31	201	S	W	
CL:	68.1 %	COEFF		BASAL AREA/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.	S.E.%	LOW	AVG	HIGH	5	10	15		
TOTAL		38.7	7.0	227	244	261	60	15	7		
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		69.4	12.4	32,561	37,191	41,820					
DOUG FIR-D		312.5	56.1	273	622	971					
BL MAPLE		152.0	27.3	1,752	2,409	3,067					
WR CEDAR		183.5	32.9	1,969	2,935	3,902					
R ALDER		235.9	42.3	927	1,608	2,288					
GRAND F		556.8	99.9	0	340	680					
TOTAL		51.1	9.2	40,967	45,105	49,244	104	26	12		
CL:	68.1 %	COEFF		NET CUFT FT/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		68.7	12.3	6,842	7,804	8,765					
DOUG FIR-D		311.5	55.9	74	167	261					
BL MAPLE		147.3	26.4	592	805	1,018					
WR CEDAR		179.7	32.2	592	874	1,156					
R ALDER		236.4	42.4	271	470	669					
GRAND F		556.8	99.9	0	70	139					
TOTAL		45.9	8.2	9,351	10,189	11,028	84	21	9		
CL:	68.1 %	COEFF		TONS/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		68.7	12.3	195	222	250					
DOUG FIR-D		311.4	55.9	2	5	8					
BL MAPLE		148.5	26.6	17	23	29					
WR CEDAR		178.9	32.1	14	21	28					
R ALDER		236.4	42.4	7	13	18					
GRAND F		556.8	99.9	0	2	4					
TOTAL		46.5	8.3	263	286	310	86	22	10		
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				205	234	264					
DOUG FIR-D		312.5	56.1	71	161	251					
BL MAPLE		86.1	15.4	46	63	81					
WR CEDAR		72.4	13.0	70	104	138					
R ALDER		146.8	26.3	66	114	162					
GRAND F		556.8	99.9	0	263	527					
TOTAL		191.0	34.3	168	185	202	1,457	364	162		

TC TSTATS				STATISTICS				PAGE	1		
				PROJECT	SHOWJUMP		DATE	7/6/2015			
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt		
14N	04W	11	SHOWJUMPERSO	00U3	58.00	69	458	S	W		
				TREES	ESTIMATED	PERCENT					
				PER PLOT	TOTAL	SAMPLE					
		PLOTS	TREES	PER PLOT	TREES	TREES					
TOTAL		69	458	6.6							
CRUISE		41	236	5.8	8,169		2.9				
DBH COUNT											
REFOREST											
COUNT		28	184	6.6							
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		155	77.5	20.5	98	39.2	177.4	35,940	34,523	7,991	7,985
DOUG FIR-D		10	8.2	11.4	73	1.7	5.8	765	624	190	171
R ALDER		37	34.0	14.6	67	10.3	39.5	4,119	3,927	1,183	1,181
BL MAPLE		17	11.7	16.1	48	4.1	16.6	1,484	1,145	410	363
WR CEDAR		13	8.6	14.4	58	2.6	9.7	1,060	1,048	300	300
GRAND F		4	.9	26.4	119	0.7	3.6	930	870	187	187
TOTAL		236	140.9	18.1	83	59.3	252.5	44,298	42,137	10,261	10,187
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		69.8	5.6	658	697	736					
DOUG FIR-D		180.3	60.0	72	181	290					
R ALDER		53.9	8.8	134	146	159					
BL MAPLE		114.7	28.6	110	154	198					
WR CEDAR		116.0	33.4	224	336	449					
GRAND F		63.5	36.3	776	1,218	1,659					
TOTAL		91.8	6.0	507	539	571	336	84	37		
CL:	68.1 %	COEFF	SAMPLE TREES - CF				# OF TREES REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		61.8	5.0	148	156	164					
DOUG FIR-D		160.8	53.5	21	46	71					
R ALDER		52.9	8.7	40	44	48					
BL MAPLE		80.1	20.0	35	43	52					
WR CEDAR		110.4	31.8	60	88	116					
GRAND F		62.0	35.4	167	258	349					
TOTAL		81.1	5.3	117	124	130	263	66	29		
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		85.5	10.3	70	77	85					
DOUG FIR-D		381.9	45.9	4	8	12					
R ALDER		192.5	23.2	26	34	42					
BL MAPLE		239.5	28.8	8	12	15					
WR CEDAR		303.2	36.5	5	9	12					
GRAND F		358.7	43.1	1	1	1					
TOTAL		43.5	5.2	133	141	148	76	19	8		
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		77.8	9.4	161	177	194					
DOUG FIR-D		296.4	35.7	4	6	8					
R ALDER		189.3	22.8	30	39	48					
BL MAPLE		229.9	27.6	12	17	21					
WR CEDAR		296.4	35.7	6	10	13					
GRAND F		340.9	41.0	2	4	5					

TC TSTATS				STATISTICS						PAGE	2
				PROJECT			SHOWJUMP			DATE	7/6/2015
TWP	RGE	SECT	TRACT	TYPE	ACRES		PLOTS	TREES	CuFt	BdFt	
14N	04W	11	SHOWJUMPERSO	00U3	58.00		69	458	S	W	
CL:	68.1 %	COEFF		BASAL AREA/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.	S.E.%	LOW	AVG	HIGH	5	10	15		
TOTAL		41.5	5.0	240	253	265	69	17	8		
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		82.3	9.9	31,104	34,523	37,942					
DOUG FIR-D		303.2	36.5	397	624	852					
R ALDER		189.7	22.8	3,030	3,927	4,823					
BL MAPLE		231.4	27.8	826	1,145	1,464					
WR CEDAR		333.6	40.1	627	1,048	1,469					
GRAND F		341.3	41.0	513	870	1,227					
TOTAL		58.6	7.0	39,167	42,137	45,108	137	34	15		
CL:	68.1 %	COEFF		NET CUFT FT/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		80.1	9.6	7,215	7,985	8,754					
DOUG FIR-D		295.0	35.5	111	171	232					
R ALDER		190.2	22.9	911	1,181	1,451					
BL MAPLE		231.3	27.8	262	363	464					
WR CEDAR		311.0	37.4	188	300	412					
GRAND F		341.0	41.0	110	187	264					
TOTAL		51.7	6.2	9,554	10,187	10,820	107	27	12		
CL:	68.1 %	COEFF		TONS/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		80.1	9.6	206	228	250					
DOUG FIR-D		288.9	34.8	4	5	7					
R ALDER		190.3	22.9	25	33	40					
BL MAPLE		231.9	27.9	8	11	14					
WR CEDAR		311.0	37.4	4	7	10					
GRAND F		341.1	41.0	4	6	8					
TOTAL		52.5	6.3	271	290	308	110	27	12		
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				175	195	214					
DOUG FIR-D		303.2	36.5	68	108	147					
R ALDER		93.2	11.2	77	100	122					
BL MAPLE		119.2	14.3	50	69	88					
WR CEDAR		253.1	30.4	64	108	151					
GRAND F		229.0	27.5	143	242	341					
TOTAL		200.0	24.1	155	167	179	1,596	399	177		

TC TSTATS				STATISTICS						PAGE	1
				PROJECT	SHOWJUMP		DATE		7/6/2015		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt		
14N	04W	11	SHOWJUMPERSO	ROW1	3.00	5	33	S	W		
				TREES	ESTIMATED	PERCENT					
				PER PLOT	TOTAL	SAMPLE					
				PLOTS	TREES	TREES	TREES				
TOTAL		5	33	6.6							
CRUISE		5	33	6.6	579		5.7				
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	32	188.9	15.8	76	64.5	256.0	38,263	36,808	9,523	9,474	
BL MAPLE	1	4.1	19.0	52	1.8	8.0	488	406	231	232	
TOTAL	33	193.0	15.8	75	66.3	264.0	38,751	37,214	9,755	9,706	
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	114.5	20.2		272	341	410					
BL MAPLE											
TOTAL	115.8	20.1		266	333	400	536	134	60		
CL:	68.1 %	COEFF	SAMPLE TREES - CF				# OF TREES REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR	95.2	16.8		67	80	94					
BL MAPLE											
TOTAL	94.7	16.5		67	80	93	358	89	40		
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	40.9	20.3		151	189	227					
BL MAPLE	223.6	111.1		4	9						
TOTAL	37.5	18.7		157	193	229	70	17	8		
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	32.4	16.1		215	256	297					
BL MAPLE	223.6	111.1		8	17						
TOTAL	34.9	17.3		218	264	310	60	15	7		
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	58.9	29.2		26,042	36,808	47,573					
BL MAPLE	223.6	111.1		406	858						
TOTAL	60.3	29.9		26,071	37,214	48,357	179	45	20		
CL:	68.1 %	COEFF	NET CUFT FT/ACRE				# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR	47.3	23.5		7,247	9,474	11,702					
BL MAPLE	223.6	111.1		232	489						
TOTAL	50.0	24.8		7,295	9,706	12,117	123	31	14		
CL:	68.1 %	COEFF	TONS/ACRE				# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR	46.5	23.1		209	271	334					
BL MAPLE	223.6	111.1		6	13						
TOTAL	49.0	24.4		210	278	345	119	30	13		
CL:	68.1 %	COEFF	V-BAR/ACRE				# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		

TC TSTATS				STATISTICS				PAGE	2	
				PROJECT	SHOWJUMP			DATE	7/6/2015	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
14N	04W	11	SHOWJUMPERSO	ROW1	3.00	5	33	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	
DOUG FIR		58.9	29.2	102	144	186				
BL MAPLE		223.6	111.1		51	107				
TOTAL		<i>60.3</i>	<i>29.9</i>	<i>99</i>	<i>141</i>	<i>183</i>	<i>179</i>	<i>45</i>	<i>20</i>	

Species Summary - Trees, Logs, Tons, CCF, MBF

T14N R04W S11 Ty00U	52.0
T14N R04W S11 Ty00U	23.0
T14N R04W S11 TyROW	3.0

Project **SHOWJUMP**
Acres **136.00**

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Date: **7/6/2015**
Time **9:07:58AM**

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		8,390	21,431	29,000	121.12	47.42	1.38	10,176	10,162	4,734	4,538
R ALDER		2,313	4,289	2,304	36.15	19.50	0.65	838	836	293	277
WR CEDAR		1,582	2,274	1,695	44.79	31.17	0.92	721	709	260	248
BL MAPLE		1,958	2,736	1,518	26.63	19.06	0.70	573	522	202	165
GRAND F		142	391	739	161.79	58.75	1.67	231	230	110	101
DOUG FIR	D	512	676	430	26.93	20.39	0.57	151	138	61	51
COTWOOD		11	23	27	94.76	47.38	1.53	11	11	5	5
WHEMLOCK		45	45	30	21.16	21.16	0.53	9	9	2	2
Totals		14,954	31,865	35,743	84.37	39.59	1.19	12,709	12,616	5,667	5,386

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	10,671	24,817	31,894	105.40	45.32	1.32	11,288	11,248	5,167	4,940
H	4,283	7,048	3,848	31.95	19.42	0.67	1,421	1,369	500	447
Totals	14,954	31,865	35,743	84.37	39.59	1.19	12,709	12,616	5,667	5,386

Log Stock Table - MBF

T14N R04W S11 Ty00U1
 THRU
 T14N R04W S11 TyROW1

Project: SHOWJUMP
Acres 136.00

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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	30-39	40+		
DF		DM UT	14	2		2	.1					1	1	1							
DF		DM UT	15	1	17.2	1	.0					0		0							
DF		DM UT	16	7		7	.2								1		6				
DF		DM UT	17	2		2	.0		1				1								
DF		DM UT	19	5		5	.1			5											
DF		DM UT	20	2		2	.0			2											
DF		DM UT	21	1		1	.0					1									
DF		DM UT	24	1		1	.0			1											
DF		DM UT	30	3		3	.1			3											
DF		DM UT	31	2		2	.0					2									
DF		DM UT	36	3		3	.1							3							
DF		DM UT	39	6		6	.1			6											
DF		DM UT	40	3		3	.1			3											
DF		RO 3S	15	1		1	.0						1								
DF		RO 3S	21	1		1	.0							1							
DF		RO 3S	24	1	11.8	1	.0							1							
DF		RO 3S	25	1		1	.0						1								
DF		RO 3S	29	1	11.1	1	.0						1								
DF		RO 3S	30	1		1	.0						1								
DF		RO 3S	31	1		1	.0						1								
DF		RO 3S	32	5		5	.1						3	2							
DF		RO 3S	40	27	11.5	24	.5						8	2	3	10					
DF		Totals		4,734	4.2	4,538	84.2			109	138	341	399	498	567	1003	967	476		40	
DF	D	DM 2S	40	14	14.0	12	24.6						3		5		4				
DF	D	DM 3S	24	3	21.1	2	4.5					2									
DF	D	DM 3S	40	6	19.1	5	10.3				2		3								
DF	D	DM 4S	40	3	33.3	2	4.0			2											
DF	D	DM UT	19	1		1	2.0			1											
DF	D	DM UT	24	1		1	1.3					1									
DF	D	DM UT	25	0		0	.9			0											
DF	D	DM UT	28	1		1	1.9			1											
DF	D	DM UT	32	2		2	3.3						2								
DF	D	DM UT	35	4		4	7.6			4											
DF	D	DM UT	40	20		20	39.6			3	11	3		3							
DF		Totals		61	17.8	51	.9			9	13	5	3	11		5	4				

Log Stock Table - MBF

T14N R04W S11 Ty00U1
THRU
T14N R04W S11 TyROW1

Project: SHOWJUMP
Acres 136.00

Page 7
Date 7/6/2015
Time 9:08:02AM

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
RA		DM 1S	30	12	8.8	11	3.8						11					
RA		DM 2S	28	5	5.9	5	1.8				5							
RA		DM 2S	32	4	8.7	4	1.5					4						
RA		DM 2S	40	29	5.7	27	9.7				21	6						
RA		DM 3S	32	9	8.3	8	2.8			8								
RA		DM 3S	40	44	4.2	42	15.1			42								
RA		DM 4S	16	4		4	1.5			4								
RA		DM 4S	20	1	25.0	0	.2				0							
RA		DM 4S	32	11	17.2	9	3.3				9							
RA		DM 4S	40	78	7.4	72	26.1				45	28						
RA		DM 4S	17	6		6	2.0		6									
RA		DM 4S	18	2		2	.7		2									
RA		DM 4S	19	2		2	.9		2									
RA		DM 4S	20	3		3	1.2			3								
RA		DM 4S	22	5	20.2	4	1.3		1	3								
RA		DM 4S	23	5		5	1.9		5	1								
RA		DM 4S	24	2		2	.9		2									
RA		DM 4S	25	1		1	.4		1									
RA		DM 4S	26	6	3.2	6	2.2		4	2								
RA		DM 4S	27	3		3	1.0		3									
RA		DM 4S	28	1		1	.4		1									
RA		DM 4S	30	2		2	.9		2									
RA		DM 4S	31	2		2	.5		2									
RA		DM 4S	32	1	16.7	1	.4			1								
RA		DM 4S	36	1		1	.4		1									
RA		DM 4S	37	3		3	1.0		3									
RA		DM 4S	39	1		1	.4		1									
RA		DM 4S	40	36		36	12.8		3	33								
RA		Totals		293	5.4	277	5.1		50	45	54	81	26	10	11			
Total		All Species		5,667	5.0	5,386	100.0		219	266	448	558	598	622	1081	1041	509	46



WASHINGTON STATE DEPARTMENT OF
Natural Resources
 Peter Goldmark - Commissioner of Public Lands

FPA/N No: 2930645

Effective Date: 09/01/2015

Expiration Date: 09/01/2018

Shut Down Zone: 655

EARR Tax Credit: Eligible [] Non-eligible

Reference: Show Jumper Sorts

**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 approved FPA/N

FPA/N Classification

Class II Class III [] Class IVG [] Class IVS

Number of Years Granted on Multi-Year Request

3 yrs [] 4 yrs [] 5 yrs

Conditions on Approval / Reasons for Disapproval

No additional conditions.

Issued By: Pat Coleman

Region: Pacific Cascade

Title: Forest Practices Forester

Date: 09/01/2015

Copies to: [] Landowner, Timber Owner and Operator.

Issued in person: Landowner Timber Owner Operator By: Jacqueline [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.eho.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
Pacific Cascade Region
601 Bond Road
PO Box 280
Castle Rock, WA 98611

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 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:

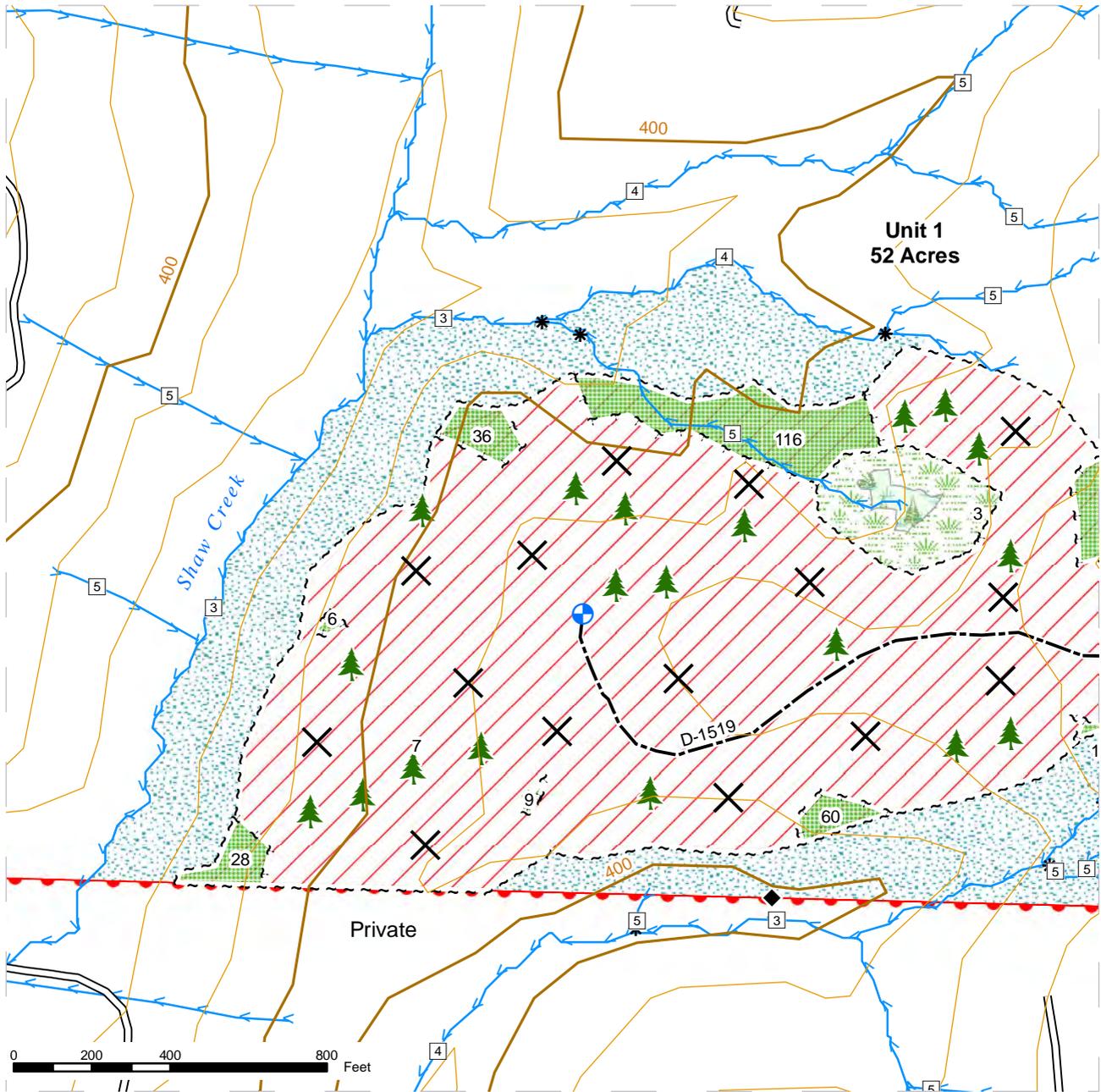
On this day _____, I placed in the United States mail at _____ Castle Rock _____, WA,
(date mm/dd/yyyy) (post office location)
postage paid, a true and accurate copy of this document. Notice of Decision FPA # _____

(Printed name) (Signature)

LOGGING PLAN MAP

SALE NAME: SHOWJUMPER SORTS
AGREEMENT#: 30-092774
TOWNSHIP(S): T14R04W
TRUST(S): State Forest Transfer(1), Common School and Indemnity(3), Capitol Grant(7)

REGION: Pacific Cascade Region
COUNTY(S): LEWIS
ELEVATION RGE: 324-736

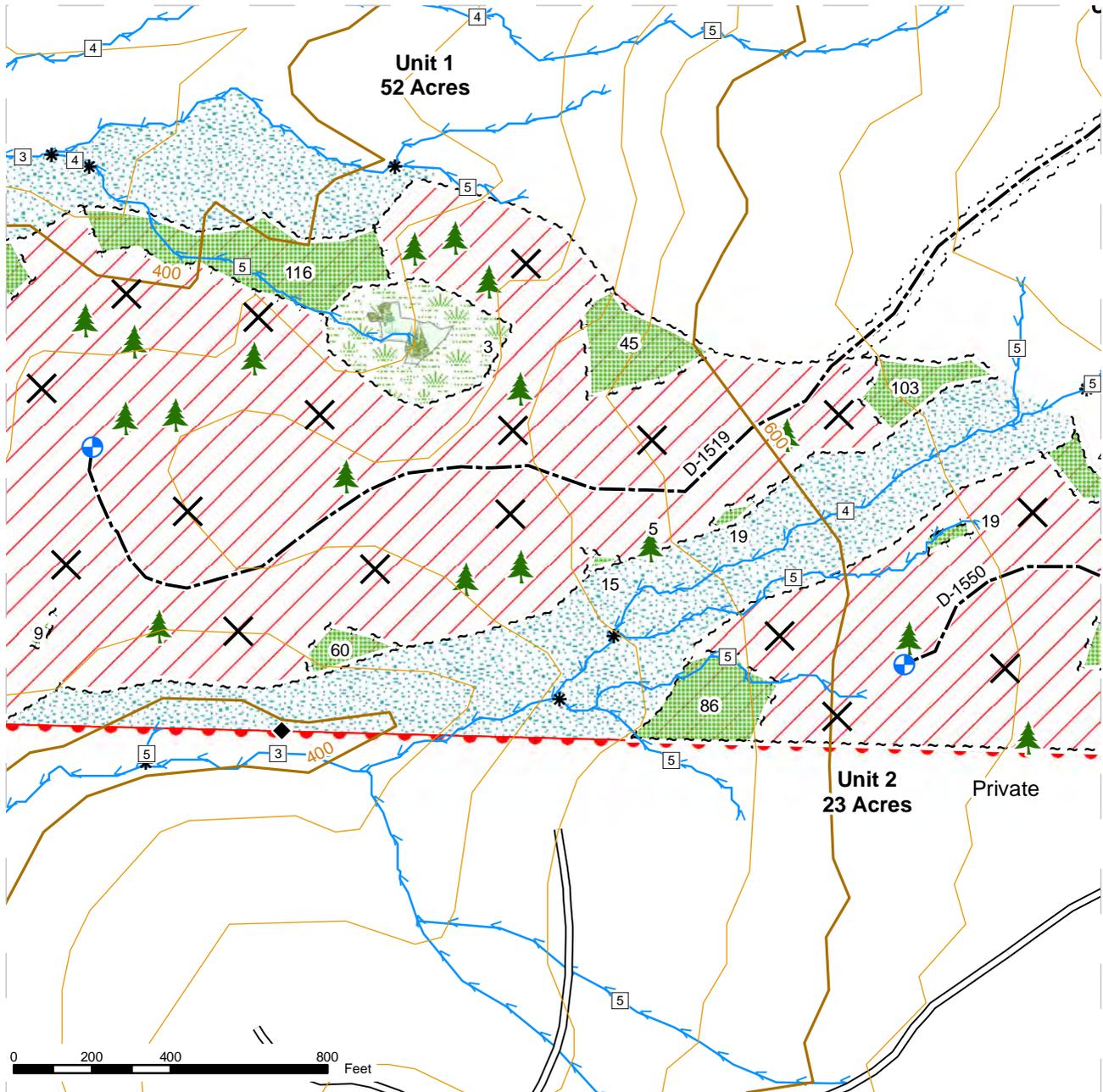


	Ground Based		Sale Boundary Tags		Streams
	Cable		Leave Tree Tags		Stream Type
	Sale Area		Right of Way Tags		Stream Type Break
	Leave Tree Area		Reprod		Landing
	Riparian Mgt Zone		Existing Roads		Leave Trees
	Wetland Mgt Zone		Required Pre-Haul Maintenance		Gate (PCP 1-1)
	Forested Wetland		Optional Construction		Monumented Corners

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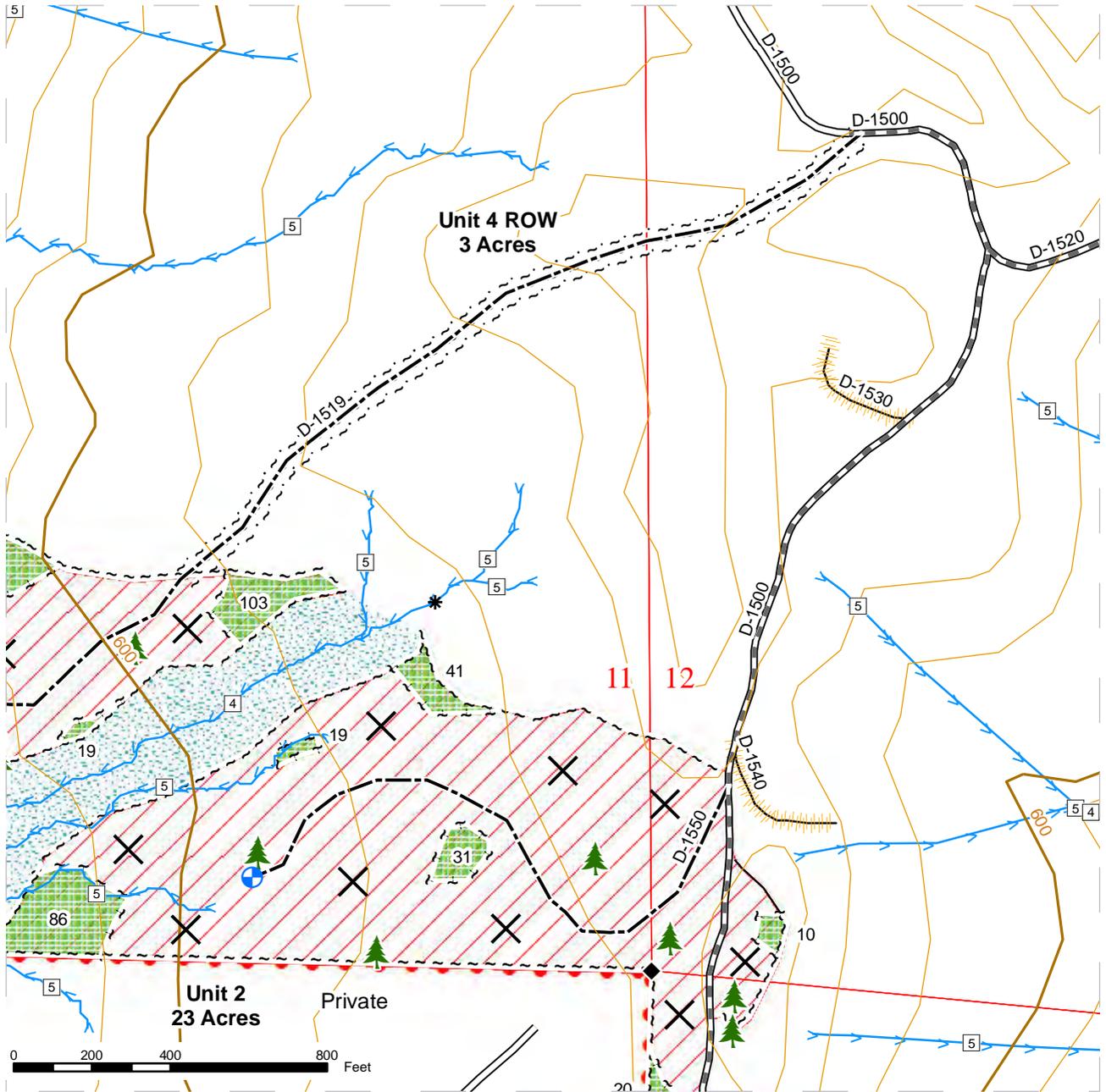


✕	Ground Based	~ ~ ~	Sale Boundary Tags	→	Streams
→	Cable	~ ~ ~	Leave Tree Tags	□	Stream Type
▨	Sale Area	~ ~ ~	Right of Way Tags	*	Stream Type Break
▨	Leave Tree Area	—	Reprod	⊕	Landing
▨	Riparian Mgt Zone	—	Existing Roads	🌲	Leave Trees
▨	Wetland Mgt Zone	—	Required Pre-Haul Maintenance	●	Gate (PCP 1-1)
▨	Forested Wetland	—	Optional Construction	◆	Monumented Corners

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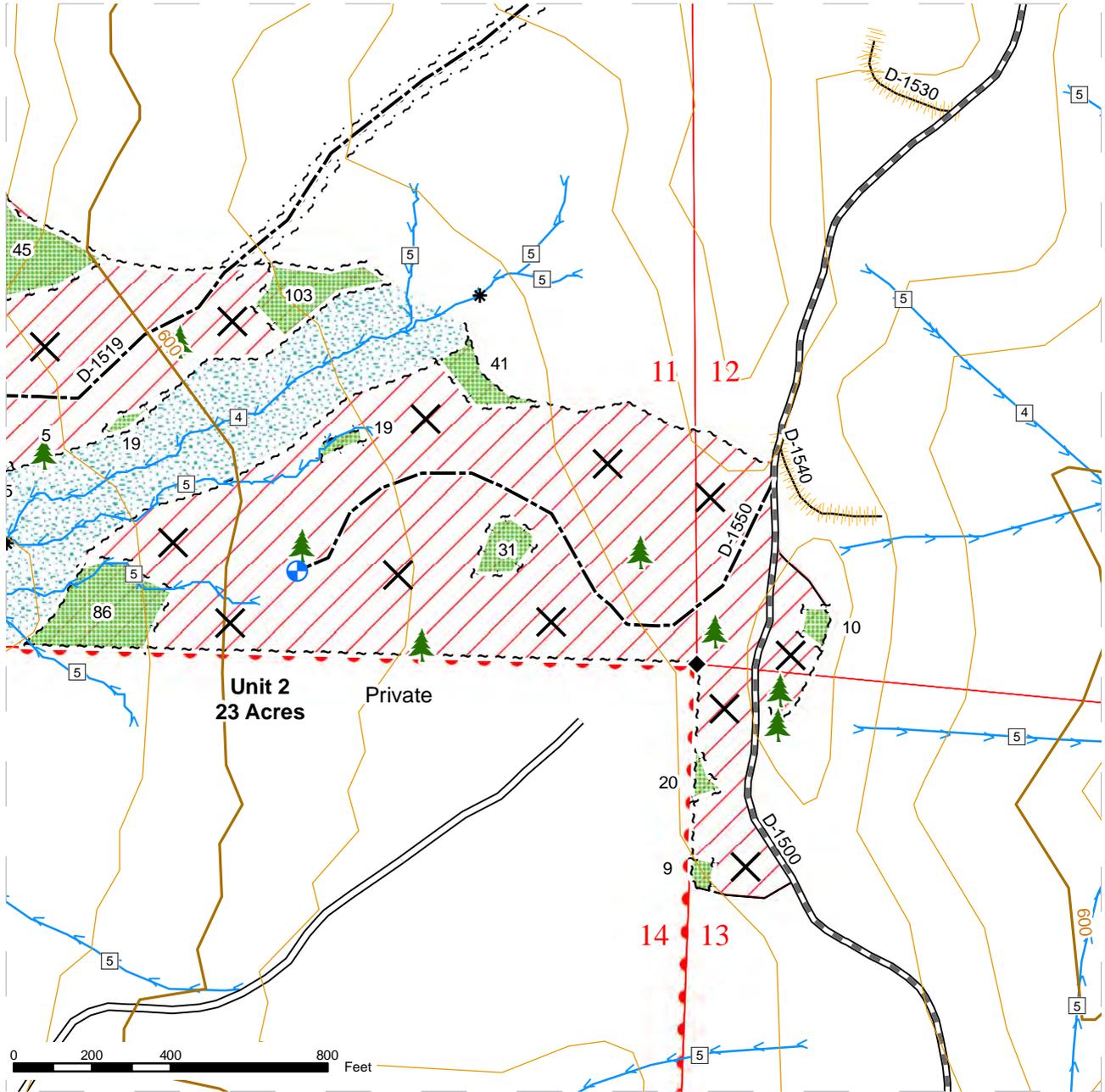
✕	Ground Based	~ ~ ~	Sale Boundary Tags	➡	Streams
➡	Cable	~ ~ ~	Leave Tree Tags	□	Stream Type
▨	Sale Area	~ ~ ~	Right of Way Tags	*	Stream Type Break
▨	Leave Tree Area	—	Reprod	⊕	Landing
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▨	Wetland Mgt Zone	▬	Required Pre-Haul Maintenance	●—●	Gate (PCP 1-1)
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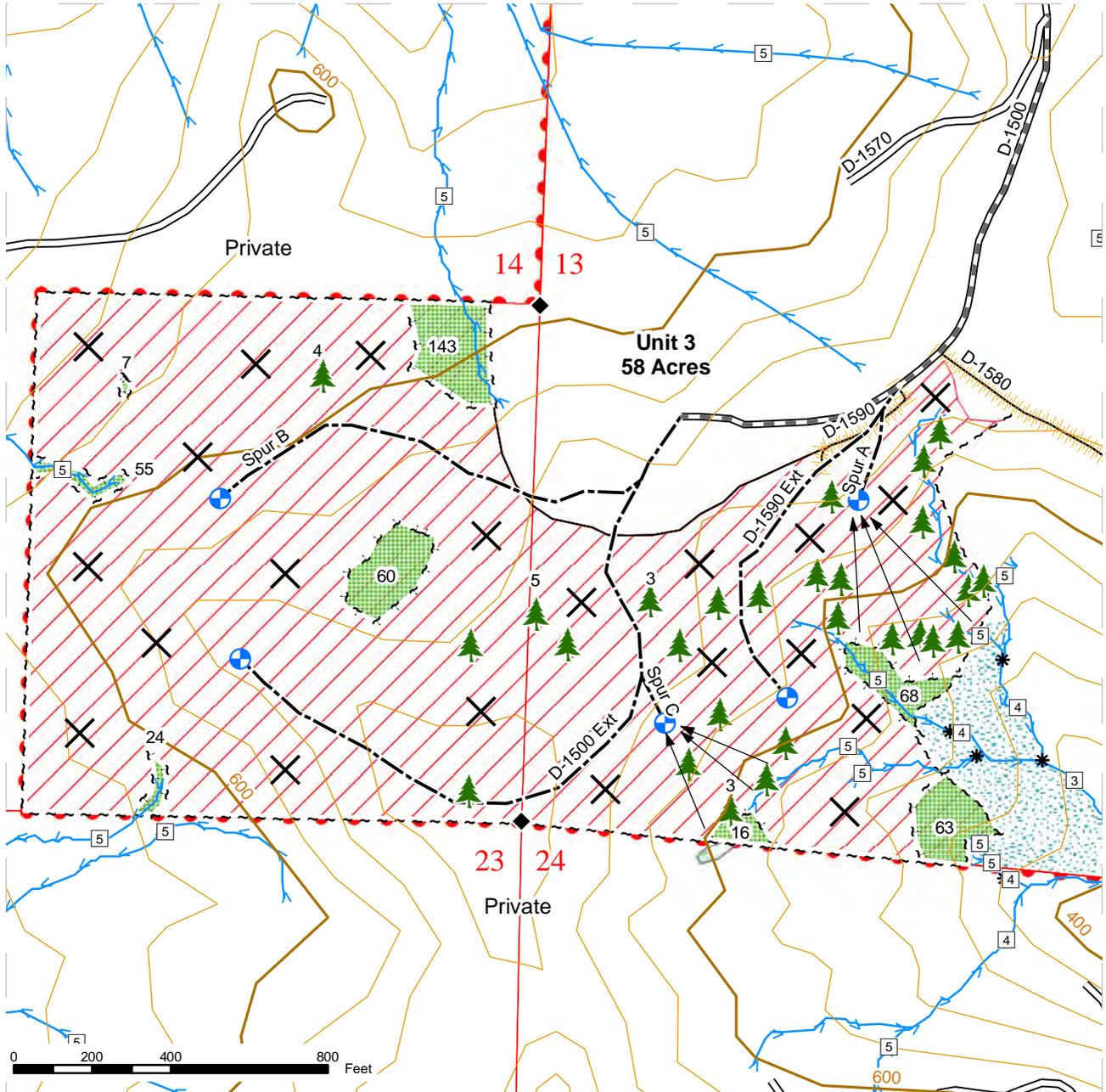


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✕	Ground Based	~ ~ ~	Sale Boundary Tags	→	Streams
→	Cable	~ ~ ~	Leave Tree Tags	□	Stream Type
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