



TIMBER NOTICE OF SALE

forest, please visit www.fscus.org.

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

EXPIRATION DATE: July 31, 2010 **ALLOCATION:** Export Restricted

PAYMENT SECURITY: To be determined by the State as described in Clause P-041 of the Purchaser's Contract.

BIDDING 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 [South Puget Sound Region Office](#) in [Enumclaw, WA](#). Phone number [\(360\) 825-1631](#).

HARVEST AND DELIVERY COSTS: 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 + Haul Cost + ARRF).

Actual harvest costs will be available following selection of harvester on December 1, 2009. Estimated Haul Cost = (tons) (\$2.63 or \$3.63 for poles) + tons (\$0.16 x C miles) + tons (\$__x A miles)). *Current A mile rate is \$0.09/A mile. Payment rate per A mile will be adjusted October 1, 2009.* ARRF = \$22.25/mbf.

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 mbf loads will be weighed and scaled at State approved locations. All tonnage loads will be weighed at State approved locations. The State reserves the right to determine where logs are authorized to be scaled and weighed.

Gate combo to locked gates accessing the sale is 2089.

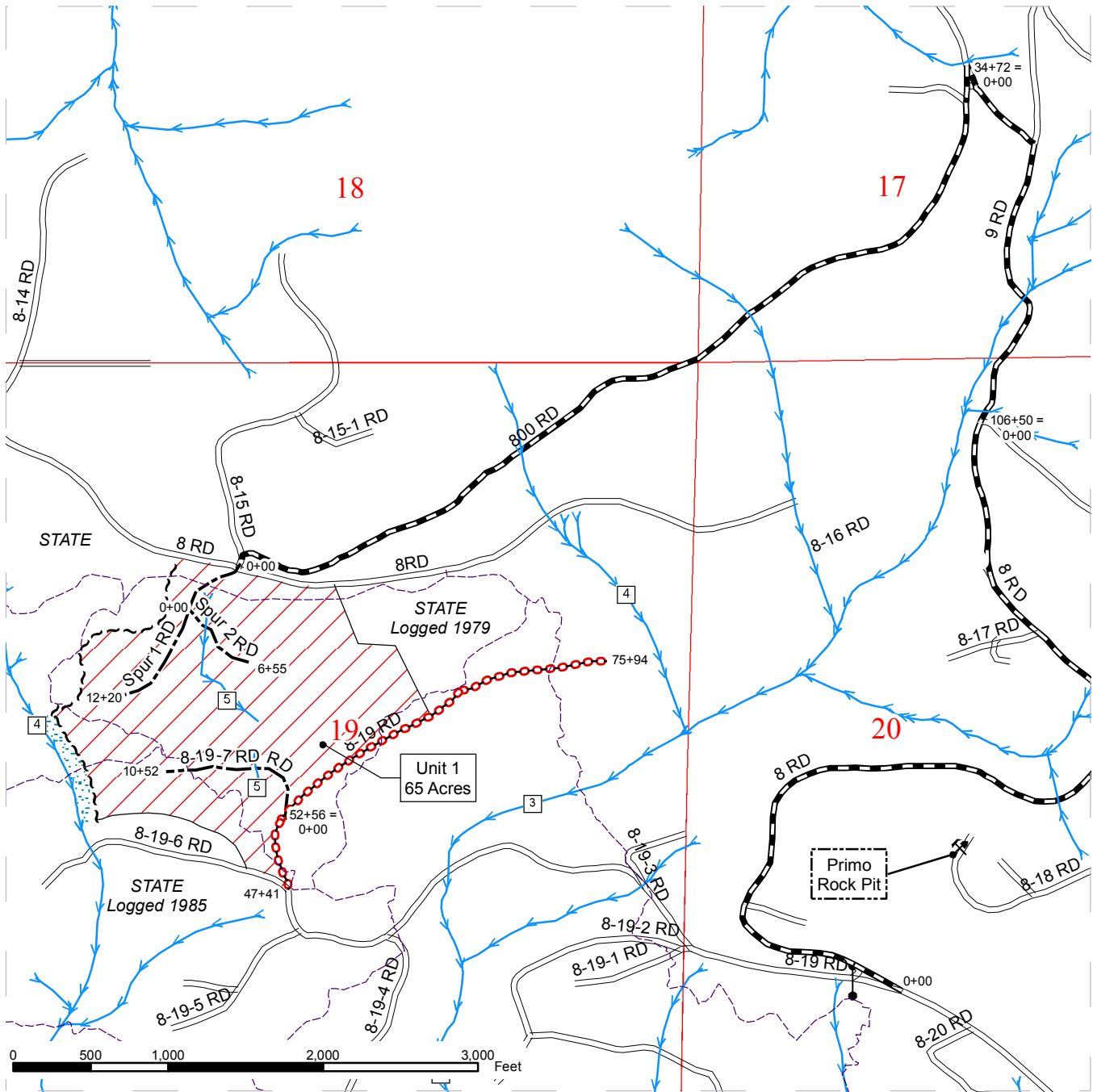
For more information regarding this log sort sale visit our web site: <http://www.dnr.wa.gov/htdocs/fr/sales/>. If you have questions call Audrey Mainwaring at the South Puget Sound Region office at (360) 802-7001 or Dave Richards at the Product Sales and Leasing Division Office in Olympia at (360) 902-1365.

CONFIRMATION: Each sort is subject to confirmation following auction. No sorts will be confirmed until at least 10 days after all sorts are successfully auctioned. 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.

TIMBER SALE MAP

SALE NAME: GIDDY UP SORTS
AGREEMENT#: 30-084312
TOWNSHIP(S): T15R06E
TRUST(S): State Forest Board Transfer(1), Common School and Indemnity(3)

REGION: South Puget Sound Region
COUNTY(S): PIERCE
ELEVATION RGE: 1446-2157 ft.



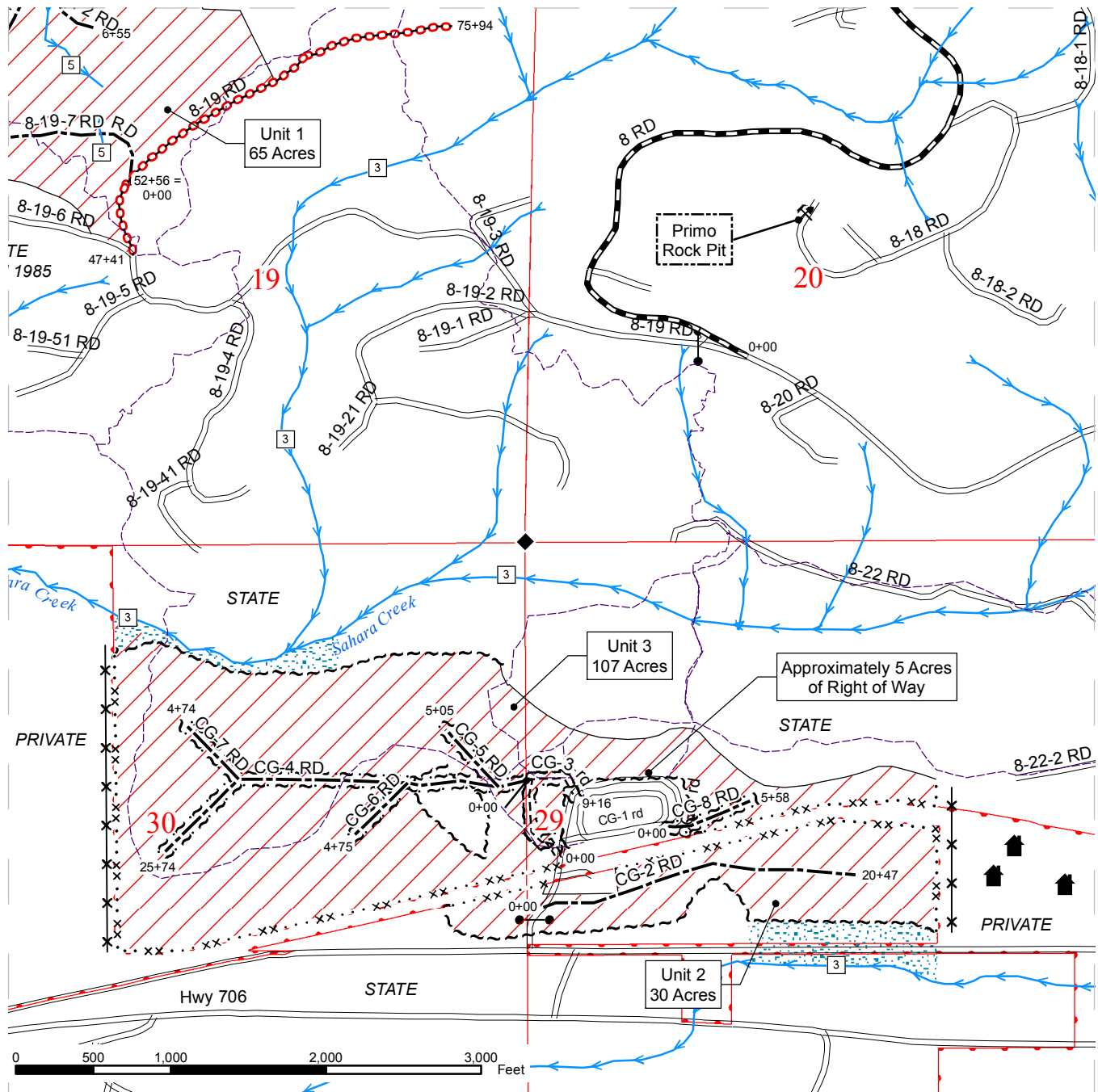
	Timber Sale Area		Optional Construction		Gates: Combo 2089
	White Timber Sale Boundary Tags		Recreation Trail		Rock Pit
	Orange Right of Way Tags		Stream		
	Private Property Boundary Marked with Wood Posted Fence		Fence		
	Existing Roads		RMZ/WMZ Area		
	Required Pre-haul Maintenance		Stream Type		
	Required Abandonment		Survey Corner		
	Required Construction				

See Road Plan View Maps for details of roadwork locations.

TIMBER SALE MAP

SALE NAME: GIDDY UP SORTS
AGREEMENT#: 30-084312
TOWNSHIP(S): T15R06E
TRUST(S): State Forest Board Transfer(1), Common School and Indemnity(3)

REGION: South Puget Sound Region
COUNTY(S): PIERCE
ELEVATION RGE: 1446-2157 ft.

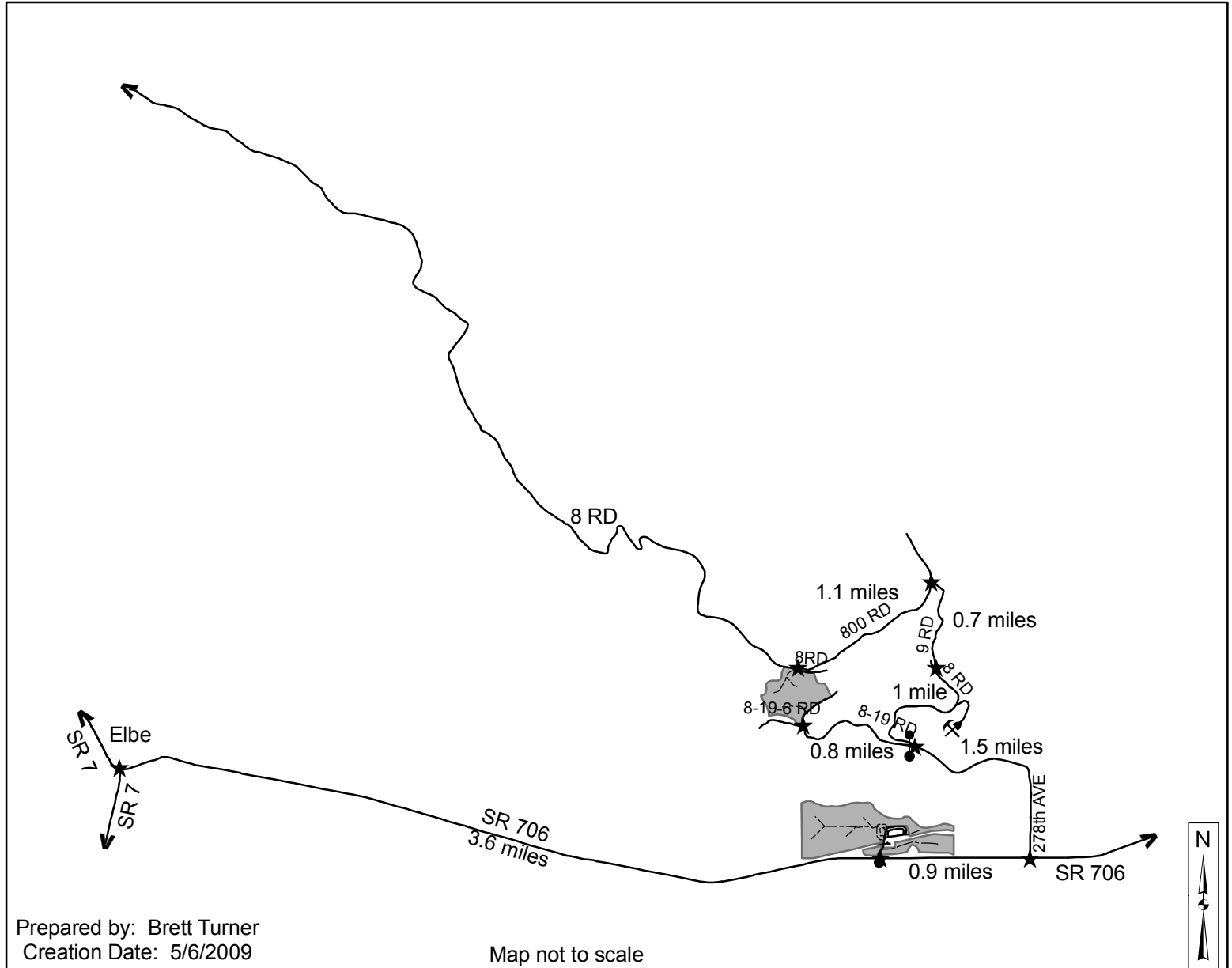


Timber Sale Area	Optional Construction	Gates: Combo 2089
White Timber Sale Boundary Tags	Recreation Trail	Rock Pit
Orange Right of Way Tags	Stream	
Private Property Boundary Marked with Wood Posted Fence	Fence	
Existing Roads	RMZ/WMZ Area	
Required Pre-haul Maintenance	Stream Type	
Required Abandonment	Survey Corner	
Required Construction		

See Road Plan View Maps for details of roadwork locations.

Vicinity Map

SALE NAME:	GIDDY UP SORTS	REGION:	South Puget Sound Region
AGREEMENT #:	30-084312	COUNTY(S):	Pierce
TOWNSHIP(S):	T15NR06E	ELEVATION RGE:	1440 - 2200ft
TRUST(S):	Common School (03); Forest Board Transfer(01)		



Directions:

From Elbe drive 4.5 miles east on SR 706, Turn north on to 278th Ave. go 1.5 miles on 278th Ave/DNR 8RD, turn left and go 0.8 miles on DNR 8-19RD to access bottom of Unit 1. For upper access to Unit 1 stay on DNR 8RD for 1 more mile, turn right onto DNR 9RD for 0.7 miles, turn left onto DNR 800RD for 1.1 miles

From Elbe drive 3.6 miles east on SR 706, Turn north into the Sahara Creek Campground to access Units 2 & 3.

Legend

- ★ Distance Indicator
- Vicinity Roads
- - - Planned New Construction
- Sale Area
- Gates

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084845

SALE NAME: Giddy Up Sorts #1

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084845	1	DF high quality 8" to 24" dib SE	'west side'	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
28	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending 08/31/2010.

G-053 Contract Term Extension

Contract extensions and any other conditions subject to the extension as agreed to by

the State, must be formalized in writing and signed by Purchaser and State, and attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 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 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-115 Forest Stewardship Council (FSC) Certification

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 Agents

The State's rights and duties will be exercised by the Region Manager. 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-170 Assignment and Delegation

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismatch and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

Section P: Payments and Securities

P-010 Initial Deposit

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per mbf here]\$/mbf

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

P-030 Missorts and Payment Reduction for Delivered Logs

Logs delivered that do not meet the log sort and sorting specifications in G-023, where species are mixed, or are scaled over 1" out of tolerance of scaling diameter, and logs not meeting the minimum merchantability requirements as designated for this log sales contract per clause L-010, are considered missorts. The Purchaser receiving missorted logs is required to pay the State for missorted logs at the Purchaser's bid prices for the sort being delivered, under this contract.

However, when the missort volume amounts to more than 3% of the total delivered sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchasers discretion, reduce final payment amount to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of missorted volume in excess of the percentage threshold, times 30% as follows:

$$\text{Missort Payment Reduction} = (B \times V) \times (.3)$$

Where:

B = Bid rate from P-028 clause

V = missort Volume exceeding % threshold

Log missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

Third party scaling organization information is required to determine Scribner mbf

missort for payment reduction purposes. Value of missort will be derived from the applicable sort value as described in this contract.

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

P-031 Mismatch and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismatched logs. The Purchaser receiving mismatched logs is required to pay the State for all mismatched logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismatched log volume amounts to more than 3% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismatched volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismatched Volume exceeding % threshold

R = Reduction factor

.2 = for mismatch, except for blue stain.

.4 = for mismatch related to blue stain.

Log mismatch payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-032 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-023, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State. The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028 by the total volume delivered, and

the number of lineal feet below the specified average log length, times 1% as follows:

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

Where:

B = Bid rate from P-028 clause

V = total delivered log Volume

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

Average log length payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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.

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-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]
Purchaser

Randy Acker
South Puget Sound Region Manager

Date: _____

Date: _____

Address:
[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084846

SALE NAME: Giddy Up Sorts #2

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084846	2	DF 8" to 18" dib SE	'west side'	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
30'	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending 08/31/2010.

G-053 Contract Term Extension

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

attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 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 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-115 Forest Stewardship Council (FSC) Certification

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 Agents

The State's rights and duties will be exercised by the Region Manager. 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-170 Assignment and Delegation

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismatch and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

Section P: Payments and Securities

P-010 Initial Deposit

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per mbf here]\$/mbf

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

P-030 Missorts and Payment Reduction for Delivered Logs

Logs delivered that do not meet the log sort and sorting specifications in G-023, where species are mixed, or are scaled over 1" out of tolerance of scaling diameter, and logs not meeting the minimum merchantability requirements as designated for this log sales contract per clause L-010, are considered missorts. The Purchaser receiving missorted logs is required to pay the State for missorted logs at the Purchaser's bid prices for the sort being delivered, under this contract.

However, when the missort volume amounts to more than 3% of the total delivered sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchasers discretion, reduce final payment amount to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of missorted volume in excess of the percentage threshold, times 30% as follows:

$$\text{Missort Payment Reduction} = (B \times V) \times (.3)$$

Where:

B = Bid rate from P-028 clause

V = missort Volume exceeding % threshold

Log missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

Third party scaling organization information is required to determine Scribner mbf

missort for payment reduction purposes. Value of missort will be derived from the applicable sort value as described in this contract.

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

P-031 Mismatch and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismatched logs. The Purchaser receiving mismatched logs is required to pay the State for all mismatched logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismatched log volume amounts to more than 3% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismatched volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismatched Volume exceeding % threshold

R = Reduction factor

.2 = for mismatch, except for blue stain.

.4 = for mismatch related to blue stain.

Log mismatch payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-032 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-023, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State. The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028 by the total volume delivered, and

the number of lineal feet below the specified average log length, times 1% as follows:

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

Where:

B = Bid rate from P-028 clause

V = total delivered log Volume

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

Average log length payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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.

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-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]
Purchaser

Randy Acker
South Puget Sound Region Manager

Date: _____

Date: _____

Address:
[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084847

SALE NAME: Giddy Up Sorts #3

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084847	3	DF Oversize 19" + dib SE	'west side'	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
26'	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending 08/31/2010.

G-053 Contract Term Extension

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

attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 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 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-115 Forest Stewardship Council (FSC) Certification

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 Agents

The State's rights and duties will be exercised by the Region Manager. 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-170 Assignment and Delegation

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismanufacture and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

Section P: Payments and Securities

P-010 Initial Deposit

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per mbf here]\$/mbf

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

P-030 Missorts and Payment Reduction for Delivered Logs

Logs delivered that do not meet the log sort and sorting specifications in G-023, where species are mixed, or are scaled over 1" out of tolerance of scaling diameter, and logs not meeting the minimum merchantability requirements as designated for this log sales contract per clause L-010, are considered missorts. The Purchaser receiving missorted logs is required to pay the State for missorted logs at the Purchaser's bid prices for the sort being delivered, under this contract.

However, when the missort volume amounts to more than 3% of the total delivered sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchasers discretion, reduce final payment amount to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of missorted volume in excess of the percentage threshold, times 30% as follows:

$$\text{Missort Payment Reduction} = (B \times V) \times (.3)$$

Where:

B = Bid rate from P-028 clause

V = missort Volume exceeding % threshold

Log missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

Third party scaling organization information is required to determine Scribner mbf

missort for payment reduction purposes. Value of missort will be derived from the applicable sort value as described in this contract.

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

P-031 Mismatch and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismatched logs. The Purchaser receiving mismatched logs is required to pay the State for all mismatched logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismatched log volume amounts to more than 5% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismatched volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismatched Volume exceeding % threshold

R = Reduction factor

.2 = for mismatch, except for blue stain.

.4 = for mismatch related to blue stain.

Log mismatch payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-032 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-023, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State. The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028 by the total volume delivered, and

the number of lineal feet below the specified average log length, times 1% as follows:

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

Where:

B = Bid rate from P-028 clause

V = total delivered log Volume

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

Average log length payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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.

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-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]
Purchaser

Randy Acker
South Puget Sound Region Manager

Date: _____

Date: _____

Address:
[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084848

SALE NAME: Giddy Up Sort 4

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084848	4	DF 5"-7" dib SE	'west side'	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
Does Not Apply	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending 08/31/2010.

G-053 Contract Term Extension

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

attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 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 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-115 Forest Stewardship Council (FSC) Certification

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 Agents

The State's rights and duties will be exercised by the Region Manager. 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-170 Assignment and Delegation

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismanufacture and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

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

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per ton here]\$/ton

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

delivered that do not meet the sorting specifications in G-023, and poles not meeting ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract are considered missorts. The purchaser must immediately notify the Contract Administrator upon receiving missorts.

The Purchaser receiving missorted poles is required to pay the State for missorted poles at the Purchaser's bid price for the sort being delivered, under this contract. However, the Purchaser may become eligible for missort pole payment reduction by notifying the State in writing prior to contract expiration. The amount eligible for payment reduction can be no more than the difference between the amount owed to the state at the current contract rate and the amount the purchaser is actually able to recover from utilization or resale of the missorted pole volume.

Pole missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period. For the missort volume to be eligible for payment reduction the purchaser is responsible to provide copies of completed "Bill of Sale" invoices, third party scaling documentation, and any other relevant documentation necessary to account for the true cost to the Purchaser for the resale of missorted volume. Purchaser must demonstrate a good faith effort to achieve fair market value for missorted volume. The actual pole missort payment reduction amount granted is subject to Region Manager discession.

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

P-031 Mismatch and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and P-033 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismatched logs. The Purchaser receiving mismatched logs is required to pay the State for all mismatched logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismatched log volume amounts to more than 5% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismatched volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismatched Volume exceeding % threshold

R = Reduction factor

.2 = for mismatch, except for blue stain.

.4 = for mismatch related to blue stain.

Log mismatch payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-033 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-030 or P-031. 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.

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-023:

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

P-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 clause. Purchaser shall pay for logs delivered on a monthly basis. 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing

weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]
Purchaser

Randy Acker
South Puget Sound Region Manager

Date: _____

Date: _____

Address:
[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084849

SALE NAME: Giddy Up Sorts #5

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084849	5	WH 8" + dib SE	'west side'	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
30'	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending 08/31/2010.

G-053 Contract Term Extension

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

attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 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 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-115 Forest Stewardship Council (FSC) Certification

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 Agents

The State's rights and duties will be exercised by the Region Manager. 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-170 Assignment and Delegation

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismatch and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

Section P: Payments and Securities

P-010 Initial Deposit

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per mbf here]\$/mbf

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

P-030 Missorts and Payment Reduction for Delivered Logs

Logs delivered that do not meet the log sort and sorting specifications in G-023, where species are mixed, or are scaled over 1" out of tolerance of scaling diameter, and logs not meeting the minimum merchantability requirements as designated for this log sales contract per clause L-010, are considered missorts. The Purchaser receiving missorted logs is required to pay the State for missorted logs at the Purchaser's bid prices for the sort being delivered, under this contract.

However, when the missort volume amounts to more than 3% of the total delivered sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchasers discretion, reduce final payment amount to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of missorted volume in excess of the percentage threshold, times 30% as follows:

$$\text{Missort Payment Reduction} = (B \times V) \times (.3)$$

Where:

B = Bid rate from P-028 clause

V = missort Volume exceeding % threshold

Log missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

Third party scaling organization information is required to determine Scribner mbf

missort for payment reduction purposes. Value of missort will be derived from the applicable sort value as described in this contract.

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

P-031 Mismatch and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismatched logs. The Purchaser receiving mismatched logs is required to pay the State for all mismatched logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismatched log volume amounts to more than 5% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismatched volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismatched Volume exceeding % threshold

R = Reduction factor

.2 = for mismatch, except for blue stain.

.4 = for mismatch related to blue stain.

Log mismatch payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-032 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-023, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State. The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028 by the total volume delivered, and

the number of lineal feet below the specified average log length, times 1% as follows:

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

Where:

B = Bid rate from P-028 clause

V = total delivered log Volume

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

Average log length payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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.

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-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]
Purchaser

Randy Acker
South Puget Sound Region Manager

Date: _____

Date: _____

Address:
[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084850

SALE NAME: Giddy Up Sort 6

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084850	6	WH 5-7" dib SE	'west side'	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
Does Not Apply	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending 08/31/2010.

G-053 Contract Term Extension

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

attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 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 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-115 Forest Stewardship Council (FSC) Certification

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 Agents

The State's rights and duties will be exercised by the Region Manager. 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-170 Assignment and Delegation

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismatch and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

Section P: Payments and Securities

P-010 Initial Deposit

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per ton here]\$/ton

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

delivered that do not meet the sorting specifications in G-023, and poles not meeting ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract are considered missorts. The purchaser must immediately notify the Contract Administrator upon receiving missorts.

The Purchaser receiving missorted poles is required to pay the State for missorted poles at the Purchaser's bid price for the sort being delivered, under this contract. However, the Purchaser may become eligible for missort pole payment reduction by notifying the State in writing prior to contract expiration. The amount eligible for payment reduction can be no more than the difference between the amount owed to the state at the current contract rate and the amount the purchaser is actually able to recover from utilization or resale of the missorted pole volume.

Pole missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period. For the missort volume to be eligible for payment reduction the purchaser is responsible to provide copies of completed "Bill of Sale" invoices, third party scaling documentation, and any other relevant documentation necessary to account for the true cost to the Purchaser for the resale of missorted volume. Purchaser must demonstrate a good faith effort to achieve fair market value for missorted volume. The actual pole missort payment reduction amount granted is subject to Region Manager discession.

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

P-031 Mismanufacture and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and P-033 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismanufactured logs. The Purchaser receiving mismanufactured logs is required to pay the State for all mismanufactured logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismanufactured log volume amounts to more than 5% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismanufactured volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismanufactured Volume exceeding % threshold

R = Reduction factor

.2 = for mismanufacture, except for blue stain.

.4 = for mismanufacture related to blue stain.

Log mismanufacture payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-033 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-030 or P-031. 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.

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-023:

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

P-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 clause. Purchaser shall pay for logs delivered on a monthly basis. 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own

expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]
Purchaser

Randy Acker
South Puget Sound Region Manager

Date: _____

Date: _____

Address:
[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084851

SALE NAME: Giddy Up Sorts #7

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084851	7	RC 5" + SE dib	'west side'	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
28'	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending 08/31/2010.

G-053 Contract Term Extension

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

attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 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 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-115 Forest Stewardship Council (FSC) Certification

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 Agents

The State's rights and duties will be exercised by the Region Manager. 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-170 Assignment and Delegation

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismatch and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

Section P: Payments and Securities

P-010 Initial Deposit

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per mbf here]\$/mbf

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

P-030 Missorts and Payment Reduction for Delivered Logs

Logs delivered that do not meet the log sort and sorting specifications in G-023, where species are mixed, or are scaled over 1" out of tolerance of scaling diameter, and logs not meeting the minimum merchantability requirements as designated for this log sales contract per clause L-010, are considered missorts. The Purchaser receiving missorted logs is required to pay the State for missorted logs at the Purchaser's bid prices for the sort being delivered, under this contract.

However, when the missort volume amounts to more than 3% of the total delivered sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchasers discretion, reduce final payment amount to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of missorted volume in excess of the percentage threshold, times 30% as follows:

$$\text{Missort Payment Reduction} = (B \times V) \times (.3)$$

Where:

B = Bid rate from P-028 clause

V = missort Volume exceeding % threshold

Log missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

Third party scaling organization information is required to determine Scribner mbf

missort for payment reduction purposes. Value of missort will be derived from the applicable sort value as described in this contract.

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

P-031 Mismatch and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismatched logs. The Purchaser receiving mismatched logs is required to pay the State for all mismatched logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismatched log volume amounts to more than 3% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismatched volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismatched Volume exceeding % threshold

R = Reduction factor

.2 = for mismatch, except for blue stain.

.4 = for mismatch related to blue stain.

Log mismatch payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-032 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-023, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State. The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028 by the total volume delivered, and

the number of lineal feet below the specified average log length, times 1% as follows:

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

Where:

B = Bid rate from P-028 clause

V = total delivered log Volume

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

Average log length payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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.

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-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]
Purchaser

Randy Acker
South Puget Sound Region Manager

Date: _____

Date: _____

Address:
[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084852

SALE NAME: Giddy Up Sorts #8

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084852	8	Cottonwood 12" + dib SE	'west side'	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
24'	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending 08/31/2010.

G-053 Contract Term Extension

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

attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 **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 **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-115 **Forest Stewardship Council (FSC) Certification**

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 **Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 **Agents**

The State's rights and duties will be exercised by the Region Manager. 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-170 **Assignment and Delegation**

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismanufacture and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

Section P: Payments and Securities

P-010 Initial Deposit

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per mbf here]\$/mbf

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

P-030 Missorts and Payment Reduction for Delivered Logs

Logs delivered that do not meet the log sort and sorting specifications in G-023, where species are mixed, or are scaled over 1" out of tolerance of scaling diameter, and logs not meeting the minimum merchantability requirements as designated for this log sales contract per clause L-010, are considered missorts. The Purchaser receiving missorted logs is required to pay the State for missorted logs at the Purchaser's bid prices for the sort being delivered, under this contract.

However, when the missort volume amounts to more than 3% of the total delivered sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchasers discretion, reduce final payment amount to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of missorted volume in excess of the percentage threshold, times 30% as follows:

$$\text{Missort Payment Reduction} = (B \times V) \times (.3)$$

Where:

B = Bid rate from P-028 clause

V = missort Volume exceeding % threshold

Log missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

Third party scaling organization information is required to determine Scribner mbf

missort for payment reduction purposes. Value of missort will be derived from the applicable sort value as described in this contract.

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

P-031 Mismatch and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismatched logs. The Purchaser receiving mismatched logs is required to pay the State for all mismatched logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismatched log volume amounts to more than 3% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismatched volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismatched Volume exceeding % threshold

R = Reduction factor

.2 = for mismatch, except for blue stain.

.4 = for mismatch related to blue stain.

Log mismatch payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-032 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-023, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State. The amount of allowable payment reduction shall be calculated by multiplying the payment rate in P-028 by the total volume delivered, and

the number of lineal feet below the specified average log length, times 1% as follows:

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

Where:

B = Bid rate from P-028 clause

V = total delivered log Volume

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

Average log length payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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.

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-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]
Purchaser

Randy Acker
South Puget Sound Region Manager

Date: _____

Date: _____

Address:
[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084853

SALE NAME: Giddy Up Sort 9

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084853	9	Hardwood Utility 2"+ dib SE	WS	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
Does Not Apply	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending [08/31/2010](#).

G-053 Contract Term Extension

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

attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 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 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-115 Forest Stewardship Council (FSC) Certification

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 Agents

The State's rights and duties will be exercised by the Region Manager. 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-170 Assignment and Delegation

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismanufacture and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

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

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per ton here]\$/ton

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

delivered that do not meet the sorting specifications in G-023, and poles not meeting ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract are considered missorts. The purchaser must immediately notify the Contract Administrator upon receiving missorts.

The Purchaser receiving missorted poles is required to pay the State for missorted poles at the Purchaser's bid price for the sort being delivered, under this contract. However, the Purchaser may become eligible for missort pole payment reduction by notifying the State in writing prior to contract expiration. The amount eligible for payment reduction can be no more than the difference between the amount owed to the state at the current contract rate and the amount the purchaser is actually able to recover from utilization or resale of the missorted pole volume.

Pole missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period. For the missort volume to be eligible for payment reduction the purchaser is responsible to provide copies of completed "Bill of Sale" invoices, third party scaling documentation, and any other relevant documentation necessary to account for the true cost to the Purchaser for the resale of missorted volume. Purchaser must demonstrate a good faith effort to achieve fair market value for missorted volume. The actual pole missort payment reduction amount granted is subject to Region Manager discussion.

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

P-031 Mismanufacture and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and P-033 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismanufactured logs. The Purchaser receiving mismanufactured logs is required to pay the State for all mismanufactured logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismanufactured log volume amounts to more than 5% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismanufactured volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismanufactured Volume exceeding % threshold

R = Reduction factor

.2 = for mismanufacture, except for blue stain.

.4 = for mismanufacture related to blue stain.

Log mismanufacture payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-033 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-030 or P-031. 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.

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-023:

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

P-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 clause. Purchaser shall pay for logs delivered on a monthly basis. 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own

expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]

Purchaser

Randy Acker

South Puget Sound Region Manager

Date: _____

Date: _____

Address:

[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

DRAFT 7/8/2009

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

LOG SALE AND PURCHASE CONTRACT

AGREEMENT NO. 30-084854

SALE NAME: Giddy Up Sort 10

THE STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES, HEREINAFTER ACTING SOLELY, IN ITS PROPRIETARY CAPACITY, STATE, AND [Purchaser Name here], PURCHASER, AGREE AS FOLLOWS:

Section G: General Terms

G-001 Definitions: The following definitions apply throughout this contract.

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

Contractor: State-selected harvester who is 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 logs for weighing and/or scaling, to the Purchasers of the timber sales Sorts.

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

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 logs 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-011 Products Sold

Purchaser was the successful bidder on [[Auction Date here](#)] and sale was confirmed on [[Confirmation Date here](#)]. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-023 clause. Logs will be delivered from the Giddy Up Sorts Timber Sale described as parts of Section(s), 19, 20, 29, 30 Township 15 North, Range 6 East, W.M., in Peirce County.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-023 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 #	Species/ Diameter	Scaling Rule	Destination
30-084854	10	Conifer Utility 2"+ dib SE	WS	From Bid Form

Average Log Length	Purchaser's Preferred Log Lengths
Does Not Apply	Insert lengths from Bid Supplemental Information Form

Minimum trim is ten inches per scaling segment for west side scaling rules.

G-024 Manufacturing Standards

All merchantable logs, except poles, produced and sold under this contract will be manufactured to maximize the amount of logs meeting Purchaser's preferred log lengths and to achieve the average log length listed in clause G-023 with a minimum length of 12 feet for conifers and 8 feet for hardwoods.

The State will manufacture and deliver logs in a manner to optimize compliance with the following minimum specifications. Logs delivered not meeting these specifications are eligible for price reductions according to the P-031, Mismanufacture and Payment Reduction clause.

- 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 in the peeler sorts 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) log sort will have well scattered knots up to 1 ½ inches (Well scattered sound tight knots and knot indicators numbering not more than an average of one per foot of log length and may include logs with not more than two larger knots), and have a growth ring count of 7 plus rings per inch in the outer third top end of the log.

G-026 Log Delivery Destination

Purchaser shall accept logs delivered to the destination as described in the G-023 clause. However, the Purchaser may make a request in writing to the State for a change in log delivery destination. If agreeable and in the best interest of the State, the State will approve in writing the Purchaser's request prior to log delivery to the new destination. Increased haul distance shall result in an increase in the P-028 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 change.

Purchaser may refuse loads delivered to the wrong destination.

G-027 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 – The 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 and D-027 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 and D-027 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.

G-034 Contract Term and Expiration Date

Purchaser agrees to accept and pay for forest products delivered through the period ending 08/31/2010.

G-053 Contract Term Extension

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

attached to this Log Sale and Purchase Contract as an addendum.

G-055 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 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-055 (Contract Termination).

G-061 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-071 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 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-115 Forest Stewardship Council (FSC) Certification

Forest products purchased under this contract are certified as being in conformance with the Forest Stewardship Council Pacific Coast Regional Standard under FSC certificate number: BV-FM/COC-080501.

G-116 Sustainable Forestry Initiative® (SFI) Certification

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative® Standard under SFI certificate number: 164041.

G-162 Agents

The State's rights and duties will be exercised by the Region Manager. 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-170 Assignment and Delegation

Purchaser shall assign no rights or interest in this contract without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or

any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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-202 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 Log Delivery Destination

G-027 Log Delivery and Schedule Conditions

G-211 Violation of Contract

P-030 Missorts and Payment Reduction Option

P-031 Mismatch and Payment Reduction Option

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-211 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-241 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-250 Compliance with all Laws

Purchaser shall comply with all applicable statutes, regulations and laws including but not limited to the applicable requirements of WAC 240-15-015 (relating to the prohibition on export and substitution), WAC 240-15-25 (reporting requirements) and WAC 240-15-030 (enforcement).

G-252 Forest Excise Tax

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

G-253 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

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

G-331 Contract Review

State may arrange with the Purchaser to review the provisions of this contract prior to the delivery of logs.

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

Purchaser paid [Initial Deposit Amount here] initial deposit, which will be maintained pursuant to RCW 79.15.100. If the Purchaser fails to complete all contractual obligations before the contract term expires, the initial deposit will be immediately forfeited to the State.

P-028 Payment For Logs Delivered

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

[Amount per ton here]\$/ton

Purchaser agrees to increase the above delivered log rate as approved by the State in the event the location of delivery is changed per the G-026 clause.

delivered that do not meet the sorting specifications in G-023, and poles not meeting ANSI specifications (American National Standard Specifications and Dimensions for Wood Poles), in force at the time of signing this contract are considered missorts. The purchaser must immediately notify the Contract Administrator upon receiving missorts.

The Purchaser receiving missorted poles is required to pay the State for missorted poles at the Purchaser's bid price for the sort being delivered, under this contract. However, the Purchaser may become eligible for missort pole payment reduction by notifying the State in writing prior to contract expiration. The amount eligible for payment reduction can be no more than the difference between the amount owed to the state at the current contract rate and the amount the purchaser is actually able to recover from utilization or resale of the missorted pole volume.

Pole missort payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period. For the missort volume to be eligible for payment reduction the purchaser is responsible to provide copies of completed "Bill of Sale" invoices, third party scaling documentation, and any other relevant documentation necessary to account for the true cost to the Purchaser for the resale of missorted volume. Purchaser must demonstrate a good faith effort to achieve fair market value for missorted volume. The actual pole missort payment reduction amount granted is subject to Region Manager discession.

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

P-031 Mismanufacture and Payment Reduction

Logs delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths as described in the table in G-023 and P-033 and logs not meeting minimum log quality specifications for sweep, peeler sorts, untrimmed limbs and knots and blue stain in ponderosa pine as described in the G-024 clause are considered mismanufactured logs. The Purchaser receiving mismanufactured logs is required to pay the State for all mismanufactured logs at the Purchaser's bid prices for the sort(s) being delivered.

However, when the mismanufactured log volume amounts to more than 5% of the total sort volume, the Purchaser shall notify the State in writing prior to contract expiration and may, at the Purchaser's discretion, reduce final payment to the State such that the payment reduction shall be calculated by multiplying the payment rate in P-028 by the amount of mismanufactured volume in excess of the percentage threshold, times a reduction factor as follows:

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

Where:

B = Bid rate from P-028 clause

V = mismanufactured Volume exceeding % threshold

R = Reduction factor

.2 = for mismanufacture, except for blue stain.

.4 = for mismanufacture related to blue stain.

Log mismanufacture payment reductions calculated by the Purchaser must be approved by the State, prior to payment for the final billing period.

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

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

P-033 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-030 or P-031. 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.

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-023:

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

P-035 Purchaser 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 also agrees to pay for all scaling costs for logs delivered on a scale basis.

P-041 Payment Security for Logs Delivered

Prior to log delivery and at a date determined by the State, Purchaser shall guarantee payment to the State for forest 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 log deliveries. Payment security for logs 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 30 days.

P-051 Billing and Payment Procedure for Logs Delivered

The State will compute and forward to Purchaser a billing statement of charges for logs delivered during the billing period at the delivered rate shown in P-028 clause. Purchaser shall pay for logs delivered on a monthly basis. 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.

Section L: Log Definitions and Accountability

L-010 Merchantable Forest Products

Merchantable forest products are logs or parts of logs as defined by the requirements for the lowest sawmill grade of the standard log scaling rules applicable to this contract. Logs or parts of logs not meeting merchantable forest products minimum requirements are considered utility logs. Logs that do not meet minimum utility specifications are considered cull logs.

Non-merchantable logs are logs not meeting the minimum merchantability requirements of the scaling rules as designated for this harvesting contract.

L-014 Log Sorts Delivered to Incorrect Destination

The Purchaser has only agreed to purchase the log sort described in the G-023 clause. In the event a load of logs from a different sort not meeting the log sort is misdelivered to Purchaser, Purchaser may reject the load. If Purchaser receives a misdelivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load of logs, provisions in the P-030 clause shall apply.

L-072 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. The 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 West Side Scaling Rules

Determination of volume and grade of any forest products shall be conducted by a state approved third party scaling organization.

Determination of volume and grade of all logs shall be made 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-111 Weighing and Scaling Authorization

The weighing and scaling facilities for this contract must be approved by the State. Prior to logs being hauled, the Contract Administrator must authorize in writing weighing and scaling facilities that are at or in-route to final destinations. No logs from this sale may be weighed/scaled at facilities, which are not currently approved for use by the State and are not currently authorized for this sale. The State reserves the right to verify load weights/scale with State employees and equipment at the State's own

expense and revoke authorization of approved weighing and scaling locations.

Section D: Damages

D-012 Liquidated Damages

The following clauses in the DAMAGES section of this contract provide for payments to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and are not penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. The State and Purchaser agree to these liquidated damages provisions 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 Damages for Log Delivery Interruptions and Load Non-Acceptance

- a. Purchaser's failure to accept delivery of logs due to an extended delivery interruption exceeding the limits as described in the G-027 (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 (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 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), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept logs does not prevent further harvesting operations, or logs 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 logs not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept logs 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 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-033 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 log 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, \$250.00 each time a load is weighed and/or scaled at a facility not approved 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. When the State's harvesting contractor delivers logs meeting the sort specifications as described in this contract, the Purchaser agrees to pay the State for the delivered logs and is responsible for paying for any other weighing and/or scaling services or fees, as specified under the terms of this Log Sale and Purchase Contract.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

[Purchaser Name here]
Purchaser

Randy Acker
South Puget Sound Region Manager

Date: _____

Date: _____

Address:
[Purchaser Address here]

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 and that
the seal affixed is the corporate seal of said corporation.

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 _____

Cruise Narrative

Sale Name: Giddy Up Sorts	Region: South Puget Sound
Agree. #: 30-084312	District: Elbe
Lead cruiser: Ken McGee	Completion date: June 16, 2009
Other cruisers on sale: Phil Kirner	

Unit acreage specifications:

Unit #	Cruised acres	Cruised acres agree with sale acres? Yes/No	If acres do not agree explain why.
#1	65	Yes	
#2	30	Yes	
#3	107	Yes	
ROW	5	Yes	
Total	207		

Unit cruise specifications:

Unit #	Sample type (VP, FP, ITS, 100%)	Expansion factor (BAF, full/half)	Sighting height (4.5 ft, 16 ft.)	Grid size (Plot spacing or % of area)	Plot ratio (cruise:count)	Total number of plots
#1	VP	54.45/Full	4.5	225x225ft.	30:30	60
#2	VP	54.45/Full	4.5	225x200ft.	15:16	31
#3	VP	54.45/Full	4.5	225x225ft.	97:0	97
ROW	VP	54.45/Full	4.5	225x225ft.	97:0	97

Sale/Cruise Description:

Minor species cruise intensity:	Minors were cruised with the same intensity as the major specie.						
Minimum cruise spec:	5 inch top or 40% of form point. 8 inch DBH minimum. Not less than 10 board feet.						
Avg ring count by sp:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; border-right: 1px solid black;">DF =</td> <td style="width: 25%; text-align: center;">8.0</td> <td style="width: 15%; border-right: 1px solid black;">WH =</td> <td style="width: 15%;"></td> <td style="width: 15%; border-right: 1px solid black;">SS =</td> <td style="width: 15%;"></td> </tr> </table>	DF =	8.0	WH =		SS =	
DF =	8.0	WH =		SS =			
Leave/take tree description:	Leave trees are banded with blue paint and are scattered throughout the sale area.						
Other conditions	ROW volume was generated using the average volume per acre in unit #3.						

Field observations:

This contract harvest sale is located approximately five miles east of Elbe on Hwy #706. The sale consists of three units totaling 207 acres. Unit #3 is a thinning by prescription and units #1&2 are a regeneration harvest. The stand consists of Douglas Fir with small amounts of Western Hemlock, Red Cedar, Cotton Wood and Red Alder. The timber is excellent quality with about 15% in a Fir peeler sort.

Grants: 01 – 59% 03 – 41%

**Prepared by:
Ken McGee**

**Title:
Special Products
Forester**

CC:

TC PSPCSTGR		Species, Sort Grade - Board Foot Volumes (Project)																				
Elbe District		Project: GIDDYUP										Page 1										
T15N R06E S19 TyUNT1 THRU T15N R6E S30 TyROW		Acres 207.00										Date 6/16/2009										
												Time 2:42:43PM										
S Spp	So T	Gr rt	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		
									4-5	6-11	12-16	17+	12-20	21-30	31-35	36-99						
WH	T	D	2S	23	3.2	494	478	99				55	45			100	32	16	309	1.93	1.5	
WH	T	D	3S	44	2.3	909	888	184			79	21	0			100	32	9	99	0.73	9.0	
WH	T	D	4S	33	4.7	684	652	135	58	42	0			18	40	42	18	5	22	0.28	29.9	
WH Totals				4	3.3	2,087	2,019	418	19	48	22	11			6	13	81	21	7	50	0.52	40.4
WH		D	2S	67	5.8	166	156	32					100			100	32	27	1004	5.00	.2	
WH		D	3S	17		40	40	8					100			100	32	19	518	2.73	.1	
WH		D	4S	16	48.8	71	36	8	79		21			79	11	10	8	4	5	0.23	7.0	
WH Totals				0	15.9	277	233	48	12		3	84			12	2	86	8	5	32	0.72	7.3
DF	T	D	SM	6	1.2	2,032	2,008	416					100			100	32	21	622	3.45	3.2	
DF	T	D	2S	58	3.6	19,026	18,332	3,795				33	67			100	32	17	374	2.20	49.0	
DF	T	D	3S	22	4.9	7,153	6,804	1,408			52	37	10	0	1	99	32	11	137	0.96	49.5	
DF	T	D	4S	5	19.8	2,197	1,761	364	21	72	4	2		26	28	46	18	7	26	0.46	67.3	
DF	T	MP	2S	8		2,396	2,396	496			0	55	45			18	33	16	306	1.90	7.8	
DF	T	MP	3S	1		230	230	48			100					100	34	9	100	0.70	2.3	
DF Totals				56	4.5	33,033	31,531	6,527	1	16	31	51			1	3	95	27	11	176	1.33	179.1
DF		D	SM			80	80	16					100			100	32	21	610	3.50	.1	
DF		D	2S	66	5.8	13,426	12,645	2,618				38	62			100	32	17	350	2.17	36.2	
DF		D	3S	25	6.7	5,010	4,675	968			58	35	7			0	32	10	116	0.84	40.4	
DF		D	4S	7	21.8	1,869	1,461	302	34	62	4			21	22	57	17	6	20	0.35	74.4	
DF		MP	2S	1		131	131	27			46	54				100	34	12	188	1.23	.7	
DF		MP	3S	1		63	63	13			100					100	34	10	130	0.89	.5	
DF Totals				34	7.4	20,577	19,054	3,944	3	20	35	43			2	2	97	25	10	125	1.09	152.3
RA		D	3S	29	31.4	54	37	8			41	59				100	32	11	109	1.28	.3	
RA		D	4S	71	38.0	141	88	18	25	75						17	21	6	28	0.55	3.2	
RA Totals				0	36.2	195	125	26	18	65	17						12	22	7	35	0.65	3.5
RA	T	D	3S	35	12.7	32	28	6			96	4				100	32	9	81	0.92	.3	
RA	T	D	4S	65	10.1	57	52	11	30	70						29	25	6	33	0.38	1.6	
RA Totals				0	11.0	90	80	17	19	79	1						19	27	6	41	0.50	1.9
CW	T	D	1P	3		54	54	11					100			100	32	17	379	2.28	.1	
CW	T	D	1S	55	1.6	750	738	153			4	28	68			100	32	17	404	2.35	1.8	
CW	T	D	2S	37	11.3	559	496	103			7	36	57			100	32	14	248	1.62	2.0	
CW	T	D	3S			3	3	1			100					100	32	10	120	0.81	.0	
CW	T	D	4S	5	73.0	227	61	13	1	43	56	0		1	9	91	21	9	19	0.85	3.2	
CW Totals				2	15.1	1,592	1,352	280	0	7	31	62			0	0	100	27	13	188	1.59	7.2
CW		D	1P	5		79	79	16					100			100	32	20	560	3.23	.1	
CW		D	1S	37	11.4	556	493	102				27	73			100	32	19	445	2.81	1.1	
CW		D	2S	40	5.9	566	532	110				79	21			100	32	14	216	1.45	2.5	
CW		D	3S	5		63	63	13			100					100	32	10	120	0.81	.5	
CW		D	4S	13	48.0	329	171	35	10	83	6	0		4	6	90	23	8	30	0.59	5.7	
CW Totals				2	16.0	1,593	1,338	277	1	15	42	41			1	1	99	27	11	135	1.20	9.9
RC	T	D	3S	68	17.9	127	104	22			52	26	22			100	32	10	108	1.36	1.0	

TC PSPCSTGR
Elbe District

Species, Sort Grade - Board Foot Volumes (Project)

T15N R06E S19 TyUNT1
THRU
T15N R6E S30 TyROW

Project: GIDDYUP
Acres 207.00

Page 2
Date 6/16/2009
Time 2:42:43PM

S Spp	So T	Gr rt	Ad 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	
									4-5	6-11	12-16	17+	12-20	21-30	31-35	36-99					
RC	T	D	4S	32	17.0	57	47	10	84	16			22	78			21	5	20	0.40	2.4
RC Totals				0	17.6	184	152	31	26	41	18	15	7	24	69		24	7	45	0.77	3.3
Totals					6.3	59,629	55,882	11,568	2	18	32	47	2	3	95		25	10	138	1.16	405.0

TC PSTATS		PROJECT STATISTICS							PAGE	1	
Elbe District		PROJECT GIDDYUP							DATE	6/16/2009	
TWP	RGE	SC	TRACT	TYPE		ACRES	PLOTS	TREES	CuFt	BdFt	
15N	06E	19	GIDDY SORTS	UNT1	THR	207.00	285	1,407	S	W	
15N	06E	30	GIDDY SORTS	ROW							
			PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES	PERCENT SAMPLE TREES				
TOTAL			285	1407	4.9						
CRUISE			143	713	5.0	28,317	2.5				
DBH COUNT											
REFOREST											
COUNT			141	694	4.9						
BLANKS			1								
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	155	48.8	18.7	87	21.5	92.9	20,577	19,054	4,096	4,094	
DOUG FIR-T	453	51.7	22.1	100	29.2	137.1	33,033	31,531	6,428	6,428	
WHEMLOCK	5	4.6	7.6	35	0.5	1.5	277	233	44	44	
WHEMLOCK-T	42	22.4	11.4	48	4.7	15.8	2,087	2,019	454	455	
COTWOOD	12	2.9	20.8	96	1.5	7.0	1,593	1,338	320	320	
COTWOOD-T	28	1.9	24.9	109	1.3	6.3	1,592	1,352	308	308	
WR CEDAR-T	6	2.4	14.8	39	0.7	2.8	184	152	62	62	
R ALDER	5	1.2	15.1	75	0.4	1.5	195	125	50	50	
R ALDER-T	7	.9	13.4	63	0.3	.9	90	80	26	25	
TOTAL	713	136.8	18.9	83	61.2	265.6	59,629	55,882	11,789	11,786	
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		71.9	5.8	709	753	796					
DOUG FIR-T		65.5	3.1	797	822	847					
WHEMLOCK		136.2	67.7	341	1,056	1,771					
WHEMLOCK-T		190.4	29.4	213	301	390					
COTWOOD		69.3	20.9	535	676	817					
COTWOOD-T		55.6	10.7	720	806	892					
WR CEDAR-T		81.4	36.2	72	113	154					
R ALDER		89.5	44.5	71	128	185					
R ALDER-T		82.9	33.7	77	116	155					
TOTAL		74.2	2.8	736	757	778	220	55	24		
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		63.7	5.1	148	156	164					
DOUG FIR-T		57.1	2.7	161	165	170					
WHEMLOCK		135.4	67.3	60	183	305					
WHEMLOCK-T		165.2	25.5	46	61	77					
COTWOOD		80.0	24.1	125	165	204					
COTWOOD-T		57.4	11.0	165	186	206					
WR CEDAR-T		89.9	40.0	29	49	69					
R ALDER		68.0	33.8	40	60	80					
R ALDER-T		72.9	29.7	36	51	66					
TOTAL		65.6	2.5	152	155	159	172	43	19		
CL	68.1	COEFF	TREES/ACRE				# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR		188.9	11.2	43	49	54					
DOUG FIR-T		116.9	6.9	48	52	55					
WHEMLOCK		991.9	58.7	2	5	7					

TC PSTATS		PROJECT STATISTICS							PAGE	2
Elbe District		PROJECT			GIDDYUP				DATE	6/16/2009
TWP	RGE	SC	TRACT	TYPE		ACRES	PLOTS	TREES	CuFt	BdFt
15N 15N	06E 6E	19 30	GIDDY SORTS GIDDY SORTS	UNT1 ROW	THR	207.00	285	1,407	S	W
CL	68.1		COEFF	TREES/ACRE			# OF PLOTS REQ.		INF. POP.	
SD:	1.00		VAR.	S.E.%	LOW	AVG	HIGH	5	10	15
WHEMLOCK-T			263.3	15.6	19	22	26			
COTWOOD			503.8	29.8	2	3	4			
COTWOOD-T			523.2	31.0	1	2	2			
WR CEDAR-T			610.1	36.1	2	2	3			
R ALDER			1397.2	82.7	0	1	2			
R ALDER-T			937.0	55.5	0	1	1			
TOTAL			<i>110.1</i>	<i>6.5</i>	<i>128</i>	<i>137</i>	<i>146</i>	<i>484</i>	<i>121</i>	<i>54</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			156.8	9.3	84	93	101			
DOUG FIR-T			116.1	6.9	128	137	146			
WHEMLOCK			889.3	52.6	1	1	2			
WHEMLOCK-T			249.7	14.8	13	16	18			
COTWOOD			456.6	27.0	5	7	9			
COTWOOD-T			505.6	29.9	4	6	8			
WR CEDAR-T			577.2	34.2	2	3	4			
R ALDER			1117.3	66.1	0	1	2			
R ALDER-T			902.9	53.4	0	1	1			
TOTAL			<i>80.9</i>	<i>4.8</i>	<i>253</i>	<i>266</i>	<i>278</i>	<i>261</i>	<i>65</i>	<i>29</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			159.0	9.4	17,261	19,054	20,846			
DOUG FIR-T			121.9	7.2	29,256	31,531	33,806			
WHEMLOCK			1494.8	88.5	27	233	439			
WHEMLOCK-T			264.0	15.6	1,703	2,019	2,334			
COTWOOD			453.1	26.8	979	1,338	1,697			
COTWOOD-T			506.8	30.0	946	1,352	1,757			
WR CEDAR-T			601.6	35.6	98	152	206			
R ALDER			1212.5	71.8	35	125	214			
R ALDER-T			915.5	54.2	37	80	123			
TOTAL			<i>82.5</i>	<i>4.9</i>	<i>53,155</i>	<i>55,882</i>	<i>58,610</i>	<i>272</i>	<i>68</i>	<i>30</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			157.9	9.3	3,712	4,094	4,477			
DOUG FIR-T			119.6	7.1	5,973	6,428	6,883			
WHEMLOCK			1359.5	80.5	9	44	80			
WHEMLOCK-T			265.7	15.7	383	455	526			
COTWOOD			451.4	26.7	235	320	406			
COTWOOD-T			504.4	29.9	216	308	399			
WR CEDAR-T			611.4	36.2	40	62	85			
R ALDER			1076.3	63.7	18	50	81			
R ALDER-T			887.2	52.5	12	25	39			
TOTAL			<i>81.5</i>	<i>4.8</i>	<i>11,218</i>	<i>11,786</i>	<i>12,355</i>	<i>265</i>	<i>66</i>	<i>29</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			157.8	9.3	106	117	128			
DOUG FIR-T			119.6	7.1	170	183	196			
WHEMLOCK			1368.2	81.0	0	1	3			
WHEMLOCK-T			265.7	15.7	12	15	17			
COTWOOD			451.4	26.7	6	8	10			
COTWOOD-T			504.4	29.9	5	8	10			
WR CEDAR-T			610.4	36.1	1	1	2			
R ALDER			1076.0	63.7	0	1	2			
R ALDER-T			888.6	52.6	0	1	1			
TOTAL			<i>81.6</i>	<i>4.8</i>	<i>319</i>	<i>335</i>	<i>351</i>	<i>266</i>	<i>66</i>	<i>30</i>

PROJECT STATISTICS
PROJECT GIDDYUP

TWP	RGE	SC	TRACT	TYPE		ACRES	PLOTS	TREES	CuFt	BdFt
15N	06E	19	GIDDY SORTS	UNT1	THR	207.00	285	1,407	S	W
15N	6E	30	GIDDY SORTS	ROW						

CL	68.1	COEFF		V BAR/ACRE			# OF PLOTS REQ.		INF. POP.	
		SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10
DOUG FIR		82.2	4.9	186	205	224				
DOUG FIR-T		48.4	2.9	213	230	247				
WHEMLOCK		1494.8	88.5	19	161	303				
WHEMLOCK-T		184.2	10.9	108	128	148				
COTWOOD		276.1	16.3	141	192	244				
COTWOOD-T		444.4	26.3	151	216	280				
WR CEDAR-T		497.5	29.4	34	53	72				
R ALDER		1212.5	71.8	24	86	148				
R ALDER-T		751.7	44.5	40	87	133				
TOTAL		82.5	4.9	200	210	221	272	68		30

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

T15N R06E S19 TyUNT	65.0
T15N R06E S29 TyUNT	30.0
T15N R6E S30 TyROW	5.0

Project GIDDYUP
Acres 207.00

Page No 1
Date: 6/16/2009
Time 2:42:43PM

Species	S T	Total	Total	Total	Net Cubic Ft/		CF/	Total CCF		Total MBF	
		Trees	Logs	Tons	Tree	Log	LF	Gross	Net	Gross	Net
DOUG FIR	T	10,696	37,076	37,923	124.39	35.89	1.33	13,306	13,305	6,838	6,527
DOUG FIR		10,109	31,523	24,167	83.84	26.89	1.08	8,480	8,475	4,259	3,944
WHEMLOCK	T	4,640	8,328	3,010	20.29	11.30	0.53	941	941	432	418
COTWOOD	T	385	1,490	1,560	165.25	42.75	1.62	637	637	330	280
COTWOOD		610	2,053	1,622	108.69	32.27	1.15	662	663	330	277
WHEMLOCK		948	1,081	291	9.69	8.49	0.65	91	92	57	48
WR CEDAR	T	492	692	304	26.22	18.63	0.78	129	129	38	31
R ALDER		242	727	283	42.36	14.12	0.67	103	103	40	26
R ALDER	T	194	400	148	27.08	13.16	0.50	54	53	19	17
Totals		28,317	83,371	69,308	86.16	29.26	1.15	24,402	24,398	12,343	11,568

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	26,885	78,701	65,695	85.34	29.15	1.15	22,947	22,943	11,625	10,969
H	1,432	4,670	3,613	101.61	31.15	1.19	1,456	1,455	718	599
Totals	28,317	83,371	69,308	86.16	29.26	1.15	24,402	24,398	12,343	11,568

Log Stock Table - MBF

T15N R06E S19 TyUNT1
THRU
T15N R6E S30 TyROW

Project: GIDDYUP
Acres 207.00

Page 1
Date 6/16/2009
Time 2:42:42PM

Spp	S T	So rt	Gr de	Log Len	Gross MBF	Def %	Net MBF	% Spc	Net Volume by Scaling Diameter in Inches											
									2-4	5-5	6-7	8-11	12-15	16-18	19-20	21-22	23-24	25-26	27-28	29+
WH	T	D	2S	32	102	3.2	99	23.7				35	32	15		15	1	1	1	
WH	T	D	3S	32	188	2.3	184	44.0			26	119	30	8	1					
WH	T	D	4S	8	5	20.7	4	.9			4									
WH	T	D	4S	10	2		2	.5			2									
WH	T	D	4S	11	2		2	.4			2									
WH	T	D	4S	13	1	100.0														
WH	T	D	4S	16	1		1	.1			1									
WH	T	D	4S	18	3		3	.7			1	2								
WH	T	D	4S	19	12		12	3.0			12									
WH	T	D	4S	20	1		1	.2			1									
WH	T	D	4S	21	10	5.2	9	2.3			8	1								
WH	T	D	4S	23	11		11	2.5			11									
WH	T	D	4S	25	37	8.5	34	8.2			34									
WH	T	D	4S	28	1	88.8	0	.0				0								
WH	T	D	4S	32	57		56	13.5			3	30	23	0						
WH		Totals			432	3.3	418	3.6			78	60	142	65	40	15	15	1	1	1
WH		D	2S	32	34	5.8	32	67.1								7	8	10	8	
WH		D	3S	32	8		8	17.3						8						
WH		D	4S	16	6		6	12.3			6									
WH		D	4S	28	8	88.8	1	1.8				1								
WH		D	4S	32	1	37.5	1	1.6				1								
WH		Totals			57	15.9	48	.4			6		2		8	7	8	10	8	
DF	T	D	SM	32	421	1.2	416	6.4						183	132	51	33	18		
DF	T	D	2S	32	3,938	3.6	3,795	58.1				849	1212	767	460	261	125	88	32	
DF	T	D	3S	20	3		3	.0				3								
DF	T	D	3S	22	4		4	.1				1	3							
DF	T	D	3S	24	1		1	.0				1								
DF	T	D	3S	26	4		4	.1				4								
DF	T	D	3S	28	1		1	.0				1								
DF	T	D	3S	29	3		3	.0				3	0							
DF	T	D	3S	32	1,465	4.9	1,393	21.3				38	691	480	97	30	34	9	13	
DF	T	D	4S	8	5	48.6	3	.0			1	1	1							
DF	T	D	4S	9	1	90.8	0	.0				0								

Log Stock Table - MBF

T15N R06E S19 TyUNT1
THRU
T15N R6E S30 TyROW

Project: **GIDDYUP**
Acres **207.00**

Spp	S T	So rt	Gr de	Log Len	Gross MBF	Def %	Net MBF	% Spc	Net Volume by Scaling Diameter in Inches											
									2-4	5-5	6-7	8-11	12-15	16-18	19-20	21-22	23-24	25-26	27-28	29+
DF	T	D	4S	10	6	25.7	4	.1		1	1	2								
DF	T	D	4S	11	1	12.0	1	.0		0	1	0								
DF	T	D	4S	12	7		7	.1		2	3	2								
DF	T	D	4S	13	3		3	.0		1	1	1								
DF	T	D	4S	14	7	4.8	6	.1			4	2								
DF	T	D	4S	15	6	21.5	5	.1		0	2	2	0							
DF	T	D	4S	16	17	17.4	14	.2		0	6	7	1							
DF	T	D	4S	17	12	24.6	9	.1			2	4	2							
DF	T	D	4S	18	23	14.3	20	.3		6	7	4	1	2						
DF	T	D	4S	19	9	23.7	7	.1		0	1	2	4							
DF	T	D	4S	20	20	15.9	17	.3		2	4	10	1							
DF	T	D	4S	21	4	6.4	3	.1		1	2	1								
DF	T	D	4S	22	18	15.2	15	.2		3	4	8	1							
DF	T	D	4S	23	8	33.4	5	.1		0	4	1								
DF	T	D	4S	24	11	14.1	10	.1		4	0	6								
DF	T	D	4S	25	15	37.2	9	.1		2	2	5	0							
DF	T	D	4S	26	14	19.4	11	.2		0	1	10								
DF	T	D	4S	27	13	22.1	10	.2		2	2	6								
DF	T	D	4S	28	11	2.4	11	.2		6	3	2								
DF	T	D	4S	29	15	52.4	7	.1		0	6	1								
DF	T	D	4S	30	22	12.2	20	.3		4	6	9								
DF	T	D	4S	31	5		5	.1		5										
DF	T	D	4S	32	204	20.0	163	2.5		37	73	41	6	6						
DF	T	MP	2S	26	90		90	1.4					10	65	15					
DF	T	MP	2S	34	406		406	6.2			1	149	256							
DF	T	MP	3S	34	48		48	.7			48									
DF		Totals			6,838	4.5	6,527	56.4		78	178	870	1513	1631	1000	626	321	171	106	32
DF		D	SM	32	16		16	.4							16					
DF		D	2S	32	2,779	5.8	2,618	66.4				707	880	377	280	120	134	49	71	
DF		D	3S	29	4		4	.1			2	2								
DF		D	3S	32	1,033	6.7	964	24.4			79	476	312	70	7	20				
DF		D	4S	8	8	46.2	4	.1		1	2	1								
DF		D	4S	9	1		1	.0			1									
DF		D	4S	10	9	39.3	5	.1			2	3								
DF		D	4S	11	5	59.6	2	.0		1		1								

Log Stock Table - MBF

T15N R06E S19 TyUNT1
THRU
T15N R6E S30 TyROW

Project: **GIDDYUP**
Acres **207.00**

Spp	S T	So rt	Gr de	Log Len	Gross MBF	Def %	Net MBF	% Spc	Net Volume by Scaling Diameter in Inches											
									2-4	5-5	6-7	8-11	12-15	16-18	19-20	21-22	23-24	25-26	27-28	29+
RA		Totals			19	11.0	17	.1		3	7	6	0							
CW	T	D	1P	32	11		11	4.0					10	1						
CW	T	D	1S	32	155	1.6	153	54.6			6	23	26	25	36	27	0	9	1	
CW	T	D	2S	32	116	11.3	103	36.7		1	6	29	36	9	10	11				
CW	T	D	3S	32	1		1	.2			1									
CW	T	D	4S	8	0	100.0														
CW	T	D	4S	10	0	100.0														
CW	T	D	4S	12	1	100.0														
CW	T	D	4S	15	1	92.1	0	.0		0										
CW	T	D	4S	16	2	100.0														
CW	T	D	4S	17	0	100.0														
CW	T	D	4S	18	2	100.0														
CW	T	D	4S	20	1	100.0														
CW	T	D	4S	22	0	100.0														
CW	T	D	4S	25	0	100.0														
CW	T	D	4S	26	0	33.3	0	.0		0										
CW	T	D	4S	29	1	25.0	1	.4			1									
CW	T	D	4S	32	38	69.7	12	4.1			1	3	7		0					
CW		Totals			330	15.1	280	2.4		0	3	16	59	73	35	46	38	0	9	1
CW		D	1P	32	16		16	5.9							16					
CW		D	1S	32	115	11.4	102	36.8				13	35		18	13	7			16
CW		D	2S	32	117	5.9	110	39.8				72	29	9						
CW		D	3S	32	13		13	4.7			13									
CW		D	4S	10	1	100.0														
CW		D	4S	15	1		1	.5		1										
CW		D	4S	16	1	100.0														
CW		D	4S	17	3	100.0														
CW		D	4S	18	1	100.0														
CW		D	4S	20	1	100.0														
CW		D	4S	22	2	100.0														
CW		D	4S	25	3	100.0														
CW		D	4S	26	3	33.3	2	.8		2										
CW		D	4S	32	52	38.4	32	11.5			3	26	2		0					

Log Stock Table - MBF

T15N R06E S19 TyUNT1
THRU
T15N R6E S30 TyROW

Project: GIDDYUP
Acres 207.00

Page 5
Date 6/16/2009
Time 2:42:42PM

Spp	S T	So rt	Gr de	Log Len	Gross MBF	Def %	Net MBF	% Spc	Net Volume by Scaling Diameter in Inches											
									2-4	5-5	6-7	8-11	12-15	16-18	19-20	21-22	23-24	25-26	27-28	29+
CW		Totals			330	16.0	277	2.4		4	3	39	88	64	26	18	13	7	16	
RC	T	D	3S	32	26	17.9	22	68.9			6	6	6	5						
RC	T	D	4S	11	1		1	3.0		1										
RC	T	D	4S	14	0		0	1.5		0										
RC	T	D	4S	18	1		1	2.4			1									
RC	T	D	4S	22	1		1	2.7				1								
RC	T	D	4S	25	6	33.3	4	12.7		4										
RC	T	D	4S	27	3		3	8.8		3										
RC		Totals			38	17.6	31	.3		8	6	6	6	5						
Total		All Species			12,343	6.3	11,568	100.0		284	461	1665	2782	2762	1468	1006	514	321	175	129

Log Stock Table - TONS(SED)

Elbe District

Project: GIDDYUP

T15N R06E S19 TUNT1

T15N R06E S19 TUNT1

Twp Rge Sec Tract Type Acres Plots Sample Trees Page
15N 06E 19 GIDDY SORTS UNT1 65.00 60 146 Date 1
Time 6/16/2009 2:29:07PM

Spp	T	S	So	Gr	Log	Len	SED	Tons	Tons by Scaling Diameter in Inches												
									2-4	5-5	6-7	8-11	12-15	16-18	19-20	21-22	23-24	25-26	27-28	29+	
DF	T	D	SM	32		21.2		2,013						840	669	250	169	85			
DF	T	D	2S	32		17.1		10,748					2399	3439	2134	1522	611	337	218	88	
DF	T	D	3S	32		11.3		4,651			72	2242	1709	362	132	95	39				
DF	T	D	4S			7.2															
DF	T	D	4S	8		7.5		13			6	3	3								
DF	T	D	4S	10		6.9		20		4	4	12									
DF	T	D	4S	11		7.0		5			5										
DF	T	D	4S	12		7.0		24			15	10									
DF	T	D	4S	13		4.0		6		6											
DF	T	D	4S	14		7.2		30			18	13									
DF	T	D	4S	15		7.7		33			13	20									
DF	T	D	4S	16		8.1		74			23	52									
DF	T	D	4S	17		8.3		60			17	32	12								
DF	T	D	4S	18		7.5		77			44	34									
DF	T	D	4S	19		13.5		30					30								
DF	T	D	4S	20		8.5		88			10	78									
DF	T	D	4S	21		7.0		11			11										
DF	T	D	4S	22		7.8		90			33	57									
DF	T	D	4S	23		6.4		26			26										
DF	T	D	4S	24		9.0		12				12									
DF	T	D	4S	25		6.0		31			31										
DF	T	D	4S	26		8.7		99			14	86									
DF	T	D	4S	27		8.2		73			14	60									
DF	T	D	4S	28		3.5		75		75											
DF	T	D	4S	29		5.5		67		17	36		14								
DF	T	D	4S	30		7.8		105			36	69									
DF	T	D	4S	32		7.6		718		31	242	285	47	112							
DF	T	MP	2S	26		16.8		478					65	344	69						
DF	T	MP	2S	34		15.5		1,480					604	877							
DF	T	MP	3S	34		8.0		77				77									
Graded						12.3		21214		128	4	666	3141	4883	5021	3288	2286	901	506	303	88
DF			Totals			12.3		21,214		128	4	666	3141	4883	5021	3288	2286	901	506	303	88
WH	T	D	2S	32		17.1		310					47	88	90		85				
WH	T	D	3S	32		9.1		485			39	353	45	48							
WH	T	D	4S			6.0															
WH	T	D	4S	13		10.0		8				8									
WH	T	D	4S	15		4.0		8		8											
WH	T	D	4S	21		7.0		14			14										
WH	T	D	4S	25		2.0		38			38										
WH	T	D	4S	26		4.0		24			24										
WH	T	D	4S	29		2.0		51			51										
WH	T	D	4S	32		5.5		70		36	33										
Graded						6.3		1008		122	36	86	361	91	136	90		85			
WH			Totals			6.3		1,008		122	36	86	361	91	136	90		85			
RC	T	D	3S	32		9.9		205			48	52	53	52							

Log Stock Table - TONS(SED)

Project: GIDDYUP

T15N R06E S19 TUNT1

T15N R06E S19 TUNT1

Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	Page	2
15N	06E	19	GIDDY SORTS	UNT1	65.00	60	146	Date	6/16/2009
								Time	2:29:07PM

S Spp	So T	Gr rt	Log de	Len	SED	Tons	Tons by Scaling Diameter in Inches													
							2-4	5-5	6-7	8-11	12-15	16-18	19-20	21-22	23-24	25-26	27-28	29+		
RC	T	D	4S	14	4.3	11		6	5											
RC	T	D	4S	18	6.0	9				9										
RC	T	D	4S	22	8.0	11					11									
RC	T	D	4S	29	4.0	36		36												
RC	T	D	4S	31	2.0	34		34												
Graded					5.4	305		75	5	56	63	53	52							
RC Totals					5.4	305		75	5	56	63	53	52							
CW	T	D	1S	32	21.2	174						20	59		57				38	
CW	T	D	4S	16	8.0	3				3										
CW	T	D	4S	18	10.0	4				4										
CW	T	D	4S	20	11.0	4				4										
CW	T	D	4S	32	13.9	42						28	14							
Graded					16.4	228				12		28	34	59	57				38	
CW Totals					16.4	228				12		28	34	59	57				38	
RA	T	D	3S	32	9.0	55				55										
RA	T	D	4S	24	4.0	12		12												
RA	T	D	4S	30	3.0	15		15												
RA	T	D	4S	32	7.0	53				53										
Graded					5.6	135		27		53	55									
RA Totals					5.6	135		27		53	55									
Total All Species							22,890	352	45	862	3631	5055	5243	3437	2286	1043	506	340	88	

TC TLOGSTVT_SED
Elbe District

Log Stock Table - TONS(SED)
Project: **GIDDYUP**

T15N R06E S29 TUNT2

T15N R06E S29 TUNT2

Twp Rge Sec Tract Type Acres Plots Sample Trees Page
15N 06E 29 GIDDY SORTS UNT2 30.00 31 77 2
Date 6/16/2009
Time 2:29:07PM

S Spp	So T	Gr rt	Log de	Len	SED	Tons	Tons by Scaling Diameter in Inches												
							2-4	5-5	6-7	8-11	12-15	16-18	19-20	21-22	23-24	25-26	27-28	29+	
Graded					12.3	1257		2	44	154	352	321	81	203	99				
CW			Totals		12.3	1,257		2	44	154	352	321	81	203	99				
WH	T	D	2S	32	15.0	71					71								
WH	T	D	3S	32	10.6	275			206		69								
WH	T	D	4S	18	5.0	9		9											
WH	T	D	4S	20	6.0	11			11										
WH	T	D	4S	21	5.0	14		14											
WH	T	D	4S	32	6.0	27			27										
Graded					8.9	407		23	37	206	141								
WH			Totals		8.9	407		23	37	206	141								
Total All Species						31,670		447	279	1202	5024	6781	7081	4314	3187	1846	826	531	152

Log Stock Table - TONS(SED)

Elbe District

Project: GIDDYUP

T15N R6E S30 TROW

T15N R6E S30 TROW

Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	Page	2
15N	6E	30	GIDDY SORTS	ROW	5.00	97	491	Date	6/16/2009
								Time	2:29:07PM

S Spp	So T	Gr rt	Log de	Len	SED	Tons	Tons by Scaling Diameter in Inches														
							2-4	5-5	6-7	8-11	12-15	16-18	19-20	21-22	23-24	25-26	27-28	29+			
WH	T	D	4S	31	2.0	3		3													
WH	T	D	4S	32	4.5	22		10		5	6		1								
Graded					4.2	90		23	0	12	19		11	4	4		3	3		5	5
WH		Totals			4.2	90		23	0	12	19		11	4	4		3	3		5	5
CW	T	D	1P	32	20.0	3								3							
CW	T	D	1S	32	18.8	24							3	7		4	3	2		4	
CW	T	D	2S	32	13.7	27							19	7	2						
CW	T	D	3S	32	10.0	3					3										
CW	T	D	4S		6.9																
CW	T	D	4S	10	10.0	0					0										
CW	T	D	4S	15	5.0	0		0													
CW	T	D	4S	16	8.0	0					0										
CW	T	D	4S	17	17.0	1								1							
CW	T	D	4S	18	12.0	0							0								
CW	T	D	4S	20	8.0	0					0										
CW	T	D	4S	22	7.0	0			0												
CW	T	D	4S	28	4.0	1		1													
CW	T	D	4S	29	4.0	1		1													
CW	T	D	4S	32	8.6	14			2	10			1		2						
Graded					10.5	76		2	0	2	14		23	15	5	5	3	2		4	
CW		Totals			10.5	76		2	0	2	14		23	15	5	5	3	2		4	
RA	T	D	3S	32	11.4	4				2			2								
RA	T	D	4S		4.1																
RA	T	D	4S	8	7.0	0			0												
RA	T	D	4S	29	6.0	0			0												
RA	T	D	4S	32	6.9	9		1	1	3	3				2						
Graded					6.5	13		1	1	3	5		2	2							
RA		Totals			6.5	13		1	1	3	5		2	2							
Total All Species						69,548		1546	899	3659	12220		16956	15437	7736	5276	2660	1652		858	649

T15N R06E S19 TUNT1 Twp Rge Sec Tract Type Acres Plots Sample Trees CuFt 15N 06E 19 GIDDY SORTS UNT1 65.00 60 146 S	T15N R06E S19 TUNT1 BdFt W
---	----------------------------------

Spp	S	So	Gr	% Net BdFt	Bd. Ft. per Acre Def% Gross Net			Total Net MBF	Percent Net Board Foot Volume								Average Log			Logs Per /Acre		
									Log Scale Dia.				Log Length				Ln Ft	Dia In	Bd Ft		CF/ Lf	
									4-5	6-11	12-16	17+	12-20	21-30	31-35	36-99						
DF	T	D	SM	10	1.2	6,204	6,128	398										32	21	625	3.46	9.8
DF	T	D	2S	56	3.4	32,738	31,641	2,057			30	70						32	17	383	2.19	82.7
DF	T	D	3S	19	6.3	11,941	11,192	727		48	41	11						32	11	149	1.05	74.9
DF	T	D	4S	5	28.2	3,717	2,670	174	11	80	6	3	31	29	40			19	7	30	0.54	90.4
DF	T	MP	2S	9		5,283	5,283	343			40	60		26	74			32	16	314	1.98	16.8
DF	T	MP	3S	1		169	169	11		100					100			34	8	70	0.50	2.4
DF	T	Totals		94	4.9	60,053	57,083	3,710	0	14	29	57	1	4	95			28	12	206	1.48	277.0
WH	T	D	2S	35	5.9	785	738	48			13	87			100			32	17	385	2.43	1.9
WH	T	D	3S	47	5.5	1,025	968	63		79	21				100			32	9	98	0.74	9.8
WH	T	D	4S	18	3.5	376	363	24	77	23			5	63	32			18	5	18	0.29	19.6
WH	T	Totals		3	5.3	2,186	2,069	135	13	41	14	31	1	11	88			23	7	66	0.66	31.4
RC	T	D	3S	68	17.9	405	332	22		52	26	22			100			32	10	108	1.36	3.1
RC	T	D	4S	32	17.0	181	150	10	84	16			22	78				21	5	20	0.40	7.6
RC	T	Totals		1	17.6	586	483	31	26	41	18	15	7	24	69			24	7	45	0.77	10.6
CW	T	D	1S	100		672	672	44				100			100			32	21	648	3.29	1.0
CW	T	D	4S		100.0	149												25	12		1.31	1.0
CW	T	Totals		1	18.1	820	672	44				100			100			28	16	324	2.43	2.1
RA	T	D	3S	35	11.1	95	84	5			100				100			32	9	80	0.91	1.1
RA	T	D	4S	65	6.5	162	152	10	30	70			30	70				26	6	33	0.36	4.6
RA	T	Totals		0	8.2	257	236	15	19	81			19	81				27	6	42	0.48	5.6
Type	Totals				5.3	63,901	60,542	3,935	1	15	28	56	1	4	94			27	12	185	1.38	326.8

TC TSTATS		STATISTICS							PAGE	1
Elbe District		PROJECT GIDDYUP							DATE	6/16/2009
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
15N	06E	19	GIDDY SORTS	UNT1	65.00	60	293	S	W	
		PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES		PERCENT SAMPLE TREES			
TOTAL		60	293	4.9						
CRUISE		30	146	4.9	6,661		2.2			
DBH COUNT										
REFOREST										
COUNT		30	147	4.9						
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE TREES	TREES /ACRE	AVG DBH	BOLE LEN	REL DEN	BASAL AREA	GROSS BF/AC	NET BF/AC	GROSS CF/AC	NET CF/AC
DOUG FIR-T	126	74.9	24.0	108	48.0	235.0	60,053	57,083	11,450	11,450
WHEMLOCK-T	9	16.7	13.0	51	4.3	15.4	2,186	2,069	485	487
WR CEDAR-T	6	7.6	14.8	39	2.4	9.1	586	483	199	198
COTWOOD-T	3	.5	31.0	118	0.5	2.7	820	672	143	143
R ALDER-T	2	2.8	13.3	62	0.7	2.7	257	236	75	74
TOTAL	<i>146</i>	<i>102.5</i>	<i>21.8</i>	<i>93</i>	<i>56.8</i>	<i>265.0</i>	<i>63,901</i>	<i>60,542</i>	<i>12,352</i>	<i>12,352</i>
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL: 68.1 %	COEFF	SAMPLE TREES - BF					# OF TREES REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	55.1	4.9	943	992	1,041					
WHEMLOCK-T	114.1	40.3	199	333	468					
WR CEDAR-T	81.4	36.2	72	113	154					
COTWOOD-T	35.7	24.7	1,041	1,383	1,725					
R ALDER-T	8.3	7.8	78	85	92					
TOTAL	<i>63.6</i>	<i>5.3</i>	<i>863</i>	<i>911</i>	<i>959</i>	<i>162</i>	<i>40</i>	<i>18</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-T	46.8	4.2	186	194	202					
WHEMLOCK-T	106.9	37.7	46	74	102					
WR CEDAR-T	89.9	40.0	29	49	69					
COTWOOD-T	33.5	23.2	225	293	361					
R ALDER-T	35.9	33.6	19	28	37					
TOTAL	<i>54.9</i>	<i>4.5</i>	<i>172</i>	<i>180</i>	<i>188</i>	<i>121</i>	<i>30</i>	<i>13</i>		
CL: 68.1 %	COEFF	TREES/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	50.1	6.5	70	75	80					
WHEMLOCK-T	215.5	27.8	12	17	21					
WR CEDAR-T	267.2	34.5	5	8	10					
COTWOOD-T	565.7	73.0	0	1	1					
R ALDER-T	449.3	58.0	1	3	4					
TOTAL	<i>46.5</i>	<i>6.0</i>	<i>96</i>	<i>102</i>	<i>109</i>	<i>86</i>	<i>22</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-T	45.8	5.9	221	235	249					
WHEMLOCK-T	216.4	27.9	11	15	20					
WR CEDAR-T	251.1	32.4	6	9	12					
COTWOOD-T	573.4	74.0	1	3	5					
R ALDER-T	439.6	56.7	1	3	4					
TOTAL	<i>36.4</i>	<i>4.7</i>	<i>253</i>	<i>265</i>	<i>277</i>	<i>53</i>	<i>13</i>	<i>6</i>		

TC TSTATS			STATISTICS				PAGE	2		
Elbe District			PROJECT GIDDYUP				DATE	6/16/2009		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
15N	06E	19	GIDDY SORTS	UNT1	65.00	60	293	S	W	
CL:	68.1 %	COEFF	NET BF/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.	S.E.%	LOW	AVG	HIGH	5	10	15	
CL:	68.1 %	COEFF	NET BF/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T		46.9	6.0	53,631	57,083	60,534				
WHEMLOCK-T		243.3	31.4	1,420	2,069	2,719				
WR CEDAR-T		263.0	33.9	319	483	647				
COTWOOD-T		564.5	72.8	183	672	1,161				
R ALDER-T		445.5	57.5	100	236	371				
TOTAL		<i>39.1</i>	<i>5.0</i>	<i>57,486</i>	<i>60,542</i>	<i>63,599</i>	<i>61</i>	<i>15</i>	<i>7</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-T		46.6	6.0	10,762	11,450	12,138				
WHEMLOCK-T		239.3	30.9	337	487	637				
WR CEDAR-T		267.8	34.5	130	198	267				
COTWOOD-T		569.1	73.4	38	143	248				
R ALDER-T		439.6	56.7	32	74	115				
TOTAL		<i>38.1</i>	<i>4.9</i>	<i>11,744</i>	<i>12,352</i>	<i>12,960</i>	<i>58</i>	<i>15</i>	<i>6</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-T		46.6	6.0	307	326	346				
WHEMLOCK-T		239.7	30.9	11	16	20				
WR CEDAR-T		267.3	34.5	3	5	6				
COTWOOD-T		569.3	73.4	1	4	6				
R ALDER-T		439.6	56.7	1	2	3				
TOTAL		<i>37.9</i>	<i>4.9</i>	<i>335</i>	<i>352</i>	<i>369</i>	<i>57</i>	<i>14</i>	<i>6</i>	
CL:	68.1 %	COEFF	V-BAR/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T				228	243	258				
WHEMLOCK-T		195.1	25.2	92	134	176				
WR CEDAR-T		211.6	27.3	35	53	71				
COTWOOD-T		564.5	72.8	67	247	426				
R ALDER-T		361.5	46.6	37	87	136				
TOTAL		<i>193.7</i>	<i>25.0</i>	<i>217</i>	<i>228</i>	<i>240</i>	<i>1,499</i>	<i>375</i>	<i>167</i>	

T15N R06E S29 TUNT2 Twp Rge Sec Tract Type Acres Plots Sample Trees CuFt 15N 06E 29 GIDDY SORTS UNT2 30.00 31 77 S	T15N R06E S29 TUNT2 BdFt W
--	----------------------------------

Spp	S	So	Gr	% Net BdFt	Bd. Ft. per Acre Def% Gross Net			Total Net MBF	Percent Net Board Foot Volume								Average Log			Logs Per /Acre	
									Log Scale Dia.				Log Length				Ln Ft	Dia In	Bd Ft		CF/ Lf
									4-5	6-11	12-16	17+	12-20	21-30	31-35	36-99					
DF	T	D	2S	66	4.0	27,996	26,886	807		21	79			100	32	18	439	2.57	61.2		
DF	T	D	3S	22	4.1	9,278	8,897	267		36	40	24		1	5	94	31	11	146	1.02	61.1
DF	T	D	4S	6	16.3	2,961	2,480	74	46	46	5	3		21	26	53	16	6	21	0.40	121.0
DF	T	MP	2S	3		1,106	1,106	33		100							34	14	262	1.59	4.2
DF	T	MP	3S	3		1,203	1,203	36		100							34	9	115	0.80	10.5
DF	T	Totals		82	4.6	42,545	40,571	1,217	3	14	26	58		1	3	96	25	10	157	1.30	258.0
CW	T	D	1P	4		347	347	10		100							32	17	370	2.23	.9
CW	T	D	1S	47	1.7	3,540	3,479	104		5	40	54				100	32	16	348	2.12	10.0
CW	T	D	2S	44	11.6	3,673	3,248	97		8	34	59				100	32	14	250	1.63	13.0
CW	T	D	4S	5	67.6	1,136	368	11		37	63				9	91	20	9	20	0.81	18.0
CW	T	Totals		15	14.4	8,696	7,441	223		8	37	56			0	100	27	12	177	1.52	42.0
WH	T	D	2S	21		358	358	11		100							32	15	280	1.82	1.3
WH	T	D	3S	70	1.9	1,181	1,159	35		74	26					100	32	11	129	1.00	9.0
WH	T	D	4S	9	18.1	182	149	4	41	59				47	12	42	22	5	22	0.41	6.8
WH	T	Totals		3	3.2	1,722	1,667	50	4	57	39			4	1	95	28	9	98	0.88	17.0
Type Totals					6.2	52,962	49,679	1,490	2	14	28	56		1	2	96	25	10	157	1.31	317.0

TC TSTATS				STATISTICS				PAGE	1	
Elbe District				PROJECT GIDDYUP				DATE	6/16/2009	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
15N	06E	29	GIDDY SORTS	UNT2	30.00	31	132	S	W	
		PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES		PERCENT SAMPLE TREES			
TOTAL		31	132	4.3						
CRUISE		15	77	5.1	3,035		2.5			
DBH COUNT										
REFOREST										
COUNT		15	55	3.7						
BLANKS		1								
100 %										
STAND SUMMARY										
	SAMPLE TREES	TREES /ACRE	AVG DBH	BOLE LEN	REL DEN	BASAL AREA	GROSS BF/AC	NET BF/AC	GROSS CF/AC	NET CF/AC
DOUG FIR-T	60	83.6	20.1	87	41.1	184.4	42,545	40,571	8,274	8,276
COTWOOD-T	13	10.8	24.5	109	7.1	35.1	8,696	7,441	1,710	1,710
WHEMLOCK-T	4	6.8	18.2	73	2.9	12.3	1,722	1,667	424	423
TOTAL	77	101.2	20.5	88	51.2	231.9	52,962	49,679	10,408	10,409
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL: 68.1 %	COEFF	SAMPLE TREES - BF					# OF TREES REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	68.2	8.8	902	989	1,076					
COTWOOD-T	41.8	12.1	697	792	888					
WHEMLOCK-T	48.1	27.5	188	260	332					
TOTAL	69.0	7.9	846	918	990	190	48	21		
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-T	60.9	7.9	178	193	208					
COTWOOD-T	38.2	11.0	161	181	200					
WHEMLOCK-T	34.0	19.4	53	65	78					
TOTAL	60.2	6.9	172	184	197	145	36	16		
CL: 68.1 %	COEFF	TREES/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	81.9	14.7	71	84	96					
COTWOOD-T	181.0	32.5	7	11	14					
WHEMLOCK-T	220.9	39.6	4	7	9					
TOTAL	61.1	11.0	90	101	112	149	37	17		
CL: 68.1 %	COEFF	BASAL AREA/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	58.4	10.5	165	184	204					
COTWOOD-T	172.4	30.9	24	35	46					
WHEMLOCK-T	220.2	39.5	7	12	17					
TOTAL	43.7	7.8	214	232	250	76	19	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-T	58.9	10.6	36,282	40,571	44,860					
COTWOOD-T	173.1	31.1	5,130	7,441	9,752					
WHEMLOCK-T	210.9	37.9	1,036	1,667	2,297					
TOTAL	44.8	8.0	45,688	49,679	53,669	80	20	9		
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-T	57.6	10.3	7,420	8,276	9,131					
COTWOOD-T	171.7	30.8	1,183	1,710	2,236					

TC TSTATS				STATISTICS			PAGE	2		
Elbe District				PROJECT GIDDYUP			DATE	6/16/2009		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
15N	06E	29	GIDDY SORTS	UNT2	30.00	31	132	S	W	
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	
WHEMLOCK-T		213.5	38.3	261	423	586				
TOTAL		<i>44.1</i>	<i>7.9</i>	<i>9,585</i>	<i>10,409</i>	<i>11,232</i>	<i>78</i>	<i>19</i>	<i>9</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-T		57.6	10.3	211	236	260				
COTWOOD-T		171.7	30.8	29	42	55				
WHEMLOCK-T		213.6	38.3	8	14	19				
TOTAL		<i>43.6</i>	<i>7.8</i>	<i>268</i>	<i>291</i>	<i>314</i>	<i>76</i>	<i>19</i>	<i>8</i>	
CL:	68.1 %	COEFF		V-BAR/ACRE			# OF PLOTS REQ.	INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T				197	220	243				
COTWOOD-T		139.8	25.1	146	212	278				
WHEMLOCK-T		157.7	28.3	84	136	187				
TOTAL		<i>161.1</i>	<i>28.9</i>	<i>197</i>	<i>214</i>	<i>231</i>	<i>1,036</i>	<i>259</i>	<i>115</i>	

TC TSTATS		STATISTICS							PAGE	1	
Elbe District		PROJECT GIDDYUP							DATE	6/16/2009	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt		
15N	06E	30	GIDDY SORTS	UNT3	107.00	97	491	S	W		
		PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES		PERCENT SAMPLE TREES				
TOTAL		97	491	5.1							
CRUISE		49	245	5.0	17,771		1.4				
DBH COUNT											
REFOREST											
COUNT		48	246	5.1							
BLANKS											
100 %											
STAND SUMMARY											
	SAMPLE TREES	TREES /ACRE	AVG DBH	BOLE LEN	REL DEN	BASAL AREA	GROSS BF/AC	NET BF/AC	GROSS CF/AC	NET CF/AC	
DOUG FIR	155	94.5	18.7	87	41.6	179.6	39,808	36,861	7,925	7,921	
DOUG FIR-T	56	25.4	20.7	100	13.1	59.5	13,028	12,634	2,665	2,664	
WHEMLOCK	5	8.9	7.6	35	1.0	2.8	537	451	85	86	
WHEMLOCK-T	12	29.3	10.3	45	5.3	16.8	2,095	2,058	440	440	
COTWOOD	12	5.7	20.8	96	3.0	13.5	3,081	2,589	619	619	
R ALDER	5	2.3	15.1	75	0.7	2.8	378	241	96	96	
TOTAL	245	166.1	17.4	79	65.9	275.1	58,927	54,834	11,831	11,826	
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		71.9	5.8	709	753	796					
DOUG FIR-T		51.7	6.9	592	636	680					
WHEMLOCK		136.2	67.7	341	1,056	1,771					
WHEMLOCK-T		112.5	33.9	92	139	186					
COTWOOD		69.3	20.9	535	676	817					
R ALDER		89.5	44.5	71	128	185					
TOTAL		77.4	4.9	652	686	719	239	60	27		
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		63.7	5.1	148	156	164					
DOUG FIR-T		44.4	5.9	123	131	139					
WHEMLOCK		135.4	67.3	60	183	305					
WHEMLOCK-T		108.8	32.8	20	30	40					
COTWOOD		80.0	24.1	125	165	204					
R ALDER		68.0	33.8	40	60	80					
TOTAL		69.2	4.4	137	143	150	191	48	21		
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		74.6	7.6	87	94	102					
DOUG FIR-T		72.8	7.4	24	25	27					
WHEMLOCK		574.9	58.3	4	9	14					
WHEMLOCK-T		193.5	19.6	24	29	35					
COTWOOD		283.4	28.8	4	6	7					
R ALDER		813.8	82.6	0	2	4					
TOTAL		71.4	7.2	154	166	178	204	51	23		
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		42.0	4.3	172	180	187					
DOUG FIR-T		64.8	6.6	56	60	63					
WHEMLOCK		514.1	52.2	1	3	4					

TC TSTATS				STATISTICS			PAGE	2		
Elbe District				PROJECT GIDDYUP			DATE	6/16/2009		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
15N	06E	30	GIDDY SORTS	UNT3	107.00	97	491	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	
WHEMLOCK-T		188.8	19.2	14	17	20				
COTWOOD		254.5	25.8	10	13	17				
R ALDER		649.0	65.8	1	3	5				
TOTAL		35.8	3.6	265	275	285	51	13	6	
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		44.7	4.5	35,191	36,861	38,531				
DOUG FIR-T		67.0	6.8	11,775	12,634	13,493				
WHEMLOCK		871.2	88.4	52	451	850				
WHEMLOCK-T		194.4	19.7	1,652	2,058	2,464				
COTWOOD		252.4	25.6	1,926	2,589	3,251				
R ALDER		705.1	71.5	69	241	414				
TOTAL		37.5	3.8	52,745	54,834	56,922	56	14	6	
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		43.3	4.4	7,573	7,921	8,269				
DOUG FIR-T		66.2	6.7	2,485	2,664	2,843				
WHEMLOCK		791.7	80.3	17	86	155				
WHEMLOCK-T		196.8	20.0	352	440	528				
COTWOOD		251.3	25.5	461	619	777				
R ALDER		624.7	63.4	35	96	157				
TOTAL		36.2	3.7	11,392	11,826	12,261	52	13	6	
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		43.3	4.4	216	226	236				
DOUG FIR-T		66.1	6.7	71	76	81				
WHEMLOCK		796.8	80.8	1	3	5				
WHEMLOCK-T		196.6	19.9	11	14	17				
COTWOOD		251.3	25.5	11	15	19				
R ALDER		624.5	63.4	1	3	4				
TOTAL		36.5	3.7	324	336	349	53	13	6	
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				196	205	214				
DOUG FIR-T				198	212	227				
WHEMLOCK		871.2	88.4	19	161	303				
WHEMLOCK-T		97.4	9.9	98	122	146				
COTWOOD		139.5	14.1	143	192	241				
R ALDER		705.1	71.5	24	86	147				
TOTAL		190.3	19.3	192	199	207	1,446	362	161	

TC TSTATS				STATISTICS				PAGE	1	
Elbe District				PROJECT GIDDYUP				DATE	6/16/2009	
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
15N	6E	30	GIDDY SORTS	ROW	5.00	97	491	S	W	
		PLOTS	TREES	TREES PER PLOT	ESTIMATED TOTAL TREES		PERCENT SAMPLE TREES			
TOTAL		97	491	5.1						
CRUISE		49	245	5.0	850		28.8			
DBH COUNT										
REFOREST										
COUNT		48	246	5.1						
BLANKS										
100 %										
STAND SUMMARY										
	SAMPLE TREES	TREES /ACRE	AVG DBH	BOLE LEN	REL DEN	BASAL AREA	GROSS BF/AC	NET BF/AC	GROSS CF/AC	NET CF/AC
DOUG FIR-T	211	119.5	19.2	90	54.6	239.1	52,826	49,523	10,593	10,588
WHEMLOCK-T	17	42.4	9.2	41	6.5	19.6	2,830	2,624	538	539
COTWOOD-T	12	5.7	20.8	96	3.0	13.5	3,081	2,589	619	619
R ALDER-T	5	2.3	15.1	75	0.7	2.8	378	241	96	96
TOTAL	245	169.9	17.2	78	66.3	275.1	59,115	54,976	11,846	11,842
CONFIDENCE LIMITS OF THE SAMPLE										
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR										
CL: 68.1 %	COEFF	SAMPLE TREES - BF					# OF TREES REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	68.7	4.7	688	722	756					
WHEMLOCK-T	207.4	51.8	197	409	621					
COTWOOD-T	69.3	20.9	535	676	817					
R ALDER-T	89.5	44.5	71	128	185					
TOTAL	77.4	4.9	652	686	719	239	60	27		
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-T	60.8	4.2	143	150	156					
WHEMLOCK-T	193.7	48.4	39	75	111					
COTWOOD-T	80.0	24.1	125	165	204					
R ALDER-T	68.0	33.8	40	60	80					
TOTAL	69.2	4.4	137	143	150	191	48	21		
CL: 68.1 %	COEFF	TREES/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	62.7	6.4	112	120	127					
WHEMLOCK-T	201.4	20.4	34	42	51					
COTWOOD-T	283.4	28.8	4	6	7					
R ALDER-T	813.8	82.6	0	2	4					
TOTAL	72.1	7.3	157	170	182	208	52	23		
CL: 68.1 %	COEFF	BASAL AREA/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	41.0	4.2	229	239	249					
WHEMLOCK-T	192.6	19.5	16	20	23					
COTWOOD-T	254.5	25.8	10	13	17					
R ALDER-T	649.0	65.8	1	3	5					
TOTAL	35.8	3.6	265	275	285	51	13	6		
CL: 68.1 %	COEFF	NET BF/ACRE					# OF PLOTS REQ.		INF. POP.	
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15		
DOUG FIR-T	43.3	4.4	47,349	49,523	51,696					
WHEMLOCK-T	251.6	25.5	1,954	2,624	3,293					
COTWOOD-T	252.4	25.6	1,926	2,589	3,251					

TC TSTATS			STATISTICS				PAGE	2		
Elbe District			PROJECT GIDDYUP				DATE	6/16/2009		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt	
15N	6E	30	GIDDY SORTS	ROW	5.00	97	491	S	W	
CL:	68.1 %	COEFF	NET BF/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.	S.E.%	LOW	AVG	HIGH	5	10	15	
R ALDER-T		705.1	71.5	69	241	414				
TOTAL		37.6	3.8	52,877	54,976	57,075	57	14	6	
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-T		42.4	4.3	10,132	10,588	11,044				
WHEMLOCK-T		238.3	24.2	409	539	669				
COTWOOD-T		251.3	25.5	461	619	777				
R ALDER-T		624.7	63.4	35	96	157				
TOTAL		36.3	3.7	11,406	11,842	12,278	53	13	6	
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-T		42.4	4.3	289	302	315				
WHEMLOCK-T		238.6	24.2	13	17	21				
COTWOOD-T		251.3	25.5	11	15	19				
R ALDER-T		624.5	63.4	1	3	4				
TOTAL		36.5	3.7	324	337	349	53	13	6	
CL:	68.1 %	COEFF	V-BAR/ACRE			# OF PLOTS REQ.		INF. POP.		
SD:	1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15	
DOUG FIR-T				198	207	216				
WHEMLOCK-T		206.1	20.9	99	134	168				
COTWOOD-T		139.5	14.1	143	192	241				
R ALDER-T		705.1	71.5	24	86	147				
TOTAL		191.0	19.4	192	200	207	1,457	364	162	