


**WASHINGTON STATE DEPARTMENT OF  
NATURAL RESOURCES**
**TIMBER NOTICE OF SALE**
**SALE NAME: Q NARDOM SORTS**
**AGREEMENT NO: 30-104588 - 30-104596**
**AUCTION: June 13, 2023 starting at 10:00 a.m.**  
 Northeast Region Office, Colville, WA

**COUNTY: Stevens**
**SALE LOCATION:** Sale located approximately 10 miles east of Colville, WA.

**PRODUCTS SOLD**
**AND SALE AREA:** All timber except for leave trees banded with blue paint in Units 1, 2, 3, 4, 5 and 6 bounded by white timber sale boundary tags and all timber bounded by orange right of way boundary tags meeting the specifications described below; on parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., containing 417 acres, more or less.

**MINIMUM BID AND ESTIMATED LOG VOLUMES:**

| Agreement # | Sort # | Species and Sort Specifications             | Average Log Length | Estimated Volume |      | Tons Per MBF | Minimum Bid Delivered Prices |          | Total Appraised Value | Bid Deposit |
|-------------|--------|---|--------------------|------------------|------|--------------|------------------------------|----------|-----------------------|-------------|
|             |        |   |                    | Mbf              | Tons |              | \$/mbf                       | \$/Ton   |                       |             |
| 104588      | 01     | DF/WL 7-10" dib                             | N/A                | 1398             | 8388 | 6            |                              | \$80.00  | \$671,040.00          | \$67,104.00 |
| 104589      | 02     | DF/WL 11"+ dib                              | N/A                | 1473             | 7365 | 5            |                              | \$100.00 | \$736,500.00          | \$73,650.00 |
| 104590      | 03     | ES/GF/LP/WH & non-chuckable DF/WL 7-10" dib | N/A                | 874              | 5419 | 6.2          |                              | \$67.00  | \$363,073.00          | \$36,307.30 |
| 104591      | 04     | ES/GF/LP/WH & non-chuckable DF/WL 11"+ dib  | N/A                | 592              | 3138 | 5.3          |                              | \$80.00  | \$251,040.00          | \$25,104.00 |
| 104592      | 05     | PP 6-10" dib                                | N/A                | 107              | 802  | 7.5          |                              | \$52.00  | \$41,704.00           | \$5,000.00  |
| 104593      | 06     | PP 11"+ dib                                 | N/A                | 59               | 324  | 5.5          |                              | \$75.00  | \$24,300.00           | \$5,000.00  |
| 104594      | 07     | WRC 5"+ dib                                 | N/A                | 807              | 3551 | 4.4          |                              | \$160.00 | \$568,160.00          | \$56,816.00 |
| 104595      | 08     | DF/WL/ES/GF/LP/WH 5-6" dib                  | N/A                | 1283             | 8211 | 6.4          |                              | \$52.00  | \$426,972.00          | \$42,697.20 |
| 104596      | 09     | All conifer species except WRC 2"+ utility  | N/A                | 300              | 2700 | 9            |                              | \$25.00  | \$67,500.00           | \$6,750.00  |

**Totals:**
**6893 39898**
**\$3,150,416.00**
**CERTIFICATION:** This sale is certified under the Sustainable Forestry Initiative® program Standard (cert no: PwC-SFIFM-513)

**BID METHOD:** Sealed Bids

**UNIT OF MEASURE:** Tonnage Scale

**EXPIRATION DATE:** January 31, 2024

**ALLOCATION:** Export Restricted

**PAYMENT SECURITY:**

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

**BIDDING**



## TIMBER NOTICE OF SALE

---

**PROCEDURES:** A separate sealed bid and envelope must be submitted for each log sort. Prospective Purchasers may bid on any or all log sorts. On the day of sale the Purchaser must bring their bid deposit up to 10% of their total bid price. Complete bidding procedures and auction information may be obtained from the Northeast Region Office in Colville WA. Phone number (509)684-7474.

### TIMBER EXCISE

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

Use the following rates for estimating taxable stumpage:

Harvest Cost = \$0.00 per Ton for sorts 01, 02, 03, 04, 05, 06, 07 and 08 and \$13.00 per Ton for sort 09.

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

Base Rate = \$2.35 per ton

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

ARRF = \$0.00 per MBF for sort 09 and \$26.00 per MBF for sorts 01, 02, 03, 04, 05, 06, 07 and 08.

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

Long-haul surcharge: An additional haul payment of \$25/mbf net scale for mbf scale sorts or \$4.60/ton for tonnage sorts will be added for delivery destinations in excess of 250 total one-way miles (A miles plus C miles).

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

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



WASHINGTON STATE DEPARTMENT OF  
**NATURAL RESOURCES**

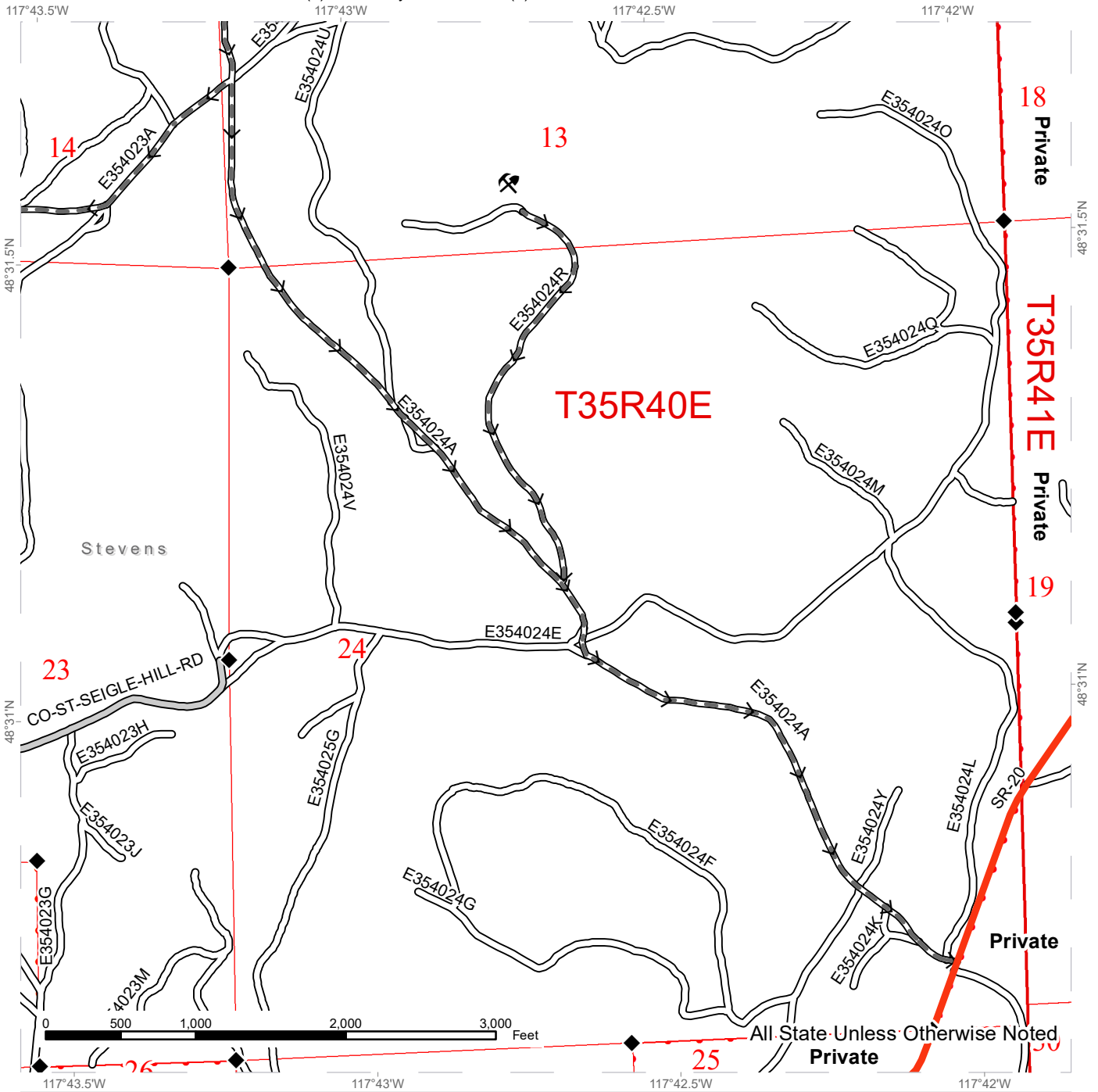
## TIMBER NOTICE OF SALE

For more information regarding this log sort sale visit our web site:  
<http://www.dnr.wa.gov/programs-and-services/product-sales-and-leasing/timber-sales/timber-auction-packets>. If you have questions call Braden Britt at the Northeast Region Office at (509)481-8032 or Steve Teitzel at the Product Sales and Leasing Division Office in Olympia at (360)902-1741.

# TIMBER SALE MAP

**SALE NAME:** Q NARDOM SORTS  
**AGREEMENT #:** 30-103927  
**TOWNSHIP(S):** T35R40E  
**TRUST(S):** Normal School (8), University - Transferred (5)

**REGION:** Northeast Region  
**COUNTY(S):** Stevens  
**ELEVATION RGE:** 2920-3640



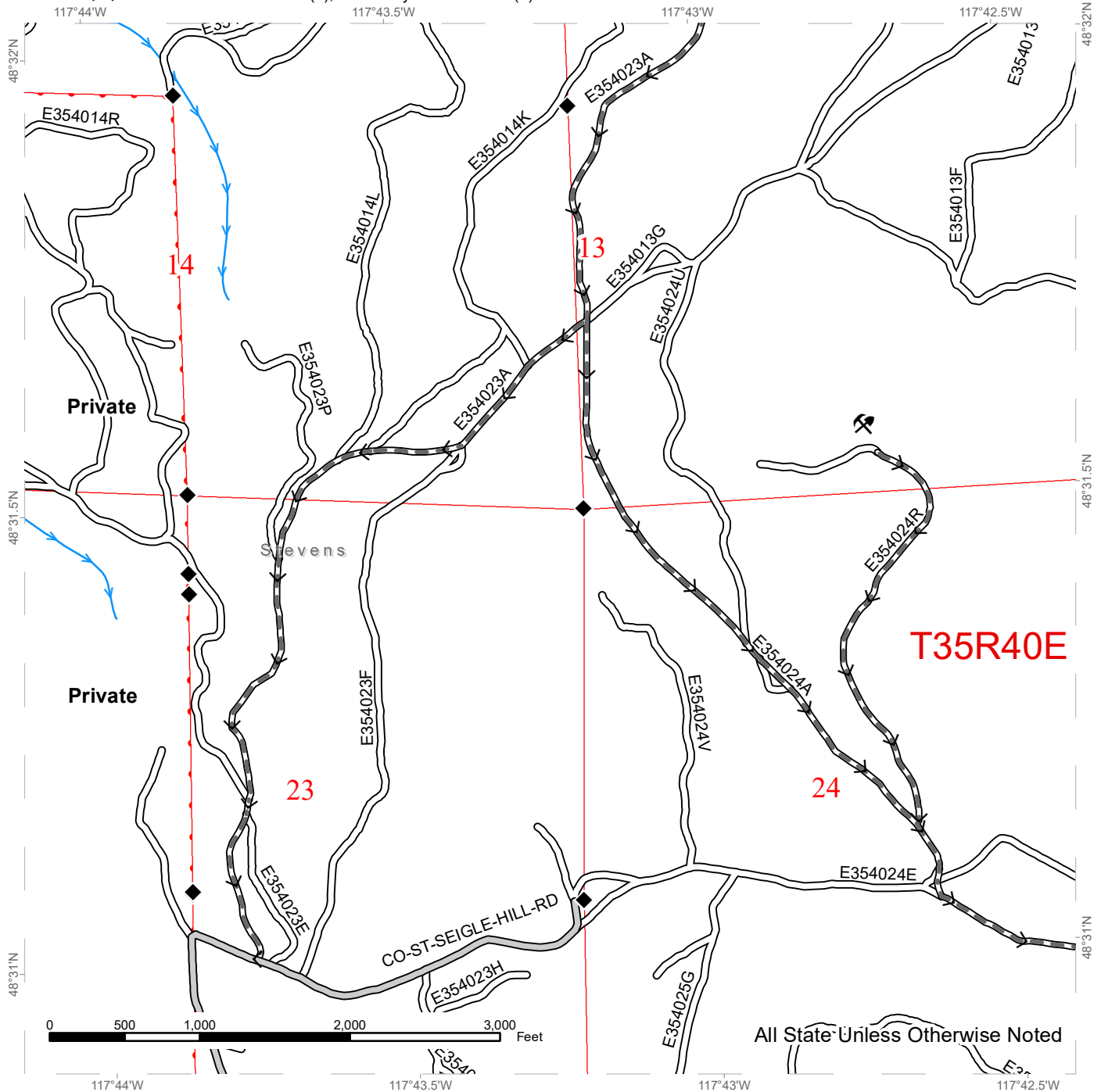
|                              |                               |
|------------------------------|-------------------------------|
| Public Land Survey Townships | Haul Route                    |
| DNR Managed Lands            | County Road                   |
|                              | Existing Roads                |
|                              | Required Pre-Haul Maintenance |
|                              | Highway                       |
|                              | Survey Monument               |
|                              | Rock Pit                      |



# TIMBER SALE MAP

**SALE NAME:** Q NARDOM SORTS  
**AGREEMENT #:** 30-103927  
**TOWNSHIP(S):** T35R40E  
**TRUST(S):** Normal School (8), University - Transferred (5)

**REGION:** Northeast Region  
**COUNTY(S):** Stevens  
**ELEVATION RGE:** 2920-3640



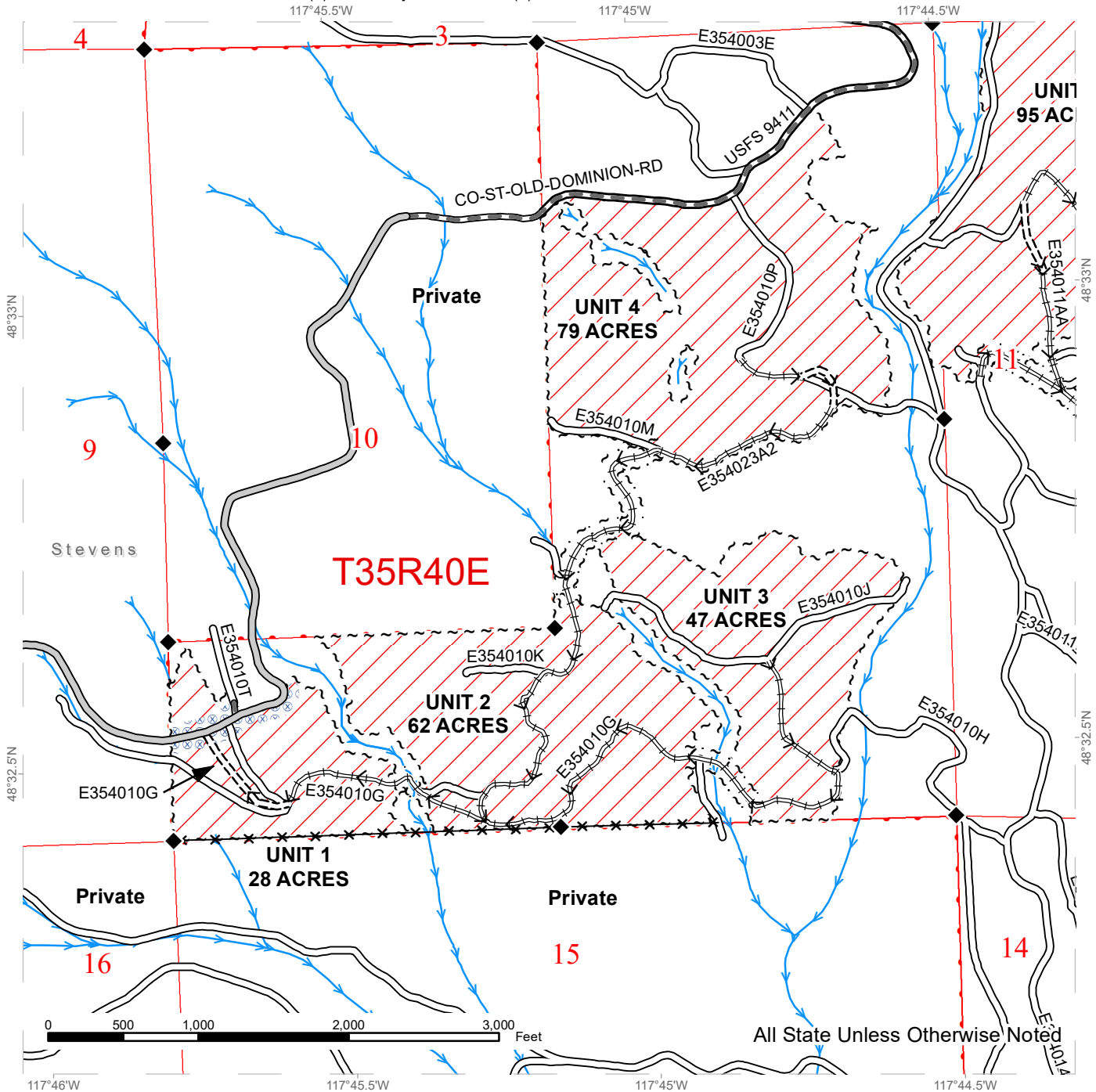
All State Unless Otherwise Noted

|                              |                               |                 |
|------------------------------|-------------------------------|-----------------|
| Public Land Survey Townships | Haul Route                    | Streams         |
| DNR Managed Lands            | County Road                   | Survey Monument |
|                              | Existing Roads                | Rock Pit        |
|                              | Required Pre-Haul Maintenance |                 |

# TIMBER SALE MAP

**SALE NAME:** Q NARDOM SORTS  
**AGREEMENT #:** 30-103927  
**TOWNSHIP(S):** T35R40E  
**TRUST(S):** Normal School (8), University - Transferred (5)

**REGION:** Northeast Region  
**COUNTY(S):** Stevens  
**ELEVATION RGE:** 2920-3640



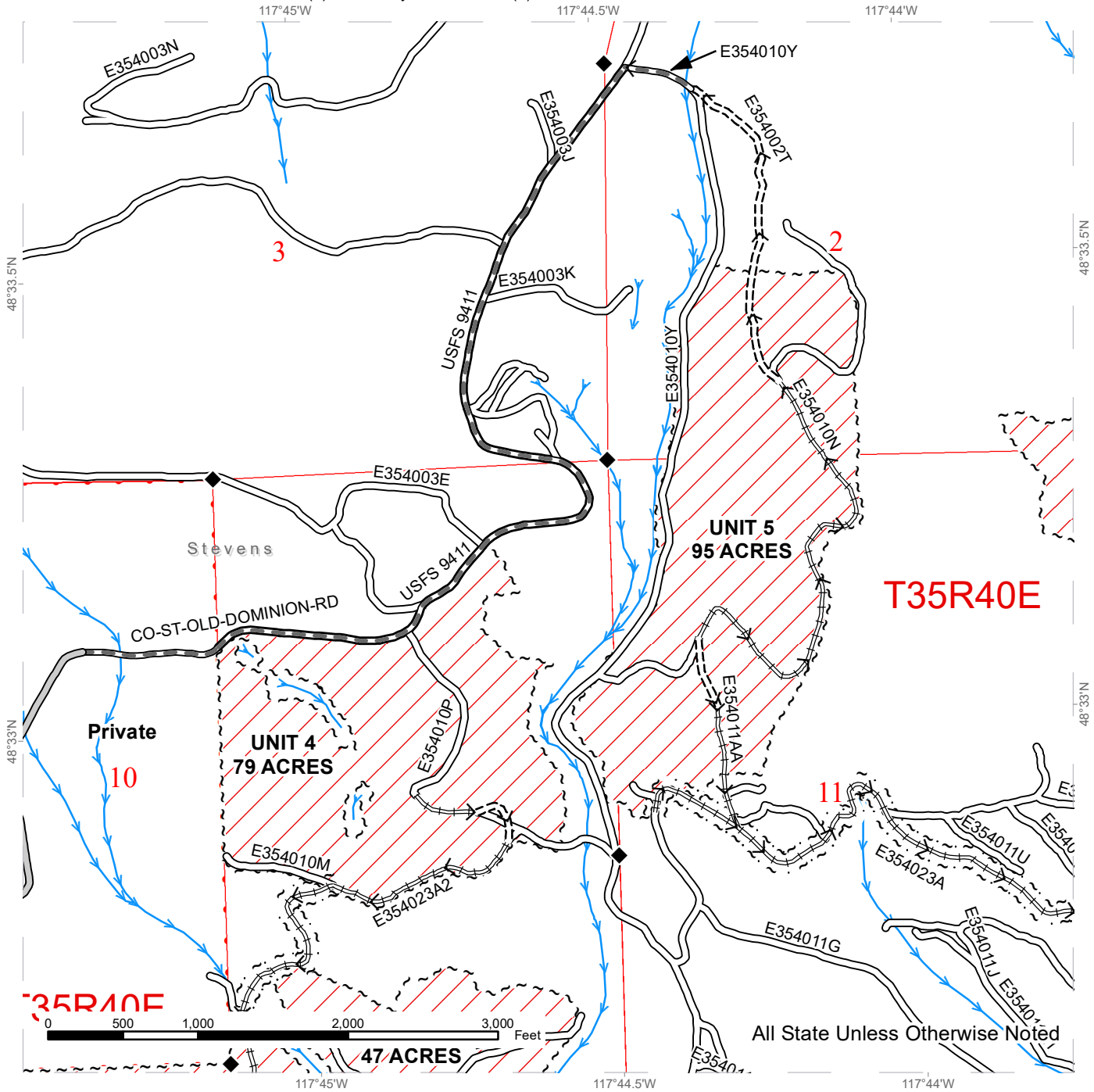
|                              |                               |                 |
|------------------------------|-------------------------------|-----------------|
| Public Land Survey Townships | Haul Route                    | Streams         |
| DNR Managed Lands            | County Road                   | Fence           |
| Variable Retention Harvest   | Existing Roads                | Survey Monument |
| Sale Boundary Tags           | Required Pre-Haul Maintenance |                 |
| Right of Way Tags = 16 Acres | Required Construction         |                 |
| Hazard Abatement Area        | Required Reconstruction       |                 |



# TIMBER SALE MAP

**SALE NAME:** Q NARDOM SORTS  
**AGREEMENT #:** 30-103927  
**TOWNSHIP(S):** T35R40E  
**TRUST(S):** Normal School (8), University - Transferred (5)

**REGION:** Northeast Region  
**COUNTY(S):** Stevens  
**ELEVATION RGE:** 2920-3640

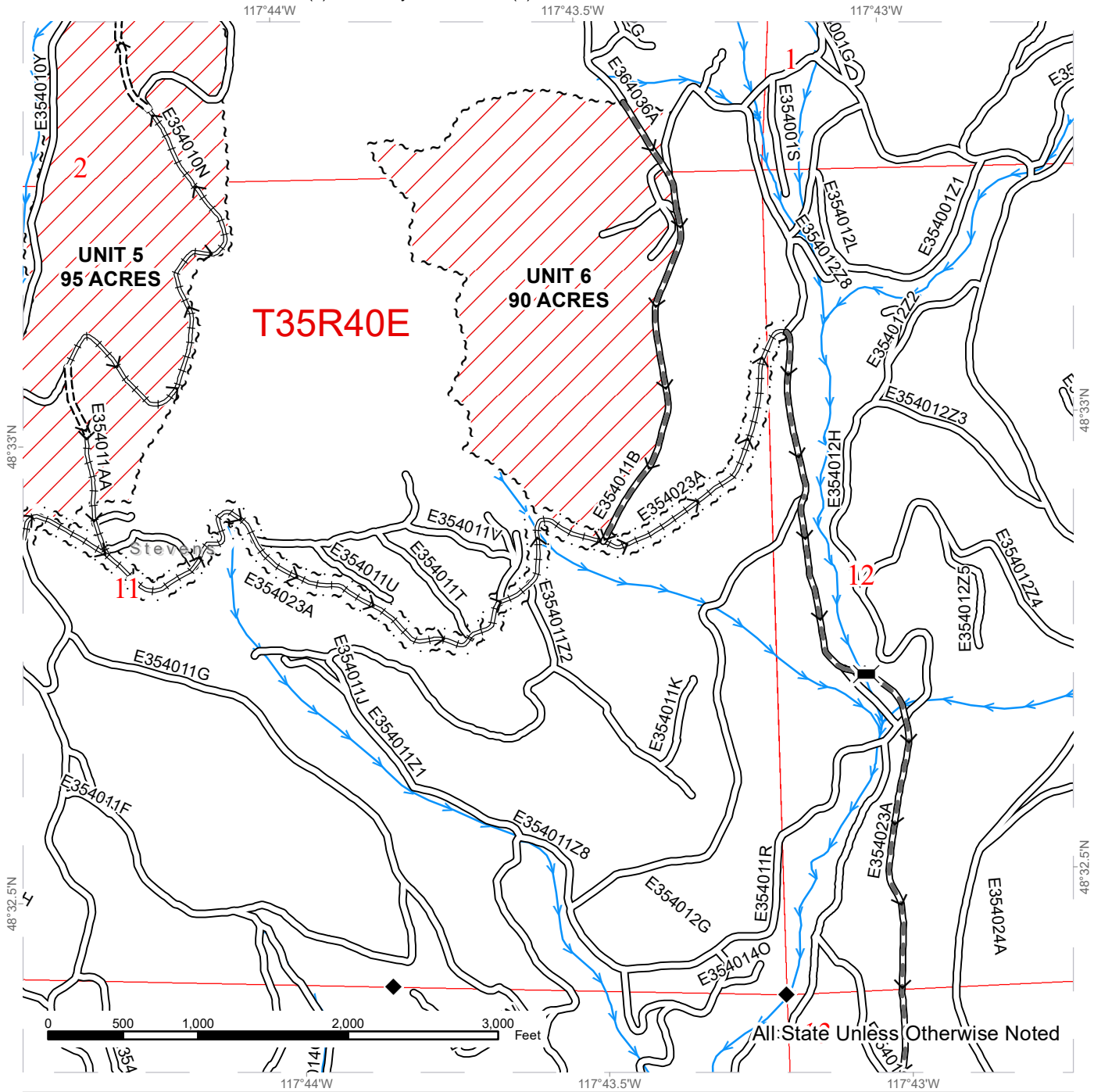


|                              |                               |                 |
|------------------------------|-------------------------------|-----------------|
| Public Land Survey Townships | Haul Route                    | Streams         |
| DNR Managed Lands            | County Road                   | Survey Monument |
| Variable Retention Harvest   | Existing Roads                |                 |
| Sale Boundary Tags           | Required Pre-Haul Maintenance |                 |
| Right of Way Tags = 16 Acres | Required Construction         |                 |
|                              | Required Reconstruction       |                 |

# TIMBER SALE MAP

**SALE NAME:** Q NARDOM SORTS  
**AGREEMENT #:** 30-103927  
**TOWNSHIP(S):** T35R40E  
**TRUST(S):** Normal School (8), University - Transferred (5)

**REGION:** Northeast Region  
**COUNTY(S):** Stevens  
**ELEVATION RGE:** 2920-3640



All: State Unless Otherwise Noted

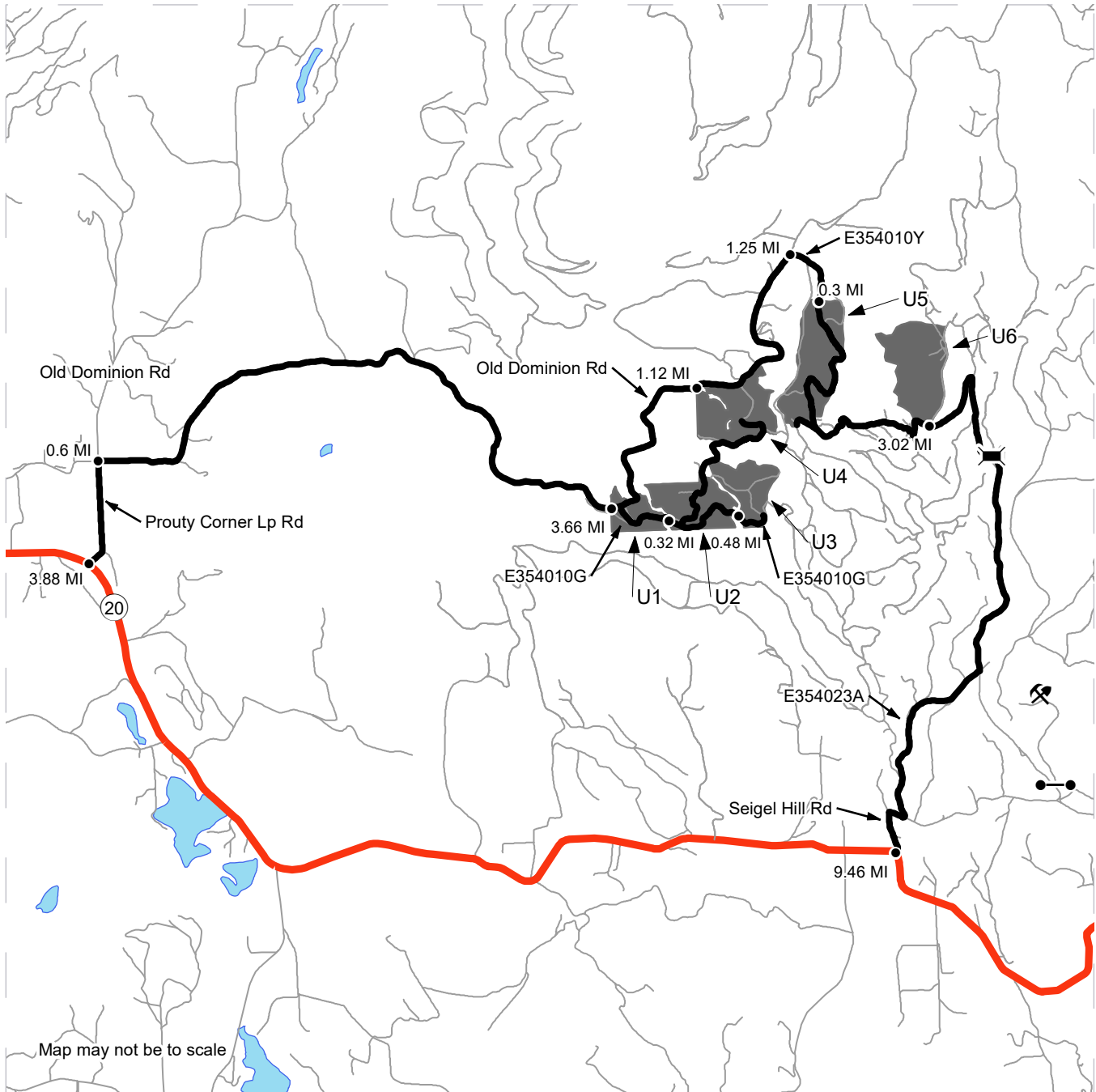
|                              |                               |                 |
|------------------------------|-------------------------------|-----------------|
| Public Land Survey Townships | Haul Route                    | Streams         |
| DNR Managed Lands            | Existing Roads                | Survey Monument |
| Variable Retention Harvest   | Required Pre-Haul Maintenance | Bridge          |
| Sale Boundary Tags           | Required Construction         |                 |
| Right of Way Tags = 16 Acres | Required Reconstruction       |                 |



# DRIVING MAP

**SALE NAME:** Q NARDOM SORTS  
**AGREEMENT#:** 30-103927  
**TOWNSHIP(S):** T35R40E  
**TRUST(S):** Normal School (8), University - Transferred (5)

**REGION:** Northeast Region  
**COUNTY(S):** Stevens  
**ELEVATION RGE:** 2920-3640



Map may not be to scale

- Timber Sale Unit
- Haul Route
- Other Route
- Highway
- Bridge
- Distance Indicator
- Gate
- Rock Pit

**DRIVING DIRECTIONS:**

From the junction of Highway 395 and Highway 20 in Colville, proceed east on Highway 20 for 3.88 miles and turn left onto Prouty Corner Loop road, drive for 0.6 miles and turn right onto Old Dominion Rd, proceed for 3.66 miles to reach Unit 1 and another 1.12 miles to Unit 4. From Unit 1 travel for 0.32 miles on the E354010G road to reach Unit 2. From Unit 2 travel east on the E354010G road for 0.48 miles to reach Unit 3. From Unit 4 travel east on Old Dominion/Forest Service road 9411 for 1.25 miles and turn right onto E354010Y, proceed for 0.3 miles to reach Unit 5. From the junction of Highway 395 and Highway 20 in Colville, travel east on Highway 20 for 9.46 miles and turn left onto Seigel Hill road, drive for 0.5 miles and turn right onto E354023A, proceed for 3.02 miles on E354023A to reach unit 6.



# DRIVING MAP

**SALE NAME:** Q NARDOM SORTS  
**AGREEMENT#:** 30-103927  
**TOWNSHIP(S):** T35R40E  
**TRUST(S):** Normal School (8), University - Transferred (5)

**REGION:** Northeast Region  
**COUNTY(S):** Stevens  
**ELEVATION RGE:** 2920-3640



Map may not be to scale

- Timber Sale Unit
- Haul Route
- Highway
- Bridge
- Distance Indicator
- Town

**DRIVING DIRECTIONS:**

From the junction of Highway 395 and Highway 20 in Colville, proceed east on Highway 20 for 3.88 miles and turn left onto Prouty Corner Loop road, drive for 0.6 miles and turn right onto Old Dominion Rd, proceed for 3.66 miles to reach Unit 1 and another 1.12 miles to Unit 4. From Unit 1 travel for 0.32 miles on the E354010G road to reach Unit 2. From Unit 2 travel east on the E354010G road for 0.48 miles to reach Unit 3. From Unit 4 travel east on Old Dominion/Forest Service road 9411 for 1.25 miles and turn right onto E354010Y, proceed for 0.3 miles to reach Unit 5. From the junction of Highway 395 and Highway 20 in Colville, travel east on Highway 20 for 9.46 miles and turn left onto Seigel Hill road, drive for 0.5 miles and turn right onto E354023A, proceed for 3.02 miles on E354023A to reach unit 6.



**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**HARVESTING SERVICES CONTRACT**

**AGREEMENT NO. 30-0103927**

**SALE NAME: Q NARDOM SORTS**

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

**Section G: General Terms**

**G-001.1 Definitions**

The following definitions apply throughout this contract;

**Contract Administrator:** Region Manager’s designee responsible for assuring that the contractual obligations of the Contractor are met.

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

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

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

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

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

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

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

Road Construction Services: Includes building new and maintaining existing forest roads and associated work that may be optional or required as described in the Road Plan.

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.

Subcontractor: Individual or company employed by the Contractor to perform a portion or all of the services required by the Harvesting Services Contract. The Contractor is responsible for independently negotiating, procuring and paying for all subcontracted services rendered.

#### **G-015.1 Harvest Area and Location**

Contractor shall harvest and deliver, All timber except for leave trees banded with blue paint in Units 1, 2, 3, 4, 5 and 6 bounded by white timber sale boundary tags and all timber bounded by orange right of way boundary tags located on approximately 417 acres on part(s) of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M. of Stevens County as shown on the attached timber sale map.

#### **G-020.1 Inspection by Contractor**

Contractor hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products to be harvested. Contractor further warrants to the State that they enter this contract based solely upon their own judgment of the harvest and road work, and condition of the forest products, formed after their own examination and inspection of both the timber sale area and the forest products to be harvested. Contractor 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.

### G-022.1 Sorting Specifications

Contractor is responsible for sorting logs to the specifications listed below and hauling to the appropriate designated locations. Contractor is responsible for determining the highest value of each tree felled and the highest value destination of each log manufactured. The Contract Administrator will provide direction and guidance to Contractor with respect to highest value.

Contractor shall deliver log sorts to the Purchaser(s) location that meet the following specifications:

| Agreement No. | Sort # | Species Diameter                            | Scaling Rule | Preferred Log Lengths | Destination | A Miles | C Miles |
|---------------|--------|---|--------------|-----------------------|-------------|---------|---------|
| 104588        | 1      | DF/WL 7-10" dib                             | ES           |                       |             |         |         |
| 104589        | 2      | DF/WL 11"+ dib                              | ES           |                       |             |         |         |
| 104590        | 3      | ES/GF/LP/WH & non-chuckable DF/WL 7-10" dib | ES           |                       |             |         |         |
| 104591        | 4      | ES/GF/LP/WH & non-chuckable DF/WL 11"+ dib  | ES           |                       |             |         |         |
| 104592        | 5      | PP 6-10" dib                                | ES           |                       |             |         |         |
| 104593        | 6      | PP 11"+ dib                                 | ES           |                       |             |         |         |
| 104594        | 7      | WRC 5"+ dib                                 | ES           |                       |             |         |         |
| 104595        | 8      | DF/WL/ES/GF/LP/WH 5-6" dib                  | ES           |                       |             |         |         |
| 104596        | 9      | All conifer species except WRC 2"+ utility  | ES           |                       |             |         |         |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

Unless otherwise listed in the table above, no blue stain is allowed in ponderosa pine sorts.

“WS” indicates that west side scaling rules apply. Minimum trim is 10 inches per scaling segment for west side scaling rules. “ES” indicates that east side scaling rules apply. Minimum trim is 6 inches per scaling segment for east side scaling rules.

Logs delivered by Contractor that do not meet the receiving Purchaser’s log sort requirements as described above that have been pre-approved for delivery by the Contract Administrator shall not be considered mis-sorts.

**G-024.1 Manufacturing Standards**

Logs produced under this contract will be manufactured by Contractor meeting the individual sort specifications and Purchaser's preferred log lengths as listed in clause G-022.1, with a minimum length of 16 feet, unless otherwise directed by the Contract Administrator.

For sorts designated as non-utility, Contractor will manufacture and deliver logs with the following minimum specifications:

- 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. 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.
- c. Logs in 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.

**G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title                             |
|----------|-----------------------------------|
| A        | Sort Specifications               |
| M        | Additional Road Maintenance Rates |

**G-027.1 Log Delivery Schedule and Conditions**

- a. Contractor shall deliver logs to Purchaser's designated delivery location beginning no later than September 1, 2023 and completed by December 31, 2023. Failure to begin deliveries by the specified date may result in the State imposing damages per clause D-022.1 unless an alternate start date is agreed upon by the State and Contractor. If a log delivery location is changed during this contract, the Contract Administrator shall notify the Contractor. Once notified, the Contractor shall deliver logs to the new location.
- b. The Contractor may deliver logs to the Purchaser's delivery location during the Purchaser's working hours, or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except, scheduled closures and legal holidays for the contract term as described in clause G-030.1, unless permission to do otherwise is agreed upon by the State.
- c. The Contractor agrees to deliver said logs on conventional or self-loading logging trucks, properly and legally loaded, bound, branded, and ticketed. Logs in loads shall not be double-ended unless approved in writing by the Contract Administrator. 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 Contractor to make the load conform to legal requirements for hauling.

- d. If a receiving Purchaser plans a scheduled closure, the Contract Administrator shall notify the Contractor at least 48 hours before the scheduled closure. Depending on the length of the scheduled closure or delays in log delivery, the Contract Administrator will decide in the best interest of the State on the disposition of the affected log sort(s) or any alternate delivery schedule or location.
- e. Contractor’s daily log delivery to a Purchaser’s location may be limited according to the table below, provided the Contract Administrator notifies the Contractor at least 48 hours prior to the time this truck delivery limit is established.

| Sort(s)                    | Maximum No. Loads/day |
|----------------------------|-----------------------|
| 01,02,03,04,05,06,07,08,09 | 10                    |

- f. A truck delivery is all the wood hauled including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. Contractor shall notify the State’s Contract Administrator if for any reason a Purchaser refuses truck deliveries.

**G-030.1 Contract Term and Expiration Dates**

To ensure the timely completion of activities under this contract, all activities required under this contract are to be completed between the starting date of June 26, 2023 and the expiration date of July 31, 2024.

Contractor shall not have any right to enter the sale area to perform any remaining road construction or harvesting services after contract expiration unless a contract extension has been granted.

**G-033.1 Notification of Operations**

Contractor shall provide the State with five days advance written notice to the Contract Administrator of its intent to commence or cease any and all operations under this contact. The commencement or cessation of operations must be approved by the Contract Administrator. Failure to comply will be considered a breach.

**G-040.1 Contract Term Adjustment**

A Contract Term Adjustment may be considered based on actual time lost through unforeseeable causes beyond the control and without fault or negligence of the Contractor, including, but not restricted to, acts of the State, closures by government

regulatory agencies, mill closures, fires, vandals, and unusually severe weather conditions, provided that the Contractor shall, within seven (7) calendar days of the initiation of such delay, notify the State, in writing, of the cause of delay, upon which notification the State shall ascertain the facts and extent of the delay and notify the Contractor in writing of its decision regarding contract adjustment.

#### **G-050.1 Contract Term Extension**

An extension of operating authority time may be granted at the discretion of the State upon written request thirty (30) days prior to the termination date and upon the terms and conditions as specified by the State. Contract extensions may not exceed thirty (30) days unless otherwise agreed to by State and Contractor. Extension requests within the last thirty (30) days of the contract may be considered if the extension would be in the best interest of the State. The extension, if granted, will be contingent upon the payment of an extension fee to the State, by the Contractor, in the amount of \$100.00 per day of extension.

#### **G-054.1 Early Contract Termination**

The State may terminate this contract prior to the expiration date listed in G-030.1 in whole or in part by giving fifteen (15) days written notice to the Contractor when it is in the best interests of the State. If this contract is so terminated, the State shall be liable to make payments to the Contractor for the sum of the estimated expenditures for road construction, felling, bucking, yarding and decking of products processed but not removed from the sale area due to termination action. Contractor may not seek any other damages from the State for early termination of this harvesting agreement.

#### **G-060.1 Exclusion of Warranties**

The following specific matters ARE NOT WARRANTED, and are EXCLUDED from this transaction:

- a. The **CONDITION** of the site or forest products. Any descriptions of the site or forest products in the notice of sale, other pre-contractual documents, or the Harvesting Services Contract are provided solely for administrative and identification purposes.
- b. The **ACREAGE** contained within any sale area. Any acreage descriptions appearing in the notice of sale, other pre-contractual documents, or the Harvesting Services Contract are estimates only, provided solely for administrative and identification purposes.
- c. The **VOLUME, WEIGHT, QUALITY, or GRADE** of the forest products to be harvested. The descriptions of the forest products to be harvested are estimates only, made solely for administrative and identification purposes.
- d. The **CORRECTNESS OF ANY SOIL OR SURFACE CONDITIONS, PRE-SALE CONSTRUCTION APPRAISALS, INVESTIGATIONS, AND ALL OTHER PRE-BID DOCUMENTS PREPARED BY OR FOR THE STATE.**



These documents have been prepared for informational purposes, but the information contained therein is not warranted. Contractors must make their own assessments of the site.

- e. THAT THE SALE AREA IS FREE FROM THREATENED OR ENDANGERED SPECIES or their habitat. The State is not responsible for any interference with forestry operations that result from the presence of any threatened or endangered species, or the presence of their habitat, within the sale area.
- f. THAT THE FORESTRY OPERATIONS to be performed under this contract WILL BE FREE FROM REGULATORY ACTIONS by governmental agencies. The State is not responsible for actions to enforce regulatory laws, such as the Washington Forest Practices Act (chapter 76.09 RCW), taken by the Department of Natural Resources or any other agency that may affect the operability of this timber sale.
- g. Items contained in any other documents prepared for or by the State.

#### **G-061.1 Inadvertent Discovery of Cultural Resources**

Contractor acknowledges that cultural resources as defined in WAC 222-16-010 may exist within the timber sale area and that the existence and location of such resources may be unknown at the time this contract is executed. Contractor has a duty to exercise due care in its operations and in the event any human skeletal remains are discovered by the Contractor or the State during the course of operations Contractor shall immediately halt operations and notify local law enforcement in the most expeditious manner possible then notifying the Contract Administrator. In the event cultural resources are discovered by the Contractor or the State during the course of operations Contractor shall immediately halt operations and notify the Contract Administrator. Any potential resources shall not be removed or disturbed. Contractor shall resume operations as directed in writing by the Contract Administrator.

#### **G-064.1 Permits**

Contractor is responsible for obtaining any permits not already obtained by the State that relate to Contractor's operation. Forest Practice Application / Hydraulic Project Approval permits obtained by the State shall be transferred to Contractor. Contractor is responsible for all permits, amendments and renewals.

#### **G-065 Regulatory Disclaimer**

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

#### **G-066.1 Governmental Regulatory Actions**

- a. Regulatory Risk

Except as provided in this clause, Contractor assumes all risks associated with governmental regulatory actions, including actions taken pursuant to the Forest Practices Act, Ch. 76.09 RCW, the Endangered Species Act, 16 U.S.C 1531-1544 and any Habitat Conservation Plan between the Department of Natural Resources and the U.S. Fish and Wildlife Service or any other agency now in place and as may be amended, or hereafter created, that may affect the operability of the timber sale.

b. Increased Costs

Contractor shall be responsible for any increased operational costs arising from any applicable foreign or domestic governmental regulation or order that does not cause contract performance to become commercially impracticable or that does not substantially frustrate the purpose of the contract. If impracticability or frustration results from Contractor's failure to comply with this contract or from Contractor's acts or omissions, Contractor shall remain responsible for fulfilling contract obligations notwithstanding the impracticability or frustration.

**G-070.1 Limitation on Damage**

In the event of a breach of any provision of this contract by the State, the exclusive remedy available to the Contractor will be limited to a return of the Performance Security, and payment for improvements and other services rendered by the Contractor, which were required by the Harvesting Services Contract. The State shall not be liable for any damages, whether direct, incidental, or consequential.

**G-092.1 Harvest Area Boundary Adjustment**

The State may make adjustments in the harvest area boundaries, or may mark timber outside such boundaries. The cumulative changes to the sale area during the term of the contract shall not exceed more than five (5) percent of the original sale area. Such adjustments or marking will be accomplished by the Contract Administrator. The Contractor must remove and deliver all material so designated, prior to the expiration date of the contract. All contract services within such boundary adjustments or so marked shall be paid for at contract rates.

**G-112.1 Title**

All rights, title, and interest in and to any timber shall belong to the State until delivered, at which time the appropriate Purchaser assumes title.

**G-116.1 Sustainable Forestry Initiative® (SFI) Certification**

Forest products harvested and delivered under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number PwC-SFIFM-513.

Contractor shall have at least one person regularly on-site during active operations that have completed training according to the requirements outlined within the SFI® program Standard. Contractor shall designate in writing the name(s) of the

individual(s) who will be on-site and provide proof of their successful completion of an approved training program prior to active operations.

#### **G-120.1 Responsibility for Work**

All work, equipment, personnel, and materials necessary to perform the Harvesting Services Contract shall be the responsibility of the Contractor.

#### **G-121.1 Exceptions**

Exceptions to Contractor's responsibility in clause G-120.1 shall be limited exclusively to the circumstances described in this clause. These exceptions shall not apply where damages occur due to Contractor's failure to take reasonable precautions or to exercise sound forest engineering and construction practices.

The State shall bear the cost to repair any existing roadway or section of required road completed to the point that an authorization to haul has been issued where such damage was not caused by Contractor, its employees, agents, or invitees, including independent contractors. Contractor shall accomplish repairs promptly as required by the State at the rates set forth in the equipment rate schedule on file at the Region office or Engineering Division in Olympia. The State may elect to accomplish repairs by means of State provided resources.

Nothing contained in clauses G-120.1 (Responsibility for Work) and G-121.1(Exceptions) shall be construed as relieving Contractor of responsibility for, or damage resulting from, Contractor's operations or negligence, nor shall Contractor be relieved from full responsibility for making good any defective work or materials.

#### **G-123.1 Operating Authority**

The State has arranged for the Contractor to have full and free license and authority to enter upon said lands with his agents and employees and do all things necessary, within the limitations herein set forth, in harvesting said timber as described in this contract.

#### **G-124.1 Contractor Not an Employee of State**

Contractor and his or her employees or agents performing under this contract are not employees of the State. The Contractor will not hold itself out as nor claim to be an officer or employee of the State by reason hereof, nor will the Contractor make any claim or right, privilege or benefits which would accrue to an employee under chapter 41.06 RCW or Chapter 28B.16 RCW.

#### **G-125.1 Use of Subcontractors**

Contractor's use of subcontracted services shall be subject to approval in writing by the Contract Administrator. Approval of subcontracted services may be revoked in accordance with the G-220.1 'State Suspends Operations' clause when the Contract Administrator determines that the Subcontractor's work has been performed in a manner that does not meet contractual requirements, optimize value or otherwise causes damage to the state.

Contractor shall arrange with the Contract Administrator to meet on site at least once a week during active operations to review and inspect subcontractor performance. Contractor shall provide a written plan of operations detailing planned operations for the following week.

#### **G-126.1 Disputes with Subcontractors or Material Providers**

Should Contractor and its subcontractors or materials providers develop disputes affecting the completion of obligations under this contract, Contractor shall resolve any such disputes in a timely and efficient manner that does not involve or adversely affect either the State or its Purchasers.

#### **G-130.1 Prevention of Damage and Consequences of Contractor-Caused Damage**

The Contractor agrees to exercise due care and caution at all times to avoid damage to all special resources including environmentally sensitive areas, research, demonstration, and cultural objects or areas. Additionally, the Contractor agrees to protect all improvements on State property affected by the work of this contract including, but not limited to, roads, culverts, bridges, ditches, fences, utility lines, and buildings.

If damages occur due to the Contractor's operations, the Contractor shall be responsible for damage or restoration costs, or other compensation measures as described in this contract. State may deduct damage or restoration costs from payments to the Contractor. This clause shall not relieve the Contractor from other applicable civil or criminal remedies provided by law.

#### **G-140.1 Indemnity**

To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless State, agencies of State and all officials, agents and employees of State, from and against all claims arising out of or resulting from the performance of the contract. "Claim" as used in this contract means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorneys' fees, attributable for bodily injury, sickness, disease or death, or injury to or destruction of tangible property including loss of use resulting therefrom. Contractors' obligations to indemnify, defend, and hold harmless includes any claim by Contractors' agents, employees, representatives, or any subcontractor or its employees. Contractor expressly agrees to indemnify, defend, and hold harmless State for any claim arising out of or incident to Contractors' or any subcontractors' performance or failure to perform the contract. Contractors' obligation to indemnify, defend, and hold harmless State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials. Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

In addition to any other remedy authorized by law, the State may retain as much of the performance security, or any money or credits due Contractor necessary to assure indemnification.

**G-150.1 Insurance**

Contractor shall, at its cost and expense, buy and maintain insurance of the types and amounts listed below. Failure to buy and maintain the required insurance may result in a breach and/or termination of the contract at State's option. State may also suspend Contractor operations until required insurance has been secured.

Companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports should issue all insurance and surety bonds. Any exception shall be reviewed and approved by the department's risk manager before the insurance coverage is accepted. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

The State of Washington, Department of Natural Resources Northeast region office shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications:

1. Insurers subject to Chapter 48.18 RCW (admitted and regulated by the Insurance Commissioner): The insurer shall give the State 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the State shall be given 10 days advance notice of cancellation.
2. Insurers subject to Chapter 48.15 RCW (surplus lines): The State shall be given 20 days advance notice of cancellation. If cancellation is due to non-payment of premium, the State shall be given 10 days advance notice of cancellation.

Before starting work, Contractor shall furnish State with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements specified in the contract. The Contractor shall obtain insurance coverage prior to operations commencing and continually maintain it in full force until all contract obligations have been satisfied or an operating release has been signed by the State.

Contractor shall include all subcontractors as insured under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

The State of Washington, Department of Natural Resources, its elected and appointed officials, agents and employees shall be named as an additional insured via endorsement on all general liability, excess, umbrella, and property insurance policies.

All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by State. Contractor

waives all rights against State for recovery of damages to the extent these damages are covered by general liability or umbrella insurance maintained pursuant to this contract.

By requiring insurance herein, State does not represent that coverage and limits will be adequate to protect Contractor and such coverage and limits shall not limit Contractor's liability under the indemnities and reimbursements granted to State in this contract.

The limits of insurance, which may be increased as deemed necessary by State, shall not be less than as follows:

Commercial General Liability (CGL) Insurance. Contractor shall maintain general liability (CGL) insurance, and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000.00 per each occurrence. If such CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit. CGL coverage shall include a Logging and Lumbering Endorsement (i.e. Logger's Broad-Form) to cover the events that include, but are not limited to, fire suppression expenses, accidental timber trespasses, and wildfire property damage with limits of not less than \$2,000,000.00 each occurrence.

CGL insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract), and contain separation of insured (cross liability) condition.

Employer's Liability "Stop Gap" Insurance. Contractor shall buy employers liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000.00 each accident for bodily injury by accident or \$1,000,000.00 each employee for bodily injury by disease.

Workers' Compensation Coverage. Contractor shall comply with all State of Washington workers' compensation statutes and regulations. Workers' compensation coverage shall be provided for all employees of Contractor and employees of any subcontractor or sub-subcontractor. Coverage shall include bodily injury (including death) by accident or disease, which exists out of or in connection with the performance of this contract. Except as prohibited by law, Contractor waives all rights of subrogation against State for recovery of damages to the extent they are covered by workers' compensation, employer's liability, commercial general liability, or commercial umbrella liability insurance.

If Contractor, subcontractor or sub-subcontractor fails to comply with all State of Washington workers' compensation statutes and regulations and State incurs fines or is required by law to provide benefits to or obtain coverage for such employees,

Contractor shall indemnify State. Indemnity shall include all fines, payment of benefits to Contractor or subcontractor employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees.

Business Auto Policy (BAP). Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than \$1,000,000.00 per accident. Such insurance shall cover liability arising out of "Any Auto". Business auto coverage shall be written on ISO form CA 00 01, or substitute liability form providing equivalent coverage. If necessary the policy shall be endorsed to provide contractual liability coverage and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01. Contractor waives all rights against State for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

### **G-160.1 Agents**

The State's rights and duties will be exercised by the Region Manager. The Region Manager will notify Contractor 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-180.1. No agent, employee, or representative of the State has any authority to bind the State to any affirmation, representation, or warranty concerning the forest products harvested beyond the terms of this contract.

Contractor is required to have a person on site during all operations who is authorized to receive instructions and notices from the State. Contractor shall inform the State in writing who is authorized to receive instructions and notices from the State, and any limits to this person's authority.

### **G-170.1 Assignment and Delegation**

Contractor 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. Contractor may perform any duty through a delegate, but Contractor 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 Contractor.

### **G-180.1 Modifications**

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

### **G-181.1 Contract Modification for Protection of Resources and Improvements**

The Harvesting Services contract may be unilaterally terminated or modified by the State upon determination that the Contractor's operations would cause serious damage to resources or improvements, or would be significantly inconsistent with State land management plans.

In the event of contract modification under this section and through no fault of Contractor operations, the Contractor shall be reimbursed for any additional operations required, provided that any work or extra protection shall be subject to prior approval of the State.

#### **G-190 Contract Complete**

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

#### **G-200.1 Notice**

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

G-092.1 Harvest Area Boundary Adjustment

G-181.1 Contract Modification for Protection of Resources and Improvements

G-210.1 Violation of Contract

G-220.1 State Suspends Operation

D-015.1 Delivered Mis-sorted Logs and Penalties

D-016.1 Damages for Delivered Mis-manufactured Logs

All other notices required to be given under this contract shall be in writing and delivered to the authorized agent or mailed to the Party's post office address. Contractor agrees to notify the State of any change of address.

#### **G-210.1 Violation of Contract**

- a. If Contractor violates any provision of this contract, the Contract Administrator, by written notice, may suspend those operations in violation. If the violation is capable of being remedied, the Contractor has fifteen (15) days after receipt of suspension notice to remedy the violation. If the violation cannot be remedied or Contractor fails to remedy the violation within fifteen (15) days after receipt of a suspension notice, the State may terminate the rights of the Contractor and collect liquidated damages under this contract associated with the breach. In the event of such a contract termination, the State may demand all or part of the Contractor's surety in order to satisfy the State's damages.
- b. The State has the right to remedy a breach if Contractor is unable, as determined by the State, to remedy the breach, or if the Contractor has not remedied the breach within 15 days of a suspension notice. Any expense incurred by the State in remedying Contractor's breach may be charged to Contractor, or State may deduct such expenses from payments to the Contractor.



- c. If the contract expires without the Contractor having performed all their duties under this contract, Contractor's rights and obligations to harvest, deliver forest products, and perform any additional contract-related requirements are terminated. Thus, Contractor cannot remedy any breach once this contract expires. This provision shall not relieve Contractor of any financial obligations and unresolved contractual agreements, including payment to sub-contractors for work performed under this contract.

#### **G-220.1 State Suspends Operations**

The Contract Administrator may suspend any operation of Contractor under this contract when the State is suffering, or there is reasonable expectation the State will suffer environmental, monetary or other damage if the operation is allowed to continue.

Contractor shall be in breach of this contract if the operation continues after the suspension notice or if the operation resumes prior to approval and notice from the Contract Administrator.

Contractor may request a modification of suspension within seven (7) calendar days of the start of suspension through the dispute resolution process. If this process results in a finding that the suspension exceeded the time reasonably necessary to stop or prevent damage to the State, Contractor may request a contract term adjustment based on the number of excess days of suspension.

#### **G-230.1 Unauthorized Activity**

Any cutting, removal, or damage of forest products by Contractor, its employees, agents, or invitees, including independent contractors, in a manner inconsistent with the terms of this contract or State law, is unauthorized. Such activity may subject Contractor to liability for triple the value of said forest products under RCW 79.02.320 or RCW 79.02.300 and may result in prosecution under RCW 79.02.330 or other applicable statutes.

#### **G-240.1 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, Contractor 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 Contractor's request within five business days.
- c. Within five business days of receipt of the Region Manager's decision, the contractor 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 Contractor's request for review of the Region Manager's written decision. Contractor 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-250.1 Compliance with All Laws**

Contractor shall comply with all applicable statutes, regulations and laws, including, but not limited to, chapter 27.53 RCW, chapter 68.50 RCW, WAC 240-15 and WAC 296-54. Contractor shall provide documentation from Washington State Departments of Labor and Industries and Revenue that all obligations concerning worker compensation and safety will be met. Failure to comply may result in forfeiture of this contract.

#### **G-251.1 Harassment**

Per RCW 43.01.135, Sexual harassment in the workplace, Agency Contractors hereby have access to DNR Policy PO01-007 Harassment Prevention:  
[https://www.dnr.wa.gov/publications/em\\_PO01-007\\_harassment\\_prevention.pdf](https://www.dnr.wa.gov/publications/em_PO01-007_harassment_prevention.pdf)

#### **G-260 Venue**

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

#### **G-270.1 Equipment Left on State Land**

All equipment owned or in the possession of Contractor, its employees, agents, or invitees, including independent contractors, shall be removed from the sale area and other State land by the termination date of this contract. Equipment remaining unclaimed on State land 30 days after the expiration of the contract period is subject to disposition as provided by law. Contractor shall pay to the State all costs of moving, storing, and disposing of such equipment. The State shall not be responsible for any damages to or loss of the equipment or damage caused by the moving, storing or disposal of the equipment.

#### **G-280.1 Operating Release**

An operating release is a written document, signed by the State and the Contractor, indicating that the Contractor has been relieved of certain rights or responsibilities with regard to the entire or a portion of the timber sales contract. Contractor and State may agree to an operating release for this sale, or portion of this sale, prior to the contract expiration, when all contract requirements pertaining to the release area have been satisfactorily completed. Upon issuance of a release, Contractor's right to cut and remove forest products on the released area will terminate.

#### **G-310.1 Road Use Authorization**

The Contractor is authorized to use the following State roads, and roads for which the State has acquired easements and road use permits; E354023A, E354024A, E354024R,

E354011B, E364036A, E354010G, E354023A2, E354010P, E354010T, E354010Y, E354002T, E354010N, E354011AA and USFS 9411. The State may authorize in writing the use of other roads subject to fees, restrictions, and prior rights.

#### **G-330.1 Pre-work Conference**

Contractor shall arrange with the Contract Administrator to review this contract and to examine the sale area before beginning any operations. A plan of operations shall be developed and agreed upon by the Contract Administrator and Contractor before beginning any operations. To the extent that the plan of operations is inconsistent with the contract, the terms of the contract shall prevail. State's acceptance and approval of Contractor's plan of operations shall not be construed as any statement or warranty that the plan of operations is adequate for Contractor's purposes or complies with applicable laws.

Contractor shall arrange with the Contract Administrator to review this contract and work requirements with any and all subcontractors prior to receiving authorization for any subcontractor to begin operations.

#### **G-340.1 Preservation of Markers**

Any legal land subdivision survey corners and witness objects are to be preserved. If such are destroyed or disturbed, the Contractor shall, at the Contractor's own expense, re-establish them through a licensed land surveyor in accordance with U.S. General Land Office standards. Corners and/or witness objects that must be disturbed or destroyed in the process of road construction or logging shall be adequately referenced and/or replaced in accordance with RCW 58.24.040(8). Such references must be approved by the Contract Administrator prior to removal of said corners and/or witness objects.

#### **G-370.1 Blocking Roads**

Contractor shall not block the Old Dominion and Seigel Hill county roads, unless authority is granted in writing by the Contract Administrator.

#### **G-380.1 Road Easement and Road Use Permit Requirements**

The State grants Contractor the right to operate under the following rights of way:

Easement 2293 with Garvey dated December 2, 1988

#### **G-430.1 Open Fires**

The Contractor its employees or its subcontractors shall not set or allow to be set any open fire at any time of the year without first obtaining permission in writing from the Contract Administrator.

#### **G-450.1 Encumbrances**

This contract and Contractor's activities are subject to the following:

DATA MISSING

**Section P: Payments and Securities**

**P-030.1 Payment for Harvesting and Hauling Services**

The State shall pay Contractor for harvesting and hauling services at the following rates:

Payment for Harvesting Stump to Truck ('On Board Truck' or OBT): The State's payment to the Contractor for harvesting services will be in accordance with the following table;

| Sort Number(s)          | Unit of Measure | OBT Rate | OBT Utility Rate |
|-------------------------|-----------------|----------|------------------|
| 01,02,03,04,05,06,07,08 | Ton             | \$0.00   | N/A              |
| 09                      | Ton             | \$13.00  | N/A              |

Utility volume for mbf sorts determined on an adjusted gross scale basis.

The State shall not pay for any logs scaled containing metal.

Payment for Hauling: The State's payment to the Contractor for hauling services upon the tons delivered multiplied by: a base rate, 'A' and 'C' mile rates, the 'haul miles' listed in clause G-022.1, a fuel index factor and the Contractor's hauling bid factor using the following formula:

$$\text{Hauling Services Payment Rate per Ton} = (\text{Base Rate} + \text{Mileage Rate}) \times (\text{DATA MISSING: No data found.})$$

Base Rate = \$2.35  
(based on the multiple truck operation fixed cost/ton within 'Report to the Washington State Legislature, The Washington Log Trucking Industry: Costs and Safety Analysis, August 2008'.)

$$\text{Mileage Rate} = ((\$0.16 \times \text{C miles}) + (\$0.11 \times \text{A miles})) \times \text{Fuel Index Factor}$$

The Fuel Index Factor will be adjusted quarterly by the State based upon the U.S. Energy Information Administration's Weekly Retail On-Highway Diesel prices for the West Coast region posted at <https://www.eia.gov/petroleum/gasdiesel/> using the following formula;

$$\text{Fuel Index Factor} = 1 + ((Q(x) - Q(\text{base})) / Q(\text{base}))$$

Where;

Q(base) = Average fuel price for quarter preceding harvesting services contract bid opening.

Q(x) = Average fuel price for quarter preceding log deliveries.

The fuel index factor will be calculated each;

January and apply to loads delivered between January 1 and March 31,  
April and apply to loads delivered between April 1 and June 30,  
July and apply to loads delivered between July 1 and September 30,  
October and apply to loads delivered between October 1 and December 31.

Travel distances to each log sort destination will be determined by the State and represents the one-way travel distance from the sale area to the purchaser's delivery point.

Long-haul surcharge: An additional haul payment of \$25/mbf net scale for mbf scale sorts or \$4.60/ton for tonnage sorts will be added for delivery destinations in excess of 250 total one-way miles (A miles plus C miles).

The state must approve all haul routes and will determine travel distances prior to contractor delivery of logs to each specified destination. The State may determine alternate haul routes and delivery destinations during the course of this contract. Upon notification by the State, the Contractor is required to deliver logs: using the alternative route, or to State approved alternative delivery locations. Payment rates for approved alternate routes and delivery destinations shall be set forth by amending this clause in accordance with clause G-180.1.

For sorts bid on an mbf basis tonnage will be calculated using the State's conversion rates in the table below unless actual tonnage is available and approved for use. For tonnage sorts, actual tonnage shall apply.

[3]

Contractor is responsible for billing the State for harvesting and hauling services performed using load data collected by State approved third party scaling organizations and reported by the State designated Log and Load Reporting Service. The billing statement shall include itemized accounts and summaries of harvesting tonnage and hauling mileage charges in a format approved by the State.

The billing schedule shall be the 1st and the 16th of each month with payment due by State within fourteen (14) days. Reporting periods end on the 15th and the end of each month.

No certificate given or payment made shall be evidence of the satisfactory performance of the Contract, either wholly or in part, against the claim of the State to the contrary, and no payment shall be construed to be an acceptance of any defective work, which may before or afterwards appear.

#### **P-031.1 Payment for Hauling Across Ferries and Other Miscellaneous Tolls**

Prior authorization is required for payment of any additional transportation charges incurred by Contractor, including: ferries, toll bridges, and other miscellaneous tolls.

For payment including ferries, toll bridges, or other miscellaneous tolls, the Contractor's billing statement must include an itemized list of loads by trucker name and truck number, DNR load ticket number and date of crossing(s):

- a. Reimbursement for authorized ferry tolls will be at a fixed rate of \$105.95 for each crossing with a loaded truck and \$75.75 for each empty return. A 'Wave2Go' statement or equivalent documentation shall be included with the itemized list. For any loads over 80' loaded and 60' empty, the Contractor will be reimbursed the actual cost, Wave2Go or ferry receipts must be provided for reimbursement.
- b. 'Good to Go' regulated bridge tolls will be reimbursed at a fixed rate of per authorized toll crossing. A "Good To Go" statement or equivalent documentation shall be included with the itemized list. This reimbursement is based upon one-way tolling, if a two-way toll is charged, payment receipts must be provided for reimbursement.
- c. Miscellaneous tolls controlled by the Washington State Transportation Commission (WSTC), or other government agencies, will be reimbursed at their posted rates or the actual cost; receipts must be provided.

Requests for payment of ferry and toll charges must be received by the State prior to contract termination. Contractor shall only be reimbursed for the amount of toll approved for payment by the Contract Administrator.

Payment for ferries or tolls incurred for backhauling loaded trucks, in either direction, shall be the responsibility of the Contractor and will not be reimbursed by the State.

Convenience tolling, fines, and/or extra charges will not be reimbursed.

#### **P-032.1 Payment for Road Construction**

The Contractor is responsible for independently negotiating, procuring and paying for road construction services provided.

The State shall pay Contractor for roadwork completed at the following rates:

| <b>Roads or Structures</b> | <b>Number of Stations</b> | <b>Dollars per Station</b> |
|----------------------------|---------------------------|----------------------------|
| E354023A – maintenance     | 150.64                    |                            |
| E354023A – reconstruction  | 75.30                     |                            |
| E354024A – maintenance     | 81.98                     |                            |
| E354024R – maintenance     | 29.80                     |                            |
| E354011B – maintenance     | 25.95                     |                            |
| E364036A – maintenance     | 5.66                      |                            |
| E354010G – construction    | 8.00                      |                            |
| E354010G – reconstruction  | 56.07                     |                            |
| E354023A2 – reconstruction | 49.65                     |                            |
| E354010P – construction    | 3.92                      |                            |
| E354010P – reconstruction  | 4.48                      |                            |
| E354010T - maintenance     | 1.00                      |                            |
| USFS 9411 – maintenance    | 75.46                     |                            |

|                            |       |  |
|----------------------------|-------|--|
| E354010Y – maintenance     | 5.00  |  |
| E354002T – construction    | 22.06 |  |
| E354010N – reconstruction  | 33.95 |  |
| E354011AA – construction   | 4.64  |  |
| E354011AA – reconstruction | 8.39  |  |

| <b>Items as directed by Contract Administrator</b>                                | <b>Number of Items</b> | <b>Cost Per Item</b>             | <b>Total Cost</b> |
|---|------------------------|----------------------------------|-------------------|
| Dust Abatement – as directed by the contract administrator                        |                        | Water (applied) Schedule M rates |                   |
| Surface Rock (delivered and in place) – as directed by the contract administrator | 300 cy                 | \$15.84/cy                       | \$4,752.00        |
| 18” culvert (purchased and installed) – as directed by the contract administrator | 160 feet               | \$35.00/ft                       | \$5,600.00        |

One station of road construction is 100 feet. All materials, equipment time, labor, and equipment mobilization costs are included in the total price. Any part of the road plan not covered in the rates above shall be paid for by the Contractor at their own expense.

Upon completion of road construction, the Contractor shall submit a report identifying the road(s), and the number of stations that have been completed to the Contract Administrator. Once the Contract Administrator has approved the roadwork in writing, the Contractor is responsible for billing the State for road construction services performed. The billing statement shall include an itemized account of the road(s), the number of stations and which stations have been completed. The Contract Administrator will verify that road construction described on the billing statement is complete prior to State making payment to Contractor.

The billing schedule shall be the 1st and the 15th of each month with payment due by State within fourteen (14) days. Reporting periods end on the 14th and the end of each month.

No certificate given or payment made shall be evidence of the satisfactory performance of the Contract, either wholly or in part, against the claim of the State to the contrary, and no payment shall be construed to be an acceptance of any defective work, which may before or afterwards appear.

**P-033.1 Payment for Additional Road Maintenance Work**

The Contractor is responsible for independently negotiating, procuring and paying for additional road maintenance services provided.

During the course of operations, the State may identify and require additional road maintenance work to be completed by the Contractor. The amount of payment for this additional road maintenance work deemed necessary by the State will be calculated and paid for using the equipment rates in Schedule M 'Additional Road Maintenance Payment Rates'.

Upon completion of any additional road maintenance work, the Contractor shall submit a report identifying the road(s), and the number of stations that have been completed to the Contract Administrator. Once the Contract Administrator has approved the additional road maintenance work in writing, the Contractor is responsible for billing the State for additional road maintenance services performed. The billing statement shall include an itemized account of the road(s), the number of stations and which stations have been completed. The Contractor Administrator will verify that road maintenance described on the billing statement is complete prior to State making payment to Contractor. The billing schedule shall be the 1st and the 15th of each month with payment due by State within fourteen (14) days. Reporting periods end on the 14th and the end of each month.

No certificate given or payment made shall be evidence of the satisfactory performance of the Contract, either wholly or in part, against the claim of the State to the contrary, and no payment shall be construed to be an acceptance of any defective work, which may before or afterwards appear.

**P-034.1 Payment for Additional Miscellaneous Work**

During the course of operations, the State may identify and require additional miscellaneous work to be completed by the Contractor.

A plan for the additional work deemed necessary by the State shall be provided by the Contractor and must be approved in writing by the State prior to commencement of work by the Contractor. After the Contract Administrator has inspected and approved the work in writing, the Contractor is responsible for billing the State for work performed. The billing statement shall include an itemized account of the equipment, labor and materials necessary for the additional work that has been completed and approved.

The State shall reimburse the Contractor for approved costs within thirty (30) days of State's approval of the statement.

No certificate given or payment made shall be evidence of the satisfactory performance of the Contract, either wholly or in part, against the claim of the State to the contrary, and no payment shall be construed to be an acceptance of any defective work, which may before or afterwards appear.



**P-090.1 Performance Security**

Prior to start of any operations Contractor agrees to provide one or more of the following State approved performance securities; cash, savings account assignment, certificate of deposit assignment, irrevocable standby letter of credit, or a Miller Act bond, for the amount of \$100,000.00. At least 50% must be in a form other than a bond, unless otherwise agreed to by the State.

Security provided shall guarantee performance of all provisions of this contract and payment of any damages caused by Contractor's operations, failure to perform, or noncompliance with any rule or law. In addition, said security may be used by the State to satisfy any claims or liens made by Contractor's subcontractors, material providers, or other individuals against the State or its Purchasers, which arise from this Harvesting Services Contract.

If at any time the State decides that this security has become unsatisfactory, the Contractor agrees to suspend operations and, within fifteen (15) days of notification, replace the security with one acceptable to the State. The State may also require increases to the existing performance security at any time.

Unapplied performance security will be returned to Contractor after the State issues an operating release and completes the financial closeout.

**P-100.1 Performance Security Reduction**

The State may reduce the performance security after an operating release has been issued if the State determines that adequate security exists for any remaining obligations of Contractor. Prior to any reduction of the performance security amount, the Contractor must submit a written reduction request. No reduction will be allowed by the State unless such reduction can be made while fully protecting the State's interests.

**P-120.1 Contractor Responsibility for Subcontractor Services**

Contractor is responsible for negotiating, procuring, and paying for all services rendered by any subcontractor. Subcontractor services may include, but are not limited to, harvesting logs, hauling logs, and building roads.

**Section L: Log Definitions and Accountability****L-010.1 Forest Products Conveyed**

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clause G-022.1 and manufacturing standards defined by clause G-024.1 of this contract.

**L-013.1 Log Sorts Delivered to Incorrect Destination**

Purchasers have agreed to purchase the log sort (s) as described in the G-022.1 clause. In the event a load of logs from an incorrect sort is delivered to a Purchaser, the

Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, Contractor shall notify the State within 24 hours. The Contractor will maintain responsibility for proper disposition and delivery of incorrectly delivered loads.

#### **L-060.1 Load Tickets**

Contractor shall complete and use load tickets as directed by the Contract Administrator and, if required, use other identification as directed by the State to ensure accounting of forest products removed from the sale area. A load ticket must be fixed, as designated by the Contract Administrator, to each truck and trailer load prior to leaving the landing.

Contractor shall account for all load tickets issued by the Contract Administrator. The State may treat load tickets not accounted for as lost forest products. All costs associated with computing the billings for lost loads shall be borne by Contractor.

#### **L-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

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

#### **L-110 State Approval of Log Scaling and Weighing Locations**

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

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

#### **L-114.1 State Approval of Haul Route**

Contractor shall file with the Contract Administrator and Contract Administrator shall approve a map showing the haul route, which unscaled and unweighed logs will travel from the harvest area to the weighing/scaling location and approved destinations. The Contractor must notify Contract Administrator within 24 hours of any deviation from

the haul route. The route of haul may be changed by prior agreement of the State and the Contractor. The Contract administrator must be notified by the Contractor of any overnight stays of an unscaled or unweighed load of logs.

### **L-130.1 Conversion Factors**

Forest products harvested and delivered from the sale area that are not measured in units specified in the P-030.1 'Payment for Harvesting and Hauling Services' clause of this contract shall be converted to the contract specified payment units using Department of Natural Resources conversion factors unless a plan to do otherwise has been pre-approved by the State.

## **Section H: Harvesting Operations**

### **H-001 Operations Outside the Sale Boundaries**

No operations shall occur outside the sale boundaries, as described within the contract, unless approved in writing by the State.

### **H-010.1 Cutting and Yarding Schedule**

Falling and Yarding will not be permitted from March 1 to July 1 unless authorized in writing by the Contract Administrator.

### **H-011.1 Certification of Fallers and Log Manufacturers**

All persons engaged in the felling of timber and manufacturing or loading of logs or poles must receive certification in writing from the Contract Administrator. Certification may be revoked when the Contract Administrator determines that log utilization, log sorting, or manufacturing has been performed in a manner that does not optimize value or otherwise causes damage to the state.

### **H-013.1 Reserve Tree Damage Definition**

Reserve trees are trees required and designated for retention within the sale boundary. Contractor shall protect reserve trees from being cut, damaged, or removed during operations.

Reserve tree damage exists when one or more of the following criteria occur as a result of Contractor's operation, as determined by the Contract Administrator.

- a. A reserve tree has one or more scars on its trunk exposing the cambium layer, which in total exceeds 100 square inches.
- b. A reserve tree's top is broken or the live crown ratio is reduced below 30 percent.
- c. A reserve tree has more than 1/3 of the circumference of its root system injured such that the cambium layer is exposed.

If the Contract Administrator determines that a reserve tree has been cut or damaged, the Contractor shall provide a replacement reserve tree of like condition, size, and species within the sale unit containing the damaged leave tree, as approved by the

Contract Administrator. Contractor may be required to pay liquidated damages for Excessive Reserve Tree Damage as detailed in clause D-041.1.

Removal of designated reserve trees from the sale area is unauthorized, and may invoke the use of the G-230.1 'Unauthorized Activity' clause. Contractor is required to leave all cut or damaged reserve trees on site.

#### **H-015.1 Skid Trail Requirements**

A skid trail is defined as an area that is used to skid logs for more than three passes by any equipment.

- a. Skid trail will not exceed 14 feet in width, including rub trees.
- b. Skid trails shall not cover more than 10 percent of the total acreage on each unit.
- c. Skid trails will be pre-approved by the Contract Administrator.
- d. Except for rub trees, skid trails shall be felled and yarded prior to falling adjacent timber.
- e. Rub trees shall be left standing until all timber tributary to the skid trail has been removed.
- f. Excessive soil damage is not permitted. Excessive soil damage is described in clause H-017.
- g. Skid trails will be water barred at the time of completion of yarding, if required by the Contract Administrator.

Contractor shall not deviate from the requirements set forth in this clause without prior written approval from the Contract Administrator

#### **H-017 Preventing Excessive Soil Disturbance**

Operations may be suspended when soil rutting exceeds 10 inches as measured from the natural ground line. To reduce soil damage, the Contract Administrator may require water bars to be constructed, grass seed to be placed on exposed soils, or other mitigation measures. Suspended operations shall not resume unless approval to do so has been given, in writing, by the Contract Administrator.

#### **H-025 Timing Requirements for Timber Removal**

All forest products must be removed within 8 days of being felled.

**H-030.1 Timber Falling**

Trees shall be felled and logs shall be bucked to obtain the greatest practicable utilization and value of forest products.

**H-035 Fall Trees Into Sale Area**

Trees shall be felled into the sale area unless otherwise approved by the Contract Administrator.

**H-050 Rub Trees**

Trees designated for cutting along skid trails and cable corridors shall be left standing as rub trees until all timber that is tributary to the skid trail or cable corridor has been removed.

**H-052.1 Branding and Painting**

The State shall provide a State of Washington registered log brand. Contractor must brand and paint all logs removed from the harvest area in a manner that meets the requirements of WAC 240-15-030(2)(a)(i). All logs removed from the harvest area designated as export restricted shall also be painted in a manner that meets the requirements of WAC 240-15-030(2)(a)(ii).

For pulp loads purchased under a contract designated as export restricted, Contractor shall brand at least 3 logs with legible brands at one end. Also, 10 logs shall be painted at one end with durable red paint.

**H-110 Stump Height**

Trees shall be cut as close to the ground as practicable. Stump height shall not exceed 12 inches in height measured on the uphill side, or 2 inches above the root collar, whichever is higher.

**H-120.1 Harvesting Equipment**

Forest products harvested under this contract shall be harvested and removed using D6 equivalent or smaller ground skidding equipment and ground based harvesting equipment. Authority to use other equipment or to operate outside the equipment specifications detailed above must be approved in writing by the State.

**H-125 Log Suspension Requirements**

Lead-end suspension is required for all yarding activities.

**H-130.1 Hauling Schedule**

The hauling of forest products will not be permitted on all roads from March 1 to July 1 unless authorized in writing by the Contract Administrator .

**H-140.1 Special Harvest Requirements**

Contractor shall accomplish the following during the harvest operations:

- a. The required road reconstruction on E354023A road shall be completed no later than July 31, 2023.

b. No operations associated with timber harvest, hauling or road work will be permitted within 1/2 mile of an active northern goshawk nest from March 1 to August 1 or later if young are still on the nest.

c. If an active gray wolf den is discovered, sale operations will not be permitted within 1/2 mile from March 15 to August 1 during the year of harvest.

Permission to do otherwise must be granted in writing by the Contract Administrator.

**H-141.1 Additional Harvest Requirements**

Contractor shall accomplish the following during the harvest operations:

a. Contractor shall deliver 200 pound of grass seed to Northeast Region Office. Seed provided shall meet the following specifications.  
40% Smooth Brome, 20% Alsike Clover, 20% Hard Fescue, 20% Timothy  
Seed shall be certified weed free, premixed in 50 pound bags clearly labeled with the timber sale name on each bag.

Permission to do otherwise must be granted in writing by the State.

**H-150.1 Required Removal of Forest Products**

Contractor shall remove from the sale area, present for scaling and deliver to the designated purchaser locations specified in the G-022.1 clause all forest products conveyed that meet the following minimum dimensions unless directed otherwise by the Contract Administrator:

| Species                     | Net Bd Ft | Log Length (ft) | Log dib (inches) |
|-----------------------------|-----------|-----------------|------------------|
| All green species except PP | 20        | 16              | 5.0              |
| PP                          | 20        | 16              | 6.0              |

The State may treat failure to remove forest products left in the sale area that meet the above specifications as a breach of this contract. The Contractor shall be responsible for forest products not removed. At the State's option, the State or a third party scaling organization may scale forest products, for volume, that meet the above specifications and are left in the sale area. State may deduct the value of forest products not removed from payments to the Contractor for harvesting services rendered. All costs associated with scaling and computing the billing for forest products left in the sale area will be borne by Contractor.

If Contractor's failure to remove all the forest products specified under the contract is due to circumstances beyond the control and without fault or negligence of the Contractor including, but not restricted to, acts of the State, closures by government regulatory agencies, mill closures, fires, vandals, and unusually severe weather

conditions, the State may elect to modify the required removal requirements. Contractor is required to request contract removal requirement modifications in writing. The State shall consider such requests and may grant them in part or entirety only when Contractor has demonstrated that they have been endeavoring to complete the project and are otherwise performing with due diligence.

#### **H-161.1 Excessive Timber Breakage**

The Contractor shall be responsible for felling and yarding timber in a manner that shall minimize breakage and maintain stump heights within contract specifications, unless permission to do otherwise is agreed to by the Contract Administrator.

The State may treat excessive timber breakage, as determined by the Contract Administrator as a breach of this contract. At the State's option, the State or a third party scaling organization may scale forest products, for volume. State may deduct the value of forest products damaged through excessive breakage from payments to the Contractor for harvesting services rendered. All costs associated with scaling and computing the billing for forest products damaged through excessive breakage will be borne by Contractor.

#### **H-190 Completion of Settings**

Operations begun on any setting of the sale area shall be completed before any operation begins on subsequent settings unless authorized in writing by the Contract Administrator.

#### **H-230.1 Tops and Limbs Outside the Sale Boundary**

Tops and limbs outside the sale boundary as a result of Contractor's operation shall be removed concurrently with the yarding operation unless otherwise directed by the Contract Administrator.

#### **H-260 Fall Leaners**

Trees within the units that have been pushed over in falling or skidding operations shall be felled.

### **Section C: Construction and Maintenance**

#### **C-040.1 Road Plan**

Road construction and associated work provisions of the Road Plan for this project, dated November 21, 2022 are hereby made a part of this contract.

The State may make modifications to the Road Plan made necessary by unforeseen conditions. Any modifications that create additional work for the Contractor shall be paid in accordance with the payment terms set forth in this contract.

#### **C-050.1 Contractor Road Maintenance and Repair**

Contractor shall perform work at their own expense on E354024R, E354011B, E364036A, E354010G, E354023A2, E354010P, E354010T, E354010Y, E354002T, E354010N, E354011AA and USFS 9411 road(s). All work shall be completed to the specifications detailed in the Road Plan.

**C-060.1 Designated Road Maintainer**

If required by the State, the Contractor shall perform maintenance and replacement work as directed by the Contract Administrator on E354023A and E354024A roads. The Contractor shall furnish a statement, in a form satisfactory to the State showing the costs incurred while performing this work. Costs shall be based on the rates set forth in the equipment rate schedule on file at the Region office or Engineering Division in Olympia. The State shall reimburse the Contractor for said costs within thirty (30) days of receipt and approval of the statement.

**C-080.1 Landing Location Approval Prior to Construction**

Landing locations shall be marked by the Contractor and approved by the Contract Administrator prior to construction.

**C-090 Landing Location**

Landings shall be built 120 feet off the Old Dominion county road(s).

**C-130.1 Dust Abatement**

Contractor shall abate dust on the E354023A, E354024A, E354024R, E354011B, E364036A, E354010G, E354023A2, E354010P, E354010T, E354010Y, E354002T, E354010N, E354011AA and USFS 9411 roads used for hauling as directed by the Contract Administrator.

**C-140.1 Water Bars**

Contractor shall, as directed by the Contract Administrator, construct water bars across haul roads, skid trails and fire trails as necessary to control soil erosion and water pollution.

**Section S: Site Preparation and Protection****S-001 Emergency Response Plan**

An Emergency Response Plan (ERP) shall be provided to the Contract Administrator containing but not limited to, valid contact numbers and procedures for medical emergencies, fire, hazardous spills, forest practice violations and any unauthorized or unlawful activity on or in the vicinity of the sale area. The Contract Administrator and the State shall be promptly notified whenever an incident occurs requiring an emergency response.

The ERP must be presented for inspection at the prework meeting and kept readily available to all personnel, including subcontractors, on site during active operations.

**S-010.1 Fire Hazardous Conditions**

Contractor acknowledges that operations under this Contract may increase the risk of fire. Contractor shall conduct all operations under this agreement following the requirements of WAC 332-24-005 and WAC 332-24-405 and further agrees to use the highest degree of care to prevent uncontrolled fires from starting.



In the event of an uncontrolled fire, Contractor agrees to provide equipment and personnel working at the site to safely and effectively engage in first response fire suppression activity.

Contractor's failure to effectively engage in fire-safe operations is considered a breach and may result in suspension of operations.

#### **S-020.1 Extreme Hazard Abatement**

Contractor shall provide a written Extreme Hazard Abatement plan that meets the requirements of WAC 332-24 prior to the beginning of logging operations. The plan must be acceptable to the Contract Administrator. The plan will identify how Contractor will accomplish abatement. Contractor shall also provide, and keep current, a written timetable for completion of all specified work in the plan. The Contract Administrator's acceptance and approval of Contractor's hazard abatement plan shall not be construed as any statement or warranty that the hazard abatement plan is adequate for Contractor's purposes or complies with applicable laws.

#### **S-030 Landing Debris Clean Up**

Landing debris shall be disposed of in a manner approved in writing by the Contract Administrator.

#### **S-040.1 Noxious Weed Control**

Contractor shall notify the Contract Administrator in advance of moving equipment onto State lands. Contractor shall thoroughly clean all off-road equipment prior to entry onto State land to remove contaminated soils and noxious weed seed. If equipment is moved from one DNR project area to another, the Contract Administrator reserves the right to require the cleaning of equipment. Equipment shall be cleaned at a location approved by the Contract Administrator.

#### **S-050 Cessation of Operations for Low Humidity**

When the humidity is 12 percent or lower on the sale area, all operations must cease unless authority to continue is granted by the State in writing.

#### **S-060.1 Pump Truck or Pump Trailer**

Contractor shall provide a fully functional pump truck or pump trailer equipped to meet the specifications of WAC 332-24-005 and WAC 332-24-405 during the "closed season" or as extended by the State and shall provide trained personnel to operate this equipment on the sale area during all operating periods.

#### **S-100 Stream Cleanout**

Slash or debris which enters any stream as a result of operations under this contract and which is identified by the Contract Administrator shall be removed and deposited in a stable position. Removal of slash or debris shall be accomplished in a manner that avoids damage to the natural stream bed and bank vegetation.

**S-120 Stream Protection**

No timber shall be felled into, across, or yarded through any stream.

**S-130.1 Hazardous Materials****a. Hazardous Materials and Waste - Regulatory Compliance**

Contractor is responsible for understanding and complying with all applicable local, state, and federal hazardous material/waste laws and regulations for operations conducted under this contract. Such regulations pertain to, but may not be limited to, hazardous material storage, handling and transport, personnel protection, release notification and emergency response, cleanup and waste disposal.

Contractor shall be responsible for restoring the site in the event of a spill or other releases of hazardous material/waste during operations conducted under this contract.

**b. Hazardous Materials Spill Prevention**

All operations shall be conducted in a manner that avoids the release of hazardous materials, including petroleum products, into the environment (water, air or land).

**c. Hazardous Material Spill Containment, Control and Cleanup**

If safe to do so, Contractor shall take immediate action to contain and control all hazardous material spills. Contractor shall ensure that enough quick response spill kits capable of absorbing 10 gallons of oil, coolant, solvent or contaminated water are available on site to quickly address potential spills from any piece of equipment at all times throughout active operations. If large quantities of bulk fuel/other hazardous materials are stored on site, Contractor must be able to effectively control a container leak and contain & recover a hazmat spill equal to the largest single on site storage container volume. (HAZWOPER reg. 29CFR 1910.120 (j) (1) (vii)).

**d. Hazardous Material Release Reporting**

Releases of oil or hazardous materials to the environment must be reported according to the State Department of Ecology (ECY). It is the responsibility of the Contractor to have all emergency contact information readily available and a means of remote communication for purposes of quick notification. In the event of a spill covered in part a., the Contractor is responsible for immediately notifying all the following:

-Department of Emergency Management at 1-800-258-5990

-National Response Center at 1-800-424-8802  
-Appropriate Department of Ecology (ECY) at 1-800-645-7911  
-DNR Contract Administrator

### **S-131.1 Refuse Disposal**

As required by RCW 70.93, All Contractor generated refuse shall be removed from state lands for proper disposal prior to termination of this contract. No refuse shall be burned, buried or abandoned on state forest lands. All refuse shall be transported in a manner such that it is in compliance with RCW 70.93 and all loads or loose materials shall be covered/secured such that these waste materials are properly contained during transport.

### **S-140.1 Fence Repair**

Contractor shall immediately repair all fence damage resulting from operations on this sale to an equal or better condition than existed at the time of sale.

## **Section D: Damages**

### **D-010.1 Liquidated Damages**

The clauses in the DAMAGES section of this contract provide for the State's payments to the Contractor to be reduced for certain breaches of the terms of this contract. These offsets are agreed to as liquidated damages for the Contractor's breach, and are not penalties. They are reasonable estimates of anticipated harm to the State caused by the Contractor's breach. The State and Contractor 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 Contractor by allowing the Contractor to better assess its responsibilities under the contract.

### **D-015.1 Damages for Delivered Mis-sorted Logs**

Logs delivered by Contractor that do not meet the receiving Purchaser's log sort specifications as described in clause G-022.1 are considered mis-sorts.

Mis-sorted log volume will be considered on a per load basis. When mis-sorts amount to more than 12% of a load's total volume, as determined by a third-party scaling organization, the State is harmed and an adjustment to the Contractor's harvesting payment may be made. For the improper delivery of mis-sorted logs, the State may reduce the harvesting payment by \$100.00 for each load delivered which contained mis-sorted volume in excess of 12%, as documented by third-party scaling ticket.

### **D-016.1 Damages for Delivered Mis-manufactured Logs or Poles**

Logs or Poles delivered by Contractor that do not meet the receiving Purchaser's preferred log length specifications as described in clause G-022.1, logs not meeting manufacturing standards as described in clause G-024.1, and poles not meeting specifications in Schedule P are considered mis-manufactured logs or poles.

Mis-manufactured log or pole volume will be considered on a per load basis. When mis-manufactured logs or poles amount to more than 5% of a loads total volume, as

determined by a third-party scaling organization, the State is harmed and an adjustment to the harvesting payment may be made. For the delivery of mis-manufactured logs or poles, the State may reduce the harvesting payment due to the Contractor by an amount of \$100.00 for each load of mis-manufactured logs or \$300 for each load of poles delivered which has been determined to contain mis-manufactured volume in excess of 5% as documented by third-party scaling ticket.

#### **D-022.1 Damages for Failure to Begin Product Deliveries**

Contractor's failure to begin deliveries by the date listed in clause G-027.1, Log Delivery Schedule and Conditions, can result in substantial injury to the State. The Contractor shall pay \$100.00 per day until deliveries begin or until a plan to remedy the delay has been agreed to in writing by the State. Days where operations are restricted such as weekends and State holidays are not subject to damages.

#### **D-023.1 Damages for Failure to Remove Forest Products**

Contractor's failure to remove all of the forest products specified prior to the expiration of the contract operating authority results in substantial injury to the State. The value of the forest products sold at the time of breach is not readily ascertainable. The Contractor's failure to perform disrupts the State's management plans in the project area, the actual cost of which is difficult to assess. A re-offering of the contract involves additional time and expense and is not an adequate remedy. Therefore, the Contractor agrees to accept a reduction of the amount due for harvesting services from the State in the amount calculated according to the following guidelines:

- a. Full stumpage value will be assessed for felled trees, individual or scattered standing trees, or clumps of standing trees less than three acres in size, plus all costs associated with scaling and computing the stumpage value of the forest products left.
- b. 35% of full stumpage value will be assessed for clumps of standing trees greater than three acres in size, plus all costs associated with scaling and computing the stumpage value of the forest products left.

The stumpage value of forest products left shall be determined by the State or a third party scaling organization utilizing whatever method(s) best suited for accurate volume and acreage measurement as determined by the State.

#### **D-024.1 Damages for Excessive Timber Breakage**

Excessive breakage of timber results in substantial injury to the State. The value of the forest products sold at the time of breach is not readily ascertainable. Therefore, the Contractor agrees to accept a reduction of the amount due for harvesting services from the State at an amount calculated according to the following:

The value for excessive timber breakage will be determined at a rate, which reflects the log sort price that the Purchasers would have paid for unbroken logs minus the cost of delivery, plus all costs associated with scaling and computing the stumpage value of the forest products excessively broken.

The stumpage value of forest products excessively broken shall be determined by the State or a third party scaling organization utilizing whatever method(s) best suited for accurate volume measurement as determined by the State.

#### **D-030.1 Inadequate Log Accountability**

Removal of forest products from the sale area without adequate branding and/or valid load tickets attached to the load, weighing or scaling forest products in a location other than the facilities authorized for use for this sale, and failing to deliver load ticket to the weighing/scaling official all result in substantial injury to the State. The potential loss from not having proper branding, ticketing, weighing locations and accountability is not readily ascertainable. These contractual breaches result in a loss of load and weighing/scaling data the potential for the removal of forest products for which the State receives no payment, and cause increases in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Contractor's payments for harvesting under this contract will be reduced in the following amounts, as liquidated damages, to compensate the State for these breaches: a sum of \$100.00 each time a load of logs does not have branding as required in the contract, \$250.00 each time a load of logs does not have a load ticket as required by the contract, \$250.00 each time a load ticket has not been filled out as required by the plan of operations, \$250.00 each time a load is weighed or scaled at a facility not approved as required by the contract, and \$250.00 each time load and weight scale data is not presented to the weighing/scaling official, and \$250 each time a ticket is either lost or otherwise unaccounted for.

#### **D-041.1 Reserve Tree Excessive Damage**

When Contractor's operations exceed the damage limits set forth in clause H-013.1, Reserve Tree Damage Definition, and when the Contract Administrator determines that a suitable replacement for a damaged reserve tree is not possible, the damaged trees result in substantial injury to the State. The value of the damaged reserve trees at the time of the breach is not readily ascertainable. Therefore, the Contractor agrees to pay the State as liquidated damages at the rate of \$1,000.00 per tree for all damaged reserve trees that are not replaced in all the units.

SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

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

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_

My appointment expires \_\_\_\_\_

**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.



**Schedule M**  
**Additional Road Maintenance Rates**

ADDITIONAL ROAD MAINTENANCE PAYMENT RATES  
(Hourly Rate Including Operator)

PERTAINING TO CLAUSE P-033.1 (Payment for Additional Road Maintenance Work)

Motor Grader

To 140 HP (Cat 120H, 120M) \$177.00

To 175 HP (John Deere 670D, 670G, 672D, G; Cat 12M; CAT 140G; CAT143H; Volvo G930; Komatsu GD-655-3) \$219.00

To 200 HP (John Deere 772; Cat 140M; Volvo G940; Komatsu GD675-3) \$238.00

Over 200 HP (Cat 160M, 14M, 16H; Komatsu GD-825A-2) \$308.00

Ripper/Scarifier Use

To 140 HP \$4.80

To 175 HP \$7.20

Over 175 HP \$12.00

Front End Loaders & Loader/Backhoe

To 75 HP (Cat 416D, Cat 416E; Komatsu WB142-2) \$142.00

To 110 HP (Cat 420E; Case 580, 590; Cat 908H, 914G; John Deere 344J) \$150.00

To 160 HP (Cat 450E, Cat 924H, 930H; Hyundai HL 730-9; John Deere 524K) \$152.00

Over 160 HP (John Deere 624K; Case 621E; Cat 938H, 950H, 966K) \$170.00

Addition for special attachment use: compactor, clam, extendaboom, etc. add \$7.80

Gravel Trucks

On-Highway Rear Dump \$165.00

On-Highway Rear Dump Transfer Trailer (2 axles, 10 CY) \$18.00

On-Highway Bottom Dump Trailer (3 axles, 12 CY) \$18.00

Dozers

To 75 HP (Case 650K; Cat D3K XL) \$135.00

To 105 HP (Cat D4K, D5K; Case 750K, 850K; John Deere 450J, 550J, 650J; Komatsu D37EX-22) \$176.00

To 135 HP (Cat D6K; Case 1150K, John Deere 700J; Komatsu D51EX-22) \$200.00

To 185 HP (John Deere 750J; Case 1650, 1850; Cat D6N; Komatsu D61EX-15) \$227.00

To 240 HP (Cat D6T, D7E; John Deere 850J; Komatsu D65EX-15) \$262.00

Over 240 HP (Cat D8T; John Deere 950J) \$378.00

Ripper Use

To 180 HP add \$9.00

To 235 HP add \$15.00

Over 235 HP add \$24.00

Excavators

To 60 HP (Kubota U45, U55; John Deere 50D; Hitachi 50U; Cat 307D) \$138.00

To 95 HP (Cat 312D, 314D; Doosan 140LCV; Hitachi 120-3, 135US-3; Link-Belt 135; Komatsu PC120-6, PC130-8; John Deere 120D, 135D) \$178.00

To 120 HP (Cat 315D; John Deere 160LC; Doosan 175LCV; Komatsu PC160LC-8; Link-Belt 160 LX; Volvo EC160C L) \$205.00

To 140 HP (Cat 319D L, 320C; Hitachi 160LC-3; Link-Belt 210LX) \$212.00

To 170 HP (Cat 320D; Hitachi 200LC-3, 225LCV; Link-Belt 240 LX; Komatsu PC200-8, PC220LC-8; John Deere 225D LC; Volvo EC240C) \$215.00

To 230 HP (Cat 324D, 324E, 328D, 329D; John Deere 240D, 270D, 290G; Hitachi 240LC-3, 270LC-3; Link-Belt 290 LX RB; Volvo EC290C; Komatsu PC270LC-8) \$250.00

Over 230 HP (Cat 330D, 336D; Volvo EC330C; John Deere 330C, 330D; Komatsu PC300LC-8, C350LC-8; Link-Belt 330LX, 350 X2; Hitachi 330LC, 350LC-3) \$280.00

Add Attachment Rate to Excavator \$35.00

Self-Propelled Vibratory Compactors

To 80 HP (Bomag BW145DH-40, BW177D-40; Dynapac CA150D; Sakai 201D; Ing. Rand SD45F TF) \$140.00

To 125 HP (Bomag BW177PDBH-40; Cat CP-433E; Sakai SV400D-II; Dynapac CA152D) \$160.00

Over 125 HP (Bomag BW211PD-40; Dynapac CA262D; Ing. Rand SD105DA TF; Sakai SV505D-1) \$190.00

Tractor Brush Cutters

To 67 PTO HP \$120.00

To 80 PTO HP \$127.00

Over 80 PTO HP (JD 6200, 6300, 6400) \$136.00

Track Mounted Rock Drills (with one operator)

To 4.5" Diameter Hole \$380.00

Over 4.5" Diameter Hole \$446.50

Heavy Equipment Hauling

On-Highway Rear Dump \$165.00

Tilt Deck Utility Trailer (2 axle, up to 40,000 lbs.) \$10.00

Tilt Deck Utility Trailer (3 axle, up to 50,000 lbs.) \$13.00

On-Highway Truck Tractor (GVW up to 50,000 lbs.) \$142.00

Lowbed Trailer (2-axle, up to 50,000 lbs.) \$15.00

Lowbed Trailer (3-axle, up to 80,000 lbs.) \$35.00

Water Trucks

To 3,000 gallons \$104.00

To 4,000 gallons \$126.00

Over 4,000 gallons \$147.00

Power Saws and Pumps \$10.00

Laborer- Journey Level \$50.00

Laborer- Apprentice Level \$47.00

**INSTRUCTIONS**

HP taken at the Flywheel unless stated otherwise.

WA Sales Tax - Add sales tax only if an activity is not directly tied to a state timber sale. Sales tax on purchased material will be reimbursed.

Hourly rates include operator, owning and operating costs, profit and overhead, and also includes all costs for service and support vehicles.

Specification data such as weight and flywheel HP can be determined upon request by providing equipment make and model information.

Rates on equipment not included in this schedule can be determined upon request.

Rev. 6/8/2022

**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**LOG SALE AND PURCHASE CONTRACT**

**AGREEMENT NO. 30-0104588**

**SALE NAME: Q NARDOM SORT 01**

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

**Section G: General Terms**

**G-001.2 Definitions**

The following definitions apply throughout this contract;

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

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

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

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

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

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

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

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

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

#### **G-010.2 Products Sold and Sale Area**

Purchaser was the successful bidder on June 13, 2023 and sale was confirmed on \_\_\_\_\_. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the Q NARDOM SORTS Timber Sale described as parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., in Stevens County.

#### **G-022.2 Sorting Specifications**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Description</b> | <b>Destination</b> |
|----------------------|---------------|--------------------|--------------------|
| 104588               | 1             | DF/WL 7-10" dib    |                    |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

#### **G-024.2 Manufacturing Standards**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Scaling Rule</b> |
|----------------------|---------------|---------------------|
| 104588               | 01            | ES                  |

| <b>Average Log Length</b> | <b>Preferred Log Lengths</b> |
|---------------------------|------------------------------|
| N/A                       |                              |

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

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

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

#### **G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title               |
|----------|---------------------|
| A        | Sort Specifications |

#### **G-026.2 Log Delivery Destination**

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

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

Purchaser may refuse loads delivered to the wrong destination.

**G-027.2 Log Delivery Schedule and Conditions**

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.
- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
  1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
  2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as

the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

#### **G-030.2 Contract Term and Expiration Date**

Purchaser agrees to accept and pay for forest products delivered through the period ending January 31, 2024.

#### **G-050.2 Contract Term Extension**

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

#### **G-054.2 Early Contract Termination**

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

#### **G-056.2 Force Majeure**

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

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

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

#### **G-060.2 Exclusion of Warranties**

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

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.



- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

**G-065 Regulatory Disclaimer**

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

**G-070.2 Limitation on Damage**

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

**G-112.2 Title**

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

**G-116.2 Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: PwC-SFIFM-513.

**G-160.2 Agents**

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

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

**G-180 Modifications**

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

**G-190 Contract Complete**

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

**G-200.2 Notice**

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

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

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

**G-210.2 Violation of Contract**

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

**G-240.2 Dispute Resolution**

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

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

#### **G-252.2 Forest Excise Tax**

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

#### **G-253.2 Harvesting Cost Information**

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

#### **G-260 Venue**

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

#### **G-330.2 Contract Review**

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

### **Section P: Payments and Securities**

#### **P-010 Initial Deposit**

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

**P-028.2 Payment for Forest Products Delivered**

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

\$0.00/Ton

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

Purchaser will not be billed for any delivered logs that are scaled as containing metal.

**P-036.2 Missorts and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet the sorting specifications in G-022.2 are considered mis-sorts. Purchaser receiving mis-sort Forest Products is required to pay the State at the bid price under this contract.

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

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor\*

0.2 for diameter mis-sort

0.3 for high quality mis-sort

\*Logs eligible for payment reduction based on multiple reduction factors will be calculated at the higher payment reduction factor.

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

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

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

**P-037.2 Mismatch and Payment Reduction for Delivered Forest Products**

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

However, when mis-manufactured Forest Products amount to more than 8% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

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

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

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

### **P-039.2 Tonnage Sort Payment Reduction Requirements**

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

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

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

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

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

### **P-040.2 Weighing and Scaling Costs**

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

### **P-045.2 Guarantee of Payment**

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

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

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

**P-050.2 Billing and Payment Procedure for Forest Products Delivered**

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

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

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

**P-080 Payment Account Refund**

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

**Section L: Log Definitions and Accountability****L-010.2 Forest Products Conveyed**

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

**L-014.2 Sorts Delivered to Incorrect Destination**

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

**L-071.2 Log and Load Reporting Service**

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within 2 business day 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-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

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

**L-110 State Approval of Log Scaling and Weighing Locations**

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

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

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

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

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

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.



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

#### **D-027.2 Failure to Accept Forest Products Sold**

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

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

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

Where:

LD = Liquidated Damages

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

I = Initial Deposit

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

A = Administrative fee = \$2,500.00

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

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated

damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

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

Where:

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

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

#### **D-030.2 Inadequate Log Accountability**

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

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

SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

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

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_

My appointment expires \_\_\_\_\_

**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.

**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**LOG SALE AND PURCHASE CONTRACT**

**AGREEMENT NO. 30-0104589**

**SALE NAME: Q NARDOM SORT 02**

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

**Section G: General Terms**

**G-001.2 Definitions**

The following definitions apply throughout this contract;

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

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

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

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

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

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

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

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

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

**G-010.2 Products Sold and Sale Area**

Purchaser was the successful bidder on June 13, 2023 and sale was confirmed on \_\_\_\_\_. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the Q NARDOM SORTS Timber Sale described as parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., in Stevens County.

**G-022.2 Sorting Specifications**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Description</b> | <b>Destination</b> |
|----------------------|---------------|--------------------|--------------------|
| 104589               | 2             | DF/WL 11"+ dib     |                    |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

**G-024.2 Manufacturing Standards**

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

| Agreement No. | Sort # | Scaling Rule |
|---------------|--------|--------------|
| 104589        | 02     | ES           |

| Average Log Length | Preferred Log Lengths |
|--------------------|-----------------------|
| N/A                |                       |

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

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

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

#### **G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title               |
|----------|---------------------|
| A        | Sort Specifications |

#### **G-026.2 Log Delivery Destination**

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

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

Purchaser may refuse loads delivered to the wrong destination.



**G-027.2 Log Delivery Schedule and Conditions**

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.
- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
  1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
  2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as

the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

#### **G-030.2 Contract Term and Expiration Date**

Purchaser agrees to accept and pay for forest products delivered through the period ending January 31, 2024.

#### **G-050.2 Contract Term Extension**

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

#### **G-054.2 Early Contract Termination**

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

#### **G-056.2 Force Majeure**

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

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

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

#### **G-060.2 Exclusion of Warranties**

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

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.

- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

**G-065 Regulatory Disclaimer**

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

**G-070.2 Limitation on Damage**

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

**G-112.2 Title**

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

**G-116.2 Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: PwC-SFIFM-513.

**G-160.2 Agents**

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

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

**G-180 Modifications**

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

**G-190 Contract Complete**

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

**G-200.2 Notice**

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

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

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

**G-210.2 Violation of Contract**

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

**G-240.2 Dispute Resolution**

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

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

#### **G-252.2 Forest Excise Tax**

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

#### **G-253.2 Harvesting Cost Information**

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

#### **G-260 Venue**

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

#### **G-330.2 Contract Review**

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

### **Section P: Payments and Securities**

#### **P-010 Initial Deposit**

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

**P-028.2 Payment for Forest Products Delivered**

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

\$0.00/Ton

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

Purchaser will not be billed for any delivered logs that are scaled as containing metal.

**P-036.2 Missorts and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet the sorting specifications in G-022.2 are considered mis-sorts. Purchaser receiving mis-sort Forest Products is required to pay the State at the bid price under this contract.

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

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor\*

0.2 for diameter mis-sort

0.3 for high quality mis-sort

\*Logs eligible for payment reduction based on multiple reduction factors will be calculated at the higher payment reduction factor.

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

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

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

**P-037.2 Mismatch and Payment Reduction for Delivered Forest Products**

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

However, when mis-manufactured Forest Products amount to more than 8% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

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

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

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

### **P-039.2 Tonnage Sort Payment Reduction Requirements**

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

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

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

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

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

### **P-040.2 Weighing and Scaling Costs**

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

### **P-045.2 Guarantee of Payment**

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

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

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



**P-050.2 Billing and Payment Procedure for Forest Products Delivered**

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

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

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

**P-080 Payment Account Refund**

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

**Section L: Log Definitions and Accountability****L-010.2 Forest Products Conveyed**

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

**L-014.2 Sorts Delivered to Incorrect Destination**

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

**L-071.2 Log and Load Reporting Service**

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within 2 business day 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-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

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

**L-110 State Approval of Log Scaling and Weighing Locations**

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

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

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

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

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

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.

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

#### **D-027.2 Failure to Accept Forest Products Sold**

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

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

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

Where:

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

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated

damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

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

Where:

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

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

#### **D-030.2 Inadequate Log Accountability**

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

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

SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

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

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally  
appeared \_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_

My appointment expires \_\_\_\_\_

**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.

**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**LOG SALE AND PURCHASE CONTRACT**

**AGREEMENT NO. 30-0104590**

**SALE NAME: Q NARDOM SORT 03**

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

**Section G: General Terms**

**G-001.2 Definitions**

The following definitions apply throughout this contract;

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

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

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

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

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



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

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

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

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

#### **G-010.2 Products Sold and Sale Area**

Purchaser was the successful bidder on June 13, 2023 and sale was confirmed on \_\_\_\_\_. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the Q NARDOM SORTS Timber Sale described as parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., in Stevens County.

#### **G-022.2 Sorting Specifications**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Description</b>                          | <b>Destination</b> |
|----------------------|---------------|---|--------------------|
| 104590               | 3             | ES/GF/LP/WH & non-chuckable DF/WL 7-10" dib |                    |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

**G-024.2 Manufacturing Standards**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Scaling Rule</b> |
|----------------------|---------------|---------------------|
| 104590               | 03            | ES                  |

| <b>Average Log Length</b> | <b>Preferred Log Lengths</b> |
|---------------------------|------------------------------|
| N/A                       |                              |

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

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

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

**G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title               |
|----------|---------------------|
| A        | Sort Specifications |

**G-026.2 Log Delivery Destination**

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

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

Purchaser may refuse loads delivered to the wrong destination.

#### **G-027.2 Log Delivery Schedule and Conditions**

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.
- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
  1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
  2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates

the number of truck deliveries on any day will exceed the number listed above.

- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

#### **G-030.2 Contract Term and Expiration Date**

Purchaser agrees to accept and pay for forest products delivered through the period ending January 31, 2024.

#### **G-050.2 Contract Term Extension**

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

#### **G-054.2 Early Contract Termination**

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

#### **G-056.2 Force Majeure**

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

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

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

#### **G-060.2 Exclusion of Warranties**

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

SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

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

#### **G-065 Regulatory Disclaimer**

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

#### **G-070.2 Limitation on Damage**

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

#### **G-112.2 Title**

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

#### **G-116.2 Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: PwC-SFIFM-513.

#### **G-160.2 Agents**

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

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

#### **G-180 Modifications**

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

#### **G-190 Contract Complete**

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

#### **G-200.2 Notice**

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

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

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

#### **G-210.2 Violation of Contract**

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

**G-240.2 Dispute Resolution**

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

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

**G-252.2 Forest Excise Tax**

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

**G-253.2 Harvesting Cost Information**

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

**G-260 Venue**

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

**G-330.2 Contract Review**

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

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

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

to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

### **P-028.2 Payment for Forest Products Delivered**

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

\$0.00/Ton

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

Purchaser will not be billed for any delivered logs that are scaled as containing metal.

### **P-036.2 Missorts and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet the sorting specifications in G-022.2 are considered mis-sorts. Purchaser receiving mis-sort Forest Products is required to pay the State at the bid price under this contract.

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

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor\*

0.2 for diameter mis-sort

0.3 for high quality mis-sort

\*Logs eligible for payment reduction based on multiple reduction factors will be calculated at the higher payment reduction factor.



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

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

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

### **P-037.2 Mismanufacture and Payment Reduction for Delivered Forest Products**

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

However, when mis-manufactured Forest Products amount to more than 8% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

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

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

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

### **P-039.2 Tonnage Sort Payment Reduction Requirements**

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

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

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

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

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

### **P-040.2 Weighing and Scaling Costs**

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

### **P-045.2 Guarantee of Payment**

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

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

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

**P-050.2 Billing and Payment Procedure for Forest Products Delivered**

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

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

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

**P-080 Payment Account Refund**

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

**Section L: Log Definitions and Accountability****L-010.2 Forest Products Conveyed**

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

**L-014.2 Sorts Delivered to Incorrect Destination**

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

**L-071.2 Log and Load Reporting Service**

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within 2 business day 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-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

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

**L-110 State Approval of Log Scaling and Weighing Locations**

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

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

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

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

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

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.

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

#### **D-027.2 Failure to Accept Forest Products Sold**

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

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

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

Where:

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

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated

damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

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

Where:

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

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

#### **D-030.2 Inadequate Log Accountability**

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

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

SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

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

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally  
appeared \_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_

My appointment expires \_\_\_\_\_



**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.

**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**LOG SALE AND PURCHASE CONTRACT**

**AGREEMENT NO. 30-0104591**

**SALE NAME: Q NARDOM SORT 04**

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

**Section G: General Terms**

**G-001.2 Definitions**

The following definitions apply throughout this contract;

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

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

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

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

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

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

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

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

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

**G-010.2 Products Sold and Sale Area**

Purchaser was the successful bidder on June 13, 2023 and sale was confirmed on \_\_\_\_\_. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the Q NARDOM SORTS Timber Sale described as parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., in Stevens County.

**G-022.2 Sorting Specifications**

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

| Agreement No. | Sort # | Description                                | Destination |
|---------------|--------|--|-------------|
| 104591        | 4      | ES/GF/LP/WH & non-chuckable DF/WL 11"+ dib |             |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

**G-024.2 Manufacturing Standards**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Scaling Rule</b> |
|----------------------|---------------|---------------------|
| 104591               | 04            | ES                  |

| <b>Average Log Length</b> | <b>Preferred Log Lengths</b> |
|---------------------------|------------------------------|
| N/A                       |                              |

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

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

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

**G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title               |
|----------|---------------------|
| A        | Sort Specifications |

**G-026.2 Log Delivery Destination**

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

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

Purchaser may refuse loads delivered to the wrong destination.

#### **G-027.2 Log Delivery Schedule and Conditions**

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.
- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
  1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
  2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates

the number of truck deliveries on any day will exceed the number listed above.

- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

#### **G-030.2 Contract Term and Expiration Date**

Purchaser agrees to accept and pay for forest products delivered through the period ending January 31, 2024.

#### **G-050.2 Contract Term Extension**

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

#### **G-054.2 Early Contract Termination**

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

#### **G-056.2 Force Majeure**

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

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

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

#### **G-060.2 Exclusion of Warranties**

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

SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

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

#### **G-065 Regulatory Disclaimer**

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

#### **G-070.2 Limitation on Damage**

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

#### **G-112.2 Title**

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

#### **G-116.2 Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: PwC-SFIFM-513.

#### **G-160.2 Agents**

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

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

#### **G-180 Modifications**

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

#### **G-190 Contract Complete**

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

#### **G-200.2 Notice**

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

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

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

#### **G-210.2 Violation of Contract**

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



**G-240.2 Dispute Resolution**

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

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

**G-252.2 Forest Excise Tax**

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

**G-253.2 Harvesting Cost Information**

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

**G-260 Venue**

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

**G-330.2 Contract Review**

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

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

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

to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

### **P-028.2 Payment for Forest Products Delivered**

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

\$0.00/Ton

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

Purchaser will not be billed for any delivered logs that are scaled as containing metal.

### **P-036.2 Missorts and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet the sorting specifications in G-022.2 are considered mis-sorts. Purchaser receiving mis-sort Forest Products is required to pay the State at the bid price under this contract.

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

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor\*

0.2 for diameter mis-sort

0.3 for high quality mis-sort

\*Logs eligible for payment reduction based on multiple reduction factors will be calculated at the higher payment reduction factor.

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

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

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

### **P-037.2 Mismanufacture and Payment Reduction for Delivered Forest Products**

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

However, when mis-manufactured Forest Products amount to more than 8% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

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

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

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

### **P-039.2 Tonnage Sort Payment Reduction Requirements**

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

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

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

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

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

### **P-040.2 Weighing and Scaling Costs**

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

### **P-045.2 Guarantee of Payment**

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

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

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

**P-050.2 Billing and Payment Procedure for Forest Products Delivered**

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

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

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

**P-080 Payment Account Refund**

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

**Section L: Log Definitions and Accountability****L-010.2 Forest Products Conveyed**

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

**L-014.2 Sorts Delivered to Incorrect Destination**

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

**L-071.2 Log and Load Reporting Service**

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within 2 business day 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-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

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

**L-110 State Approval of Log Scaling and Weighing Locations**

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

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

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

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

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

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.

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

#### **D-027.2 Failure to Accept Forest Products Sold**

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

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

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

Where:

LD = Liquidated Damages

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

I = Initial Deposit

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

A = Administrative fee = \$2,500.00

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

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated

damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

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

Where:

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

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

#### **D-030.2 Inadequate Log Accountability**

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

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



SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

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

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally  
appeared \_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_

My appointment expires \_\_\_\_\_

**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.

**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**LOG SALE AND PURCHASE CONTRACT**

**AGREEMENT NO. 30-0104592**

**SALE NAME: Q NARDOM SORT 05**

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

**Section G: General Terms**

**G-001.2 Definitions**

The following definitions apply throughout this contract;

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

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

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

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

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

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

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

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

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

#### **G-010.2 Products Sold and Sale Area**

Purchaser was the successful bidder on June 13, 2023 and sale was confirmed on \_\_\_\_\_. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the Q NARDOM SORTS Timber Sale described as parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., in Stevens County.

#### **G-022.2 Sorting Specifications**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Description</b> | <b>Destination</b> |
|----------------------|---------------|--------------------|--------------------|
| 104592               | 5             | PP 6-10" dib       |                    |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

Unless otherwise listed in the table above, no blue stain is allowed in ponderosa pine sorts.

**G-024.2 Manufacturing Standards**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Scaling Rule</b> |
|----------------------|---------------|---------------------|
| 104592               | 05            | ES                  |

| <b>Average Log Length</b> | <b>Preferred Log Lengths</b> |
|---------------------------|------------------------------|
| N/A                       |                              |

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

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

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

**G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title               |
|----------|---------------------|
| A        | Sort Specifications |

**G-026.2 Log Delivery Destination**

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

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

Purchaser may refuse loads delivered to the wrong destination.

#### **G-027.2 Log Delivery Schedule and Conditions**

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.
- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
  1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
  2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates

the number of truck deliveries on any day will exceed the number listed above.

- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

#### **G-030.2 Contract Term and Expiration Date**

Purchaser agrees to accept and pay for forest products delivered through the period ending January 31, 2024.

#### **G-050.2 Contract Term Extension**

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

#### **G-054.2 Early Contract Termination**

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

#### **G-056.2 Force Majeure**

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

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

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

#### **G-060.2 Exclusion of Warranties**

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



SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

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

#### **G-065 Regulatory Disclaimer**

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

#### **G-070.2 Limitation on Damage**

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

#### **G-112.2 Title**

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

#### **G-116.2 Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: PwC-SFIFM-513.

#### **G-160.2 Agents**

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

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

**G-180 Modifications**

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

**G-190 Contract Complete**

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

**G-200.2 Notice**

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

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

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

**G-210.2 Violation of Contract**

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

**G-240.2 Dispute Resolution**

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

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

**G-252.2 Forest Excise Tax**

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

**G-253.2 Harvesting Cost Information**

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

**G-260 Venue**

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

**G-330.2 Contract Review**

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

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

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

to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

### **P-028.2 Payment for Forest Products Delivered**

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

\$0.00/Ton

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

Purchaser will not be billed for any delivered logs that are scaled as containing metal.

### **P-036.2 Missorts and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet the sorting specifications in G-022.2 are considered mis-sorts. Purchaser receiving mis-sort Forest Products is required to pay the State at the bid price under this contract.

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

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor\*

0.2 for diameter mis-sort

0.3 for high quality mis-sort

\*Logs eligible for payment reduction based on multiple reduction factors will be calculated at the higher payment reduction factor.

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

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

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

### **P-037.2 Mismanufacture and Payment Reduction for Delivered Forest Products**

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

However, when mis-manufactured Forest Products amount to more than 8% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

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

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

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

### **P-039.2 Tonnage Sort Payment Reduction Requirements**

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

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

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

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

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

### **P-040.2 Weighing and Scaling Costs**

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

### **P-045.2 Guarantee of Payment**

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

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

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

**P-050.2 Billing and Payment Procedure for Forest Products Delivered**

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

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

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

**P-080 Payment Account Refund**

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

**Section L: Log Definitions and Accountability****L-010.2 Forest Products Conveyed**

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

**L-014.2 Sorts Delivered to Incorrect Destination**

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

**L-071.2 Log and Load Reporting Service**

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within 2 business day 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-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

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

**L-110 State Approval of Log Scaling and Weighing Locations**

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

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

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

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

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

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.



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

#### **D-027.2 Failure to Accept Forest Products Sold**

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

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

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

Where:

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

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated

damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

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

Where:

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

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

#### **D-030.2 Inadequate Log Accountability**

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

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

SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

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

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally  
appeared \_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_

My appointment expires \_\_\_\_\_

**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.

**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**LOG SALE AND PURCHASE CONTRACT**

**AGREEMENT NO. 30-0104593**

**SALE NAME: Q NARDOM SORT 06**

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

**Section G: General Terms**

**G-001.2 Definitions**

The following definitions apply throughout this contract;

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

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

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

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

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

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

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

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

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

**G-010.2 Products Sold and Sale Area**

Purchaser was the successful bidder on June 13, 2023 and sale was confirmed on \_\_\_\_\_. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the Q NARDOM SORTS Timber Sale described as parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., in Stevens County.

**G-022.2 Sorting Specifications**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Description</b> | <b>Destination</b> |
|----------------------|---------------|--------------------|--------------------|
| 104593               | 6             | PP 11"+ dib        |                    |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

Unless otherwise listed in the table above, no blue stain is allowed in ponderosa pine sorts.

**G-024.2 Manufacturing Standards**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Scaling Rule</b> |
|----------------------|---------------|---------------------|
| 104593               | 06            | ES                  |

| <b>Average Log Length</b> | <b>Preferred Log Lengths</b> |
|---------------------------|------------------------------|
| N/A                       |                              |

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

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

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

**G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title               |
|----------|---------------------|
| A        | Sort Specifications |

**G-026.2 Log Delivery Destination**

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



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

Purchaser may refuse loads delivered to the wrong destination.

### **G-027.2 Log Delivery Schedule and Conditions**

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.
- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
  1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
  2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates

the number of truck deliveries on any day will exceed the number listed above.

- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

#### **G-030.2 Contract Term and Expiration Date**

Purchaser agrees to accept and pay for forest products delivered through the period ending January 31, 2024.

#### **G-050.2 Contract Term Extension**

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

#### **G-054.2 Early Contract Termination**

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

#### **G-056.2 Force Majeure**

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

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

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

#### **G-060.2 Exclusion of Warranties**

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

SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

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

#### **G-065 Regulatory Disclaimer**

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

#### **G-070.2 Limitation on Damage**

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

#### **G-112.2 Title**

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

#### **G-116.2 Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: PwC-SFIFM-513.

#### **G-160.2 Agents**

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

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

#### **G-180 Modifications**

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

#### **G-190 Contract Complete**

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

#### **G-200.2 Notice**

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

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

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

#### **G-210.2 Violation of Contract**

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

**G-240.2 Dispute Resolution**

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

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

**G-252.2 Forest Excise Tax**

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

**G-253.2 Harvesting Cost Information**

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

**G-260 Venue**

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

**G-330.2 Contract Review**

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

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

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

to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

### **P-028.2 Payment for Forest Products Delivered**

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

\$0.00/Ton

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

Purchaser will not be billed for any delivered logs that are scaled as containing metal.

### **P-036.2 Missorts and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet the sorting specifications in G-022.2 are considered mis-sorts. Purchaser receiving mis-sort Forest Products is required to pay the State at the bid price under this contract.

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

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor\*

0.2 for diameter mis-sort

0.3 for high quality mis-sort

\*Logs eligible for payment reduction based on multiple reduction factors will be calculated at the higher payment reduction factor.

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

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

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

**P-037.2 Mismanufacture and Payment Reduction for Delivered Forest Products**

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

However, when mis-manufactured Forest Products amount to more than 8% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

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

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

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

### **P-039.2 Tonnage Sort Payment Reduction Requirements**

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

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

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

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

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

### **P-040.2 Weighing and Scaling Costs**

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

### **P-045.2 Guarantee of Payment**

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

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

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



**P-050.2 Billing and Payment Procedure for Forest Products Delivered**

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

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

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

**P-080 Payment Account Refund**

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

**Section L: Log Definitions and Accountability****L-010.2 Forest Products Conveyed**

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

**L-014.2 Sorts Delivered to Incorrect Destination**

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

**L-071.2 Log and Load Reporting Service**

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within 2 business day 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-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

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

**L-110 State Approval of Log Scaling and Weighing Locations**

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

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

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

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

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

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.

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

#### **D-027.2 Failure to Accept Forest Products Sold**

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

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

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

Where:

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

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated

damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

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

Where:

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

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

#### **D-030.2 Inadequate Log Accountability**

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

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

SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

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

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally  
appeared \_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_

My appointment expires \_\_\_\_\_

**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.

**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**LOG SALE AND PURCHASE CONTRACT**

**AGREEMENT NO. 30-0104594**

**SALE NAME: Q NARDOM SORT 07**

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

**Section G: General Terms**

**G-001.2 Definitions**

The following definitions apply throughout this contract;

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

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

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

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

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



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

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

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

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

**G-010.2 Products Sold and Sale Area**

Purchaser was the successful bidder on June 13, 2023 and sale was confirmed on \_\_\_\_\_. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the Q NARDOM SORTS Timber Sale described as parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., in Stevens County.

**G-022.2 Sorting Specifications**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Description</b> | <b>Destination</b> |
|----------------------|---------------|--------------------|--------------------|
| 104594               | 7             | WRC 5"+ dib        |                    |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

**G-024.2 Manufacturing Standards**

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

| Agreement No. | Sort # | Scaling Rule |
|---------------|--------|--------------|
| 104594        | 07     | ES           |

| Average Log Length | Preferred Log Lengths |
|--------------------|-----------------------|
| N/A                |                       |

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

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

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

#### **G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title               |
|----------|---------------------|
| A        | Sort Specifications |

#### **G-026.2 Log Delivery Destination**

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

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

Purchaser may refuse loads delivered to the wrong destination.

**G-027.2 Log Delivery Schedule and Conditions**

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.
- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
  1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
  2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates the number of truck deliveries on any day will exceed the number listed above.
- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as

the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

#### **G-030.2 Contract Term and Expiration Date**

Purchaser agrees to accept and pay for forest products delivered through the period ending January 31, 2024.

#### **G-050.2 Contract Term Extension**

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

#### **G-054.2 Early Contract Termination**

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

#### **G-056.2 Force Majeure**

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

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

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

#### **G-060.2 Exclusion of Warranties**

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

- a. The MERCHANTABILITY of the forest products. The use of the term "merchantable" in any document is not intended to vary the foregoing.

- b. The CONDITION of the forest products. The forest products will be conveyed "AS IS."
- c. THE VOLUME, WEIGHT, QUANTITY, OR QUALITY, of the forest products to be harvested. The descriptions of the forest products to be conveyed, are estimates only, made solely for administrative and identification purposes. The timing of forest product deliveries.
- d. Items contained in any other documents prepared for or by the State.

**G-065 Regulatory Disclaimer**

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

**G-070.2 Limitation on Damage**

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

**G-112.2 Title**

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

**G-116.2 Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: PwC-SFIFM-513.

**G-160.2 Agents**

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

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

**G-180 Modifications**

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

**G-190 Contract Complete**

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

**G-200.2 Notice**

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

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

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

**G-210.2 Violation of Contract**

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

**G-240.2 Dispute Resolution**

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

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

#### **G-252.2 Forest Excise Tax**

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

#### **G-253.2 Harvesting Cost Information**

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

#### **G-260 Venue**

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

#### **G-330.2 Contract Review**

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

### **Section P: Payments and Securities**

#### **P-010 Initial Deposit**

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

**P-028.2 Payment for Forest Products Delivered**

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

\$0.00/Ton

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

Purchaser will not be billed for any delivered logs that are scaled as containing metal.

**P-036.2 Missorts and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet the sorting specifications in G-022.2 are considered mis-sorts. Purchaser receiving mis-sort Forest Products is required to pay the State at the bid price under this contract.

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

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor\*

0.2 for diameter mis-sort

0.3 for high quality mis-sort

\*Logs eligible for payment reduction based on multiple reduction factors will be calculated at the higher payment reduction factor.

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



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

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

**P-037.2 Mismatch and Payment Reduction for Delivered Forest Products**

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

However, when mis-manufactured Forest Products amount to more than 8% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

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

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

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

**P-039.2 Tonnage Sort Payment Reduction Requirements**

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

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

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

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

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

**P-040.2 Weighing and Scaling Costs**

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

**P-045.2 Guarantee of Payment**

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

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

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

**P-050.2 Billing and Payment Procedure for Forest Products Delivered**

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

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

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

**P-080 Payment Account Refund**

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

**Section L: Log Definitions and Accountability****L-010.2 Forest Products Conveyed**

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

**L-014.2 Sorts Delivered to Incorrect Destination**

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

**L-071.2 Log and Load Reporting Service**

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within 2 business day 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-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

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

**L-110 State Approval of Log Scaling and Weighing Locations**

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

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

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

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

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

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.

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

#### **D-027.2 Failure to Accept Forest Products Sold**

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

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

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

Where:

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

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated

damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

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

Where:

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

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

#### **D-030.2 Inadequate Log Accountability**

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

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

SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

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

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally  
appeared \_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_  
My appointment expires \_\_\_\_\_



**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.

**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**LOG SALE AND PURCHASE CONTRACT**

**AGREEMENT NO. 30-0104595**

**SALE NAME: Q NARDOM SORT 08**

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

**Section G: General Terms**

**G-001.2 Definitions**

The following definitions apply throughout this contract;

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

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

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

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

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

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

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

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

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

**G-010.2 Products Sold and Sale Area**

Purchaser was the successful bidder on June 13, 2023 and sale was confirmed on \_\_\_\_\_. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the Q NARDOM SORTS Timber Sale described as parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., in Stevens County.

**G-022.2 Sorting Specifications**

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

| Agreement No. | Sort # | Description                | Destination |
|---------------|--------|----------------------------|-------------|
| 104595        | 8      | DF/WL/ES/GF/LP/WH 5-6" dib |             |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

**G-024.2 Manufacturing Standards**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Scaling Rule</b> |
|----------------------|---------------|---------------------|
| 104595               | 08            | ES                  |

| <b>Average Log Length</b> | <b>Preferred Log Lengths</b> |
|---------------------------|------------------------------|
| N/A                       |                              |

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

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

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

**G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title               |
|----------|---------------------|
| A        | Sort Specifications |

**G-026.2 Log Delivery Destination**

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

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

Purchaser may refuse loads delivered to the wrong destination.

#### **G-027.2 Log Delivery Schedule and Conditions**

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.
- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
  1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
  2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates

the number of truck deliveries on any day will exceed the number listed above.

- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

#### **G-030.2 Contract Term and Expiration Date**

Purchaser agrees to accept and pay for forest products delivered through the period ending January 31, 2024.

#### **G-050.2 Contract Term Extension**

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

#### **G-054.2 Early Contract Termination**

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

#### **G-056.2 Force Majeure**

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

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

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

#### **G-060.2 Exclusion of Warranties**

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

SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

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

#### **G-065 Regulatory Disclaimer**

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

#### **G-070.2 Limitation on Damage**

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

#### **G-112.2 Title**

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

#### **G-116.2 Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: PwC-SFIFM-513.

#### **G-160.2 Agents**

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

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

**G-180 Modifications**

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

**G-190 Contract Complete**

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

**G-200.2 Notice**

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

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

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

**G-210.2 Violation of Contract**

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



**G-240.2 Dispute Resolution**

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

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

**G-252.2 Forest Excise Tax**

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

**G-253.2 Harvesting Cost Information**

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

**G-260 Venue**

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

**G-330.2 Contract Review**

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

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

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

to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

### **P-028.2 Payment for Forest Products Delivered**

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

\$0.00/Ton

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

Purchaser will not be billed for any delivered logs that are scaled as containing metal.

### **P-036.2 Missorts and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet the sorting specifications in G-022.2 are considered mis-sorts. Purchaser receiving mis-sort Forest Products is required to pay the State at the bid price under this contract.

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

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor\*

0.2 for diameter mis-sort

0.3 for high quality mis-sort

\*Logs eligible for payment reduction based on multiple reduction factors will be calculated at the higher payment reduction factor.

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

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

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

### **P-037.2 Mismanufacture and Payment Reduction for Delivered Forest Products**

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

However, when mis-manufactured Forest Products amount to more than 8% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

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

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

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

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

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

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

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

### **P-039.2 Tonnage Sort Payment Reduction Requirements**

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

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

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

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

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

### **P-040.2 Weighing and Scaling Costs**

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

### **P-045.2 Guarantee of Payment**

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

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

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

**P-050.2 Billing and Payment Procedure for Forest Products Delivered**

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

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

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

**P-080 Payment Account Refund**

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

**Section L: Log Definitions and Accountability****L-010.2 Forest Products Conveyed**

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

**L-014.2 Sorts Delivered to Incorrect Destination**

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

**L-071.2 Log and Load Reporting Service**

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within 2 business day 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-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

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

**L-110 State Approval of Log Scaling and Weighing Locations**

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

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

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

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

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

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.

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

#### **D-027.2 Failure to Accept Forest Products Sold**

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

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

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

Where:

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

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated

damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

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

Where:

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

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

#### **D-030.2 Inadequate Log Accountability**

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

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



SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

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

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_

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

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

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_

My appointment expires \_\_\_\_\_

**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.

**STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES**

**LOG SALE AND PURCHASE CONTRACT**

**AGREEMENT NO. 30-0104596**

**SALE NAME: Q NARDOM SORT 09**

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

**Section G: General Terms**

**G-001.2 Definitions**

The following definitions apply throughout this contract;

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

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

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

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

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

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

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

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

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

#### **G-010.2 Products Sold and Sale Area**

Purchaser was the successful bidder on June 13, 2023 and sale was confirmed on \_\_\_\_\_. The State, as owner, agrees to sell and deliver to the Purchaser logs meeting the log sort specifications as described in the G-022.2 clause. Logs will be delivered from the Q NARDOM SORTS Timber Sale described as parts of Sections 2, 10, 11, and 12 all in Township 35 North, Range 40 East W.M., in Stevens County.

#### **G-022.2 Sorting Specifications**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Description</b>                         | <b>Destination</b> |
|----------------------|---------------|--|--------------------|
| 104596               | 9             | All conifer species except WRC 2"+ utility |                    |

HQ: Surface characteristics for high quality (HQ) log sorts will have sound tight knots not to exceed 1.5 inches in diameter, may include logs with not more than two larger knots up to 2.5 inches in diameter. Logs will have a growth ring count of 6 or more rings per inch in the outer third of the top end of the log.

**G-024.2 Manufacturing Standards**

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

| <b>Agreement No.</b> | <b>Sort #</b> | <b>Scaling Rule</b> |
|----------------------|---------------|---------------------|
| 104596               | 09            | ES                  |

| <b>Average Log Length</b> | <b>Preferred Log Lengths</b> |
|---------------------------|------------------------------|
| N/A                       |                              |

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

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

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

**G-025 Schedules**

The following attached schedules are hereby incorporated by reference:

| Schedule | Title               |
|----------|---------------------|
| A        | Sort Specifications |

**G-026.2 Log Delivery Destination**

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

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

Purchaser may refuse loads delivered to the wrong destination.

#### **G-027.2 Log Delivery Schedule and Conditions**

- a. Delivery hours - Purchaser agrees to accept logs from the Contractor at the Purchaser's delivery location during Purchaser's working hours or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except legal holidays unless otherwise agreed upon by the State.
- b. Improperly loaded trucks - It is understood and agreed that the Purchaser incurs no obligation to accept improperly or illegally loaded trucks in its facility. Any truck so loaded may be directed to vacate the yard and shall remain the responsibility of the harvesting contractor. The Purchaser shall notify the State within 24 hours of any load (s) rejected and specify the reasons why.
- c. Log Delivery Interruptions - Purchaser may schedule times in which delivery of logs will not be accepted. The Purchaser shall notify the Contract Administrator at least five (5) working days before the scheduled interruption or closure occurs. The duration of the log delivery interruption shall not exceed seven (7) consecutive working days or a total of ten (10) working days over the duration of the contract term. If Purchaser's scheduled delivery interruption exceeds contract requirements and causes the State harm, Purchaser will be in breach of contract and subject to liquidated damages as per the D-026.2 and D-027.2 clauses, unless Purchaser and the State have made a prior agreement in writing to mitigate potential harm to the State.
- d. Required Acceptance of Daily Load Deliveries and Notification - If the State is harmed by purchaser's refusal to accept up to 10 truck deliveries of any one sort per day, Purchaser will be in breach of contract and subject to damages as per the D-026.2 and D-027.2 clauses. A truck delivery is all the wood delivered including sorts on super trucks, mule trains and pups brought to the delivery point by a single truck. The Purchaser shall notify the Contract Administrator at least 48 hours in advance if:
  1. Purchaser intends to limit the number of truck deliveries accepted on any day to less than that listed above, or
  2. Purchaser intends to limit the number of truck deliveries accepted on any day to the number listed above.
- e. State Notification to Purchaser - The State will notify the Purchaser when it anticipates or schedules an interruption of deliveries and when it anticipates

the number of truck deliveries on any day will exceed the number listed above.

- f. If payments are not received or, the State determines that the payment security has become unsatisfactory or, a demand is made against the payment security under the P-045.2 clause the State shall suspend deliveries until such time as the violation has been remedied. Any suspension of deliveries due to late payment or inadequate payment security will be considered a Log Delivery Interruption under (c) of this clause.

#### **G-030.2 Contract Term and Expiration Date**

Purchaser agrees to accept and pay for forest products delivered through the period ending January 31, 2024.

#### **G-050.2 Contract Term Extension**

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

#### **G-054.2 Early Contract Termination**

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

#### **G-056.2 Force Majeure**

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

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

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

#### **G-060.2 Exclusion of Warranties**

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



SPECIFIC MATTERS ARE NOT WARRANTED, and are EXCLUDED from this transaction:

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

#### **G-065 Regulatory Disclaimer**

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

#### **G-070.2 Limitation on Damage**

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

#### **G-112.2 Title**

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

#### **G-116.2 Sustainable Forestry Initiative® (SFI) Certification**

Forest products purchased under this contract are certified as being in conformance with the Sustainable Forestry Initiative program Standard under certificate number: PwC-SFIFM-513.

#### **G-160.2 Agents**

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

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

#### **G-180 Modifications**

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

#### **G-190 Contract Complete**

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

#### **G-200.2 Notice**

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

G-026.2 Log Delivery Destination

G-027.2 Log Delivery and Schedule Conditions

G-210.2 Violation of Contract

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

#### **G-210.2 Violation of Contract**

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

**G-240.2 Dispute Resolution**

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

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

**G-252.2 Forest Excise Tax**

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

**G-253.2 Harvesting Cost Information**

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

**G-260 Venue**

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

**G-330.2 Contract Review**

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

**Section P: Payments and Securities****P-010 Initial Deposit**

Purchaser paid DATA MISSING initial deposit, which will be maintained pursuant to RCW 79.15.100(3). If the operating authority on this contract expires without Purchaser's payment of the full amount specified in the 'Payment for Forest Products' clause, the initial deposit will be immediately forfeited to the State, and will be offset against Purchaser's remaining balance due. Any excess initial deposit funds not needed

to ensure full payment of the contract price, or not needed to complete any remaining obligations of the Purchaser existing after contract expiration, will be refunded to the Purchaser.

### **P-028.2 Payment for Forest Products Delivered**

Purchaser agrees to pay the State for delivered forest products at the following rate:

\$0.00/Ton

Purchaser agrees to increase the above delivered payment rate as approved by the State in the event the location of delivery is changed per the G-026.2 clause.

Purchaser will not be billed for any delivered logs that are scaled as containing metal.

### **P-036.2 Missorts and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet the sorting specifications in G-022.2 are considered mis-sorts. Purchaser receiving mis-sort Forest Products is required to pay the State at the bid price under this contract.

However, when mis-sorted Forest Products amount to more than 5% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-sort threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-sort payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-sort price reduction are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-sorted will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times R$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-sorted volume exceeding threshold excluding utility

R = Reduction factor\*

0.2 for diameter mis-sort

0.3 for high quality mis-sort

\*Logs eligible for payment reduction based on multiple reduction factors will be calculated at the higher payment reduction factor.

Third-party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-sort payment reduction eligibility must be obtained from roll-out scale. Truck-ramp, sample scaling, and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-sorts shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code

### **P-037.2 Mismanufacture and Payment Reduction for Delivered Forest Products**

Forest Products delivered that do not meet preferred log length specifications or multiples or combinations of preferred lengths and Forest Products delivered not meeting manufacturing standards as described in clause G-024.2 are considered mis-manufactured. Purchaser receiving mis-manufactured Forest Products is required to pay the State at the bid price under this contract.

However, when mis-manufactured Forest Products amount to more than 8% of the total delivered sort volume, Purchaser may request approval for payment reduction for delivered volume exceeding the mis-manufacture threshold.

Requests for payment reduction must be submitted to the State in writing prior to contract expiration. Eligibility for mis-manufacture payment reduction is subject to State approval and shall be determined by the State's delivered product analysis. Forest Products determined by the State eligible for mis-manufacture price reductions are not eligible for any other price adjustments.

Payment reduction for Forest Products deemed mis-manufactured will be calculated as follows:

$$\text{Payment Reduction} = (B \times M) \times (0.2)$$

Where:

B = Bid rate from P-028.2 clause

M = Mis-manufactured volume exceeding threshold excluding utility

Third-party scaling organization information is required to determine Scribner mbf for payment reduction purposes. Value will be derived from the applicable sort value as described in this contract.

Scale information for determining mis-manufacture payment reduction eligibility must be obtained from roll-out scale. Truck-ramp, sample scaling, and/or bundle scaling information is not acceptable for determining eligibility.

Purchaser's exclusive remedy for mis-manufacture shall be the payment reduction described in this clause, notwithstanding other provisions in the Uniform Commercial Code.

### **P-039.2 Tonnage Sort Payment Reduction Requirements**

Purchaser must provide a plan in writing, acceptable to the State, to acquire third party Scribner mbf scaling information in order to be eligible for a payment reduction for a tonnage sort according to clauses P-036.2 or P-037.2. Logs delivered and accepted by the Purchaser prior to the State's acceptance of Purchaser's written payment reduction plan are not eligible for payment reduction.

Failure of Purchaser to provide sample scale data in a timely, accurate and legible basis will void an approved sample scale plan.

An approved payment reduction plan can be voided at the sole discretion of the State.

For the purpose of tonnage sort payment reduction requests, preferred log lengths for tonnage sawlog sorts shall include the following plus any additional lengths identified in clause G-024.2:

| Species Type   | Preferred Lengths                      |
|----------------|--|
| Conifer Sorts  | 16', 20', 24', 26', 32', 40'           |
| Hardwood Sorts | 18', 20', 26', 28', 30', 36', 38', 40' |

### **P-040.2 Weighing and Scaling Costs**

Purchaser agrees to pay for all weighing costs for logs delivered regardless if logs are purchased on a weight or scale basis. In addition, Purchaser agrees to pay for all scaling costs for logs delivered on a scale basis. Purchaser also agrees to pay for all costs associated with the transmission and reporting of scale or weight data.

### **P-045.2 Guarantee of Payment**

Prior to the delivery of forest products and at a date determined by the State, Purchaser shall guarantee payment to the State for products delivered by posting with the State an approved payment security. If the Purchaser has purchased more than one sort, the payment securities may be consolidated for all the sorts. Acceptable payment security includes cash, certificate of deposit assignment, payment bond, savings account assignment, or irrevocable bank letter of credit.

The amount of payment security shall be determined by the State. The amount of payment security shall represent at least 30 days value of forest product deliveries. Payment security for products delivered will be used to guarantee payment to the State for late or non-payments.

If at any time the State determines that the security has become unsatisfactory or a demand is made against the payment security, the Purchaser agrees to increase the amount or replace the security with one acceptable to the State within 5 business days. Failure to increase the amount or replace the security is considered a breach of contract.

**P-050.2 Billing and Payment Procedure for Forest Products Delivered**

The State will compute and forward to Purchaser a billing statement of charges for forest products delivered during the billing period at the delivered rate shown in P-028.2 clause. After receipt of the billing statement, Purchaser's payment must be received by the Department of Natural Resources on or before the due date shown on the billing statement. Purchaser agrees to make payment, payable to the Department of Natural Resources. Failure to pay on time for forest products delivered is considered a breach of contract.

Included with the billing statement will be a summary report for the billing period compiled by the State or their log and load reporting service.

The State will adjust final billings to account for any State approved payment reductions.

**P-080 Payment Account Refund**

Advance payments made under P-045 or P-045.2 remaining on account above the value for the charges shall be returned to Purchaser within 30 days following the final report of charges. Refunds not made within the 30 day period will accrue interest at the interest rate, as established by WAC 332-100-030, computed on a daily basis until paid.

**Section L: Log Definitions and Accountability****L-010.2 Forest Products Conveyed**

Forest products conveyed are logs or parts of logs delivered meeting the sorting criteria defined by clause G-022.2 and manufacturing standards defined by clause G-024.2 of this contract

**L-014.2 Sorts Delivered to Incorrect Destination**

Purchaser has agreed to purchase the sort as described in the G-022.2 clause. In the event a load from a different sort is delivered to Purchaser, Purchaser may reject the load. If Purchaser receives an incorrectly delivered load, they shall notify the State within 24 hours. If the Purchaser accepts the load, provisions in the P-035.2 or P-036.2 clause may apply.

**L-071.2 Log and Load Reporting Service**

This contract may at the States discretion, require the services of a State approved third party log and load reporting service. Purchaser shall ensure log volume measurement, weight, or scale and weight data for each load is received by the log and load reporting service within 2 business day 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-090 Scaling Rules**

Determination of volume of any forest products shall be conducted by a state approved third party scaling organization and in accordance with the Eastside log scaling and grading rules, Region 6 taper rules, and Scribner Volume Table, revised July 1, 1972, contained in the Northwest Log Rules Eastside and Westside Log Scaling Handbook (developed and produced by the Northwest Log Rules Advisory Group) and in effect on the date of confirmation of this contract.

Special scaling specifications shall be noted on the State's Brand Designation form which is hereby incorporated to this contract by reference.

**L-110 State Approval of Log Scaling and Weighing Locations**

Forest Product measurement and weighing facilities required by this contract must be approved by the State. Forest products sold under the contract which require log scaling shall be scaled, measured, or counted by a State approved third party log scaling organization. Forest products sold under the contract which require weighing shall be weighed at a location that meets Washington State Department of Agriculture approval.

Prior to forest products being hauled, the Contract Administrator must authorize in writing the use of State approved measurement and/or weighing facilities that are at or enroute to final destinations. Forest products from this sale shall be measured or weighed at facilities, which are currently approved for use by the State and are currently authorized for this sale. The State reserves the right to verify load volume and weights with State employees or contractors at the State's own expense. The State reserves the right to revoke the authorization of previously approved measurement locations.

**Section D: Damages****D-010 Liquidated Damages**

The clauses in the DAMAGES section of this contract provide for payments by Purchaser to the State for certain breaches of the terms of this contract. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State caused by Purchaser's breach. These liquidated damages provisions are agreed to by the State and Purchaser with the understanding of the difficulty of proving loss and the inconvenience or infeasibility of obtaining an adequate remedy. These liquidated damages provisions provide greater certainty for the Purchaser by allowing the Purchaser to better assess its responsibilities under the contract.

**D-026.2 Damages for Delivery Interruptions and Load Non-Acceptance**

- a. Purchaser's failure to accept delivery of forest products due to an extended delivery interruption exceeding the limits as described in the G-027.2 (c) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$1,000.00 per each day of breach, until breach is remedied.



- b. Unless Purchaser and the State have made a prior agreement in writing, Purchaser's failure to accept at least the number of delivered loads as described in the G-027.2 (d) clause, results in substantial injury to the State. The Purchaser shall pay the State liquidated damages at a rate of \$200 per each truck delivery not accepted, until breach is remedied.

#### **D-027.2 Failure to Accept Forest Products Sold**

Purchaser's failure to accept all or part of the forest products sold in this agreement prior to expiration or completion of the contract results in substantial injury to the State. Except for reasons other than 'Force Majeure' (G-056.2), either section a. or b. below will apply as determined by the State.

- a. When Purchaser's refusal to accept forest products does not prevent further harvesting operations, or forest products can be re-sold to another buyer acceptable to the State, Purchaser shall be liable for and pay State for actual damages plus costs, as determined by the State associated with the administration and re-sale of forest products not accepted by Purchaser under the terms of this contract.
- b. When Purchaser's refusal to accept forest products causes a stoppage of the State's harvesting operations and prevents the State from further harvest of the sale area, the actual damage to the State and associated costs are difficult to assess. The remaining value of all the forest products left in the sale area once the stoppage occurs is not readily ascertainable. Purchaser's failure to perform disrupts the State's management plans. Therefore, Purchaser agrees to pay the State as liquidated damages, a sum calculated using the following formula:

$$LD = (.35V - I) + C + A - P$$

Where:

- LD = Liquidated Damages  
V = The stumpage value remaining in the sale area at the date of work stoppage. This will be determined by multiplying the contract bid rate contained in the P-028.2 clause for all sorts originating in the sale area, by the State's estimate of the remaining volume, less the cost of harvesting and delivery associated with each sort.  
I = Initial Deposit  
C = Costs associated with required harvesting services and road construction services prior to work stoppage but not amortized or paid.  
A = Administrative fee = \$2,500.00  
P = Advance payments received exceeding the value of logs delivered under this contract.

The above formula reflects the Purchaser's forfeiture of the initial deposit in accordance with clause P-010 by deducting the initial deposit from the amount owed. In no event shall the liquidated damages be less than zero. Interest on the liquidated

damage is owed from the date of the work stoppage until final payment, calculated using the following formula:

$$\text{Interest} = r \times \text{LD} \times N$$

Where:

r = daily equivalent of an annual interest at current interest rate as established by WAC 332-100-030.

N = Number of days from work stoppage to time of payment

#### **D-030.2 Inadequate Log Accountability**

Failure to provide weighing and third party scaling information result in substantial injury to the State. The potential loss of accountability is not readily ascertainable. These contractual breaches result in an increase in the potential for the delivery of forest products for which the State receives inadequate payment and causes an increase in the State's administration costs associated with this contract. The actual costs of these breaches are difficult to assess.

For these reasons, Purchaser's payments for forest product delivery under this contract will be increased in the following amounts, as liquidated damages, to compensate the State for these breaches: \$250.00 each time a load weight is not provided as required by the contract, and \$250.00 each time load scale data is not determined and provided by a State approved third party scaling organization in accordance with this contract.

SIGNATURES

This agreement may be executed in any number of counterparts (including by electronic mail in portable document format (.pdf), or by facsimile) each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement binding on all parties.

IN WITNESS WHEREOF, the Parties hereto have entered into this contract.

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Pat Ryan Acting  
Northeast Region Manager

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT  
(Required for both LLC and Inc. Entities)

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally  
appeared \_\_\_\_\_

\_\_\_\_\_ to me known to be the  
\_\_\_\_\_ of the corporation  
that executed the within and foregoing instrument and acknowledged said instrument to be the  
free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned,  
and on oath stated that (he/she was) (they were) authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and  
year first above written.

\_\_\_\_\_  
Notary Public in and for the State of

\_\_\_\_\_  
My appointment expires \_\_\_\_\_

**Schedule A**  
**Sort Specifications**

Sort #1: Douglas-fir and western larch 7 inches to 10 inches in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #3. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #3.

Sort #2: Douglas-fir and western larch 11 inches and greater in diameter inside the bark. If Purchaser designates peeler lengths, then chuckability standards apply to the logs. Non-chuckable logs will be delivered to the Purchaser of Sort #4. If the Purchaser designates sawlog lengths, then all Douglas-fir and western larch sawlogs will be delivered to the Purchaser of this sort and none will be delivered to the Purchaser of Sort #4.

Sort #3: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 7 inches to 10 inches in diameter inside the bark. See Sort #1 description for handling procedures for Douglas-fir and western larch.

Sort #4: Lodgepole pine, grand fir, Engelmann spruce, and western hemlock 11 inches and greater in diameter inside the bark. See Sort #2 description for handling procedures for Douglas-fir and western larch.

Sort #5: Ponderosa pine 6 inches to 10 inches in diameter inside the bark.

Sort #6: Ponderosa pine 11 inches and greater in diameter inside the bark.

Sort #7: Western red cedar 5 inches and greater in diameter inside the bark.

Sort #8: Douglas-fir, western larch, lodgepole pine, grand fir, Engelmann spruce and western hemlock 5 inches to 6 inches in diameter inside the bark.

Sort #9: All conifer species except western red cedar 2 inches and greater in diameter inside the bark utility.



## WASHINGTON STATE DEPARTMENT OF NATURAL RESOURCES

### FOREST EXCISE TAX ROAD SUMMARY SHEET

**Region:** Northeast

**Timber Sale Name:** Q NARDOM SORTS

**Application Number:** 30- 103927

#### EXCISE TAX APPLICABLE ACTIVITIES

**Construction:** 3,862 linear feet  
*Road to be constructed (optional and required) but not abandoned*

**Reconstruction:** 22,784 linear feet  
*Road to be reconstructed (optional and required) but not abandoned*

**Abandonment:** 0 linear feet  
*Abandonment of existing roads not reconstructed under the contract*

**Decommission:** 0 linear feet  
*Road to be made undriveable but not officially abandoned.*

**Pre-Haul Maintenance:** 37,549 linear feet  
*Existing road to receive maintenance work (optional and required) prior to haul*

#### EXCISE TAX EXEMPT ACTIVITIES

**Temporary Construction:** 0 linear feet  
*Roads to be constructed (optional and required) and then abandoned*

0 linear feet

**Temporary Reconstruction:**  
*Roads to be reconstructed (optional and required) and then abandoned*

All parties must make their own assessment of the taxable or non-taxable status of any work performed under the timber sale contract. The Department of Revenue bears responsibility for determining forest road excise taxes. The Department of Natural Resources developed this form to help estimate the impact of forest excise taxes. However, the information provided may not precisely calculate the actual amount of taxes due. The Department of Revenue is available for consultation by calling 1.800.548.8829.

(Revised 9/18)

## Timber Sale Cruise Report Nardom Sorts

**Sale Name:** Q NARDOM SORTS

**Sale Type:** SORT

**Region:** NORTHEAST

**District:** NO COLUMBIA

**Lead Cruiser:** Jake Culp

**Other Cruisers:**Kevin Parkinson

**Cruise Narrative:**

Location:

Legal - Sections 2, 10, 11, and 12 of T35N R40E.

General - Approx. 7 miles E. of Colville, WA in Stevens County

Access - Units 1 through 5 are accessed from Old Dominion Rd. via Prouty Loop Rd. Unit 6 is best accessed from Seigel Hill Rd. via Hwy. 20.

**Cruise Design:**

-This sale was cruised using variable radius plots, utilizing the cruise-count method. The walk-through method was used on plots near boundaries. RW5 was cruised using the ITS (Individual Tree Sampling) method.

-Minor species cruise intensity: We grade the first tree of all minor species encountered; then follow the set cruise design.

-Min. DBH: 8" DBH for PP and RC, 7" DBH for all other species

-Log Length: 32' logs where possible, minimum of 12' lengths

-Top DIB: Trees less than 17.5" DBH have a minimum top of 4.6" DIB for all species; Trees 17.6" and greater DBH have a minimum top DOB of 40% of DOB at 16' or a 6" top, whichever is greater.

**Take/Leave Prescription:**

Cut all trees not marked with blue paint, including dead standing and down Douglas fir and western larch. Leave all hardwoods. Leave all trees within tagged "Leave Tree Areas".

**Cruise Acres determination:**

FMA unit acreages with existing road and RMZ acreages removed.

**Stand composition:**

The stands are comprised of second growth, even aged Douglas fir, grand fir, western red cedar, lodgepole pine, and western larch with minor components of ponderosa pine, western hemlock, and Engelmann spruce. Large residual trees and legacy trees are found within the sale area.

**Timber quality:**

Timber to be harvested is comprised of domestic quality Douglas fir (47%), grand fir (18%), western red cedar (12%), lodgepole pine (12%), western larch (7%), ponderosa pine (2%), western hemlock (1%), and Engelmann spruce (<1%). The majority of the sale volume will come from 2 and 3 Saw Douglas fir. Pole quality western red cedar can be found in Units 3 and 4. In addition, pole quality western red cedar was also seen in Units 5 and 6 even though no poles fell on plots in these Units.

**Stand health/defect:**

Defect in this sale is generally low, averaging about 3%, with the majority coming from sweep, crooks, and forks. Many of the larger RC are hollow in the lower portions of the butt segment. Root rot can be found throughout the sale area, generally in small pockets, however some are up to a couple acres in size. Dwarf mistletoe can also be found in small amounts throughout the sale, affecting the DF and WL. Unit 6 contains many dead/dying grand fir, estimated to be around 15-20% by quick visual inspection. The cause of mortality

is suspected to be fir engraver.

Aspect:

South, Southwest, Southeast.

Elevation:

3000'-3600'

Harvesting methods:

100% ground based.

Slope:

Unit 1- Max 30%, Avg. 11%

Unit 2- Max 27%, Avg. 8%

Unit 3- Max 14%, Avg. 4%

Unit 4- Max 25%, Avg. 9%

Unit 5- Max 25%, Avg. 10%

Unit 6- Max 15%, Avg. 5%

Other considerations/remarks:

None

Trust:

This sale is 88% in Trust #8 and 12% in Trust #5.

Unit 1: Trust 8- 284.8 MBF

Unit 2: Trust 8- 1008.8 MBF

Unit 3: Trust 8- 959.7 MBF

Unit 4: Trust 8- 1296.5 MBF

Unit 5: Trust 8- 1192.6 MBF, Trust 5- 614.4 MBF

Unit 6: Trust 8- 1089.3 MBF, Trust 5- 289.5 MBF

RW1: Trust 8- 4.5 MBF

RW2: Trust 8- 40.7 MBF

RW3: Trust 8- 6.9 MBF

RW4: Trust 5- 45.7 MBF

RW5: Trust 8- 56.8 MBF

**Timber Sale Notice Volume (MBF)**

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |       | Utility |
|-----|------|----------|-----|---------------------|-------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | 5 Saw |         |
| DF  | 14.1 |          |     | 3,236               | 1,065 | 1,668 | 373   |       | 131     |
| GF  | 12.2 |          |     | 1,247               | 408   | 606   | 152   |       | 81      |
| LP  | 11.2 |          |     | 824                 | 12    | 553   | 182   |       | 78      |
| RC  | 14.5 |          |     | 807                 |       | 685   | 122   |       |         |
| WL  | 13.6 |          |     | 502                 | 26    | 398   | 70    |       | 9       |
| PP  | 15.3 |          |     | 166                 |       |       | 48    | 118   | 0       |
| WH  | 14.3 |          |     | 89                  | 15    | 66    | 8     |       |         |
| ES  | 12.6 |          |     | 20                  | 6     | 11    | 2     |       | 0       |
| ALL | 13.0 |          |     | 6,890               | 1,531 | 3,987 | 956   | 118   | 299     |



**Timber Sale Notice Weight (tons)**

| Sp  | Tons by Grade |       |        |       |       |         |
|-----|---------------|-------|--------|-------|-------|---------|
|     | All           | 2 Saw | 3 Saw  | 4 Saw | 5 Saw | Utility |
| DF  | 20,978        | 6,222 | 11,009 | 2,649 |       | 1,098   |
| GF  | 7,901         | 2,292 | 3,933  | 1,054 |       | 622     |
| RC  | 4,851         |       | 3,960  | 891   |       |         |
| LP  | 4,543         | 56    | 3,046  | 1,007 |       | 434     |
| WL  | 3,085         | 143   | 2,484  | 385   |       | 73      |
| PP  | 906           |       |        | 228   | 677   | 1       |
| WH  | 573           | 83    | 439    | 50    |       |         |
| ES  | 107           | 33    | 58     | 14    |       | 2       |
| ALL | 42,944        | 8,829 | 24,929 | 6,279 | 677   | 2,230   |

**Timber Sale Overall Cruise Statistics (Cut + Leave Trees)**

| BA<br>(sq ft/acre) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol SE<br>(%) |
|--------------------|--------------|---------------------|-----------------|----------------------|---------------|
| 130.2              | 3.1          | 137.4               | 1.8             | 18,013               | 3.6           |

**Timber Sale Unit Cruise Design**

| Unit                  | Design   | Cruise<br>Acres | FMA<br>Acres | N<br>Plots | N Cruise<br>Plots | N Void<br>Plots |
|-----------------------|--|-----------------|--------------|------------|-------------------|-----------------|
| Q NARDOM<br>SORTS U1  | B1C: VR, 1 BAF (33.61) Measure/<br>Count Plots, Sighting Ht = 4.5 ft | 28.4            | 29.3         | 22         | 8                 | 1               |
| Q NARDOM<br>SORTS U2  | B1C: VR, 1 BAF (33.61) Measure/<br>Count Plots, Sighting Ht = 4.5 ft | 62.1            | 63.2         | 36         | 11                | 2               |
| Q NARDOM<br>SORTS U3  | B1C: VR, 1 BAF (33.61) Measure/<br>Count Plots, Sighting Ht = 4.5 ft | 46.5            | 47.4         | 29         | 8                 | 0               |
| Q NARDOM<br>SORTS U4  | B1C: VR, 1 BAF (33.61) Measure/<br>Count Plots, Sighting Ht = 4.5 ft | 79.2            | 79.9         | 63         | 17                | 3               |
| Q NARDOM<br>SORTS U5  | B1C: VR, 1 BAF (33.61) Measure/<br>Count Plots, Sighting Ht = 4.5 ft | 94.9            | 96.8         | 67         | 18                | 0               |
| Q NARDOM<br>SORTS U6  | B1C: VR, 1 BAF (33.61) Measure/<br>Count Plots, Sighting Ht = 4.5 ft | 90.1            | 90.8         | 59         | 15                | 0               |
| Q NARDOM<br>SORTS RW1 | B1: VR, 1 BAF (33.61) Measure All,<br>Sighting Ht = 4.5 ft           | 0.2             | 0.2          | 1          | 1                 | 0               |
| Q NARDOM<br>SORTS RW2 | B1: VR, 1 BAF (20) Measure All,<br>Sighting Ht = 4.5 ft              | 2.2             | 2.2          | 4          | 4                 | 0               |
| Q NARDOM<br>SORTS RW3 | B1: VR, 1 BAF (33.61) Measure All,<br>Sighting Ht = 4.5 ft           | 0.5             | 0.5          | 2          | 2                 | 0               |
| Q NARDOM<br>SORTS RW4 | B1: VR, 1 BAF (33.61) Measure All,<br>Sighting Ht = 4.5 ft           | 2.9             | 2.9          | 5          | 5                 | 0               |

| Unit                  | Design                                      | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|-----------------------|---|--------------|-----------|---------|----------------|--------------|
| Q NARDOM<br>SORTS RW5 | ST: Strip/Percent Sample (1 tree expansion) | 9.8          | 9.8       | 1       | 1              | 0            |
| All                   |   | 416.8        | 422.9     | 289     | 90             | 6            |

### Timber Sale Log Grade x Sort Summary

| Sp | Status | Grade   | Sort     | Dia  | Len | BF Gross | BF Net | Defect % | Tons     | MBF Net |
|----|--------|---------|----------|------|-----|----------|--------|----------|----------|---------|
| DF | LIVE   | 2 SAW   | Domestic | 13.2 | 32  | 2,611    | 2,554  | 2.2      | 6,222.1  | 1,064.7 |
| DF | LIVE   | 3 SAW   | Domestic | 7.9  | 32  | 4,117    | 4,003  | 2.8      | 11,008.7 | 1,668.3 |
| DF | LIVE   | 4 SAW   | Domestic | 5.3  | 22  | 912      | 894    | 2.0      | 2,649.2  | 372.5   |
| DF | LIVE   | UTILITY | Pulp     | 3.2  | 16  | 313      | 313    | 0.0      | 1,098.2  | 130.6   |
| ES | LIVE   | 2 SAW   | Domestic | 13.1 | 32  | 15       | 15     | 0.0      | 32.6     | 6.4     |
| ES | LIVE   | 3 SAW   | Domestic | 7.1  | 32  | 26       | 26     | 0.0      | 58.2     | 10.9    |
| ES | LIVE   | 4 SAW   | Domestic | 5.3  | 14  | 6        | 6      | 0.0      | 13.9     | 2.3     |
| ES | LIVE   | UTILITY | Pulp     | 3.1  | 13  | 1        | 1      | 0.0      | 2.3      | 0.4     |
| GF | LIVE   | 2 SAW   | Domestic | 13.0 | 32  | 1,001    | 978    | 2.3      | 2,291.7  | 407.7   |
| GF | LIVE   | 3 SAW   | Domestic | 7.7  | 32  | 1,550    | 1,454  | 6.2      | 3,933.0  | 606.1   |
| GF | LIVE   | 4 SAW   | Domestic | 5.2  | 21  | 371      | 364    | 2.0      | 1,054.1  | 151.7   |
| GF | LIVE   | UTILITY | Pulp     | 3.1  | 19  | 195      | 195    | 0.0      | 621.6    | 81.1    |
| LP | LIVE   | 2 SAW   | Domestic | 12.2 | 32  | 28       | 28     | 0.0      | 56.2     | 11.6    |
| LP | LIVE   | 3 SAW   | Domestic | 7.8  | 32  | 1,382    | 1,325  | 4.1      | 3,045.5  | 552.5   |
| LP | LIVE   | 4 SAW   | Domestic | 5.1  | 25  | 450      | 436    | 3.0      | 1,007.3  | 181.8   |
| LP | LIVE   | UTILITY | Pulp     | 3.3  | 19  | 187      | 187    | 0.0      | 434.1    | 77.8    |
| PP | LIVE   | 4 SAW   | Domestic | 13.6 | 32  | 114      | 114    | 0.0      | 228.3    | 47.6    |
| PP | LIVE   | 5 SAW   | Domestic | 6.9  | 26  | 291      | 284    | 2.4      | 677.5    | 118.2   |
| PP | LIVE   | UTILITY | Pulp     | 6.1  | 12  | 0        | 0      | 0.0      | 0.5      | 0.1     |
| RC | LIVE   | 3 SAW   | Domestic | 9.6  | 32  | 1,737    | 1,644  | 5.4      | 3,959.8  | 685.1   |
| RC | LIVE   | 4 SAW   | Domestic | 6.2  | 19  | 300      | 294    | 2.3      | 891.3    | 122.3   |
| RC | LIVE   | CULL    | Cull     | 6.9  | 32  | 65       | 0      | 100.0    | 0.0      | 0.0     |
| WH | LIVE   | 2 SAW   | Domestic | 11.8 | 32  | 35       | 35     | 0.0      | 83.1     | 14.7    |
| WH | LIVE   | 3 SAW   | Domestic | 8.4  | 32  | 159      | 159    | 0.0      | 439.4    | 66.2    |
| WH | LIVE   | 4 SAW   | Domestic | 5.1  | 21  | 18       | 18     | 0.0      | 50.2     | 7.5     |
| WL | LIVE   | 2 SAW   | Domestic | 12.1 | 32  | 61       | 61     | 0.0      | 143.2    | 25.5    |
| WL | LIVE   | 3 SAW   | Domestic | 8.0  | 32  | 965      | 956    | 1.0      | 2,484.4  | 398.3   |
| WL | LIVE   | 4 SAW   | Domestic | 5.2  | 20  | 168      | 168    | 0.0      | 384.7    | 70.0    |
| WL | LIVE   | UTILITY | Pulp     | 3.1  | 15  | 21       | 21     | 0.0      | 73.1     | 8.6     |

**Timber Sale Log Sort x Diameter Bin Summary**

| Sp | Bin    | Status | Sort     | Dia  | Len | BF Net | Defect % | Tons    | MBF Net |
|----|--------|--------|----------|------|-----|--------|----------|---------|---------|
| DF | < 5    | LIVE   | Pulp     | 3.1  | 17  | 265    | 0.0      | 964.4   | 110.6   |
| DF | 5 - 6  | LIVE   | Domestic | 5.4  | 24  | 1,478  | 1.8      | 4,274.9 | 616.1   |
| DF | 7 - 10 | LIVE   | Domestic | 8.2  | 32  | 2,727  | 3.1      | 7,521.4 | 1,136.5 |
| DF | 11+    | LIVE   | Domestic | 12.6 | 32  | 3,246  | 2.3      | 8,083.7 | 1,352.9 |
| DF | 11+    | LIVE   | Pulp     | 13.0 | 32  | 48     | 0.0      | 133.8   | 20.0    |
| ES | < 5    | LIVE   | Pulp     | 3.1  | 13  | 1      | 0.0      | 2.3     | 0.4     |
| ES | 5 - 6  | LIVE   | Domestic | 5.7  | 23  | 19     | 0.0      | 44.0    | 8.0     |
| ES | 7 - 10 | LIVE   | Domestic | 9.4  | 32  | 12     | 0.0      | 28.1    | 5.2     |
| ES | 11+    | LIVE   | Domestic | 13.1 | 32  | 15     | 0.0      | 32.6    | 6.4     |
| GF | < 5    | LIVE   | Pulp     | 3.1  | 19  | 195    | 0.0      | 621.6   | 81.1    |
| GF | 5 - 6  | LIVE   | Domestic | 5.3  | 24  | 593    | 3.8      | 1,710.0 | 247.1   |
| GF | 7 - 10 | LIVE   | Domestic | 7.9  | 31  | 970    | 7.6      | 2,696.7 | 404.4   |
| GF | 11+    | LIVE   | Domestic | 12.4 | 32  | 1,233  | 1.8      | 2,872.2 | 514.1   |
| LP | < 5    | LIVE   | Pulp     | 3.1  | 18  | 130    | 0.0      | 308.6   | 54.1    |
| LP | 5 - 6  | LIVE   | Domestic | 5.4  | 26  | 695    | 2.3      | 1,651.5 | 289.7   |
| LP | 5 - 6  | LIVE   | Pulp     | 6.3  | 32  | 57     | 0.0      | 125.5   | 23.8    |
| LP | 7 - 10 | LIVE   | Domestic | 8.4  | 32  | 957    | 5.3      | 2,175.1 | 398.9   |
| LP | 11+    | LIVE   | Domestic | 11.3 | 32  | 137    | 0.0      | 282.3   | 57.2    |
| PP | 6 - 10 | LIVE   | Pulp     | 6.1  | 12  | 0      | 0.0      | 0.5     | 0.1     |
| PP | 6 - 10 | LIVE   | Domestic | 6.9  | 27  | 256    | 2.7      | 625.3   | 106.8   |
| PP | 11+    | LIVE   | Domestic | 13.0 | 32  | 142    | 0.0      | 280.5   | 59.0    |
| RC | 5+     | LIVE   | Cull     | 6.9  | 32  | 0      | 100.0    | 0.0     | 0.0     |
| RC | 5+     | LIVE   | Domestic | 7.9  | 26  | 1,937  | 4.9      | 4,851.1 | 807.4   |
| WH | 5 - 6  | LIVE   | Domestic | 5.1  | 20  | 18     | 0.0      | 50.2    | 7.5     |
| WH | 7 - 10 | LIVE   | Domestic | 8.4  | 32  | 159    | 0.0      | 439.4   | 66.2    |
| WH | 11+    | LIVE   | Domestic | 11.8 | 32  | 35     | 0.0      | 83.1    | 14.7    |
| WL | < 5    | LIVE   | Pulp     | 3.1  | 15  | 21     | 0.0      | 73.1    | 8.6     |
| WL | 5 - 6  | LIVE   | Domestic | 5.5  | 23  | 273    | 0.0      | 641.6   | 113.6   |
| WL | 7 - 10 | LIVE   | Domestic | 8.3  | 32  | 625    | 1.5      | 1,668.4 | 260.5   |
| WL | 11+    | LIVE   | Domestic | 12.0 | 32  | 287    | 0.0      | 702.3   | 119.6   |

## Cruise Unit Report Q NARDOM SORTS U1

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS U1

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |       |         |
|-----|------|----------|-----|---------------------|-------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | 5 Saw | Utility |
| DF  | 14.0 |          |     | 181                 | 58    | 92    | 29    |       | 3       |
| PP  | 12.8 |          |     | 51                  |       |       | 10    | 41    |         |
| WL  | 12.4 |          |     | 22                  |       | 16    | 6     |       |         |
| GF  | 14.5 |          |     | 21                  |       | 15    | 5     |       |         |
| RC  | 34.2 |          |     | 11                  |       | 11    |       |       |         |
| ALL | 13.7 |          |     | 285                 | 58    | 134   | 50    | 41    | 3       |

### Unit Cruise Design: Q NARDOM SORTS U1

| Design   | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|--|--------------|-----------|---------|----------------|--------------|
| B1C: VR, 1 BAF (33.61) Measure/Count Plots, Sighting Ht = 4.5 ft | 28.4         | 29.3      | 22      | 8              | 1            |

### Unit Cruise Summary: Q NARDOM SORTS U1

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| DF  | 13            | 32        | 1.5        | 0                |
| PP  | 5             | 22        | 1.0        | 0                |
| WL  | 3             | 5         | 0.2        | 0                |
| GF  | 1             | 3         | 0.1        | 0                |
| RC  | 1             | 1         | 0.0        | 0                |
| ALL | 23            | 63        | 2.9        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS U1

| Sp  | BA (sq ft/acre) | BA CV (%) | BA SE (%) | V-BAR (bf/sq ft) | V-BAR CV (%) | V-BAR SE (%) | Net Vol (bf/acre) | Vol CV (%) | Vol SE (%) |
|-----|-----------------|-----------|-----------|------------------|--------------|--------------|-------------------|------------|------------|
| DF  | 48.9            | 101.1     | 21.6      | 130.3            | 30.8         | 8.5          | 6,369             | 105.7      | 23.2       |
| PP  | 33.6            | 115.5     | 24.6      | 97.7             | 44.6         | 19.9         | 3,282             | 123.8      | 31.7       |
| WL  | 7.6             | 232.5     | 49.6      | 125.2            | 13.2         | 7.6          | 956               | 232.9      | 50.2       |
| GF  | 4.6             | 257.6     | 54.9      | 158.7            | 0.0          | 0.0          | 727               | 257.6      | 54.9       |
| RC  | 1.5             | 469.0     | 100.0     | 247.3            | 0.0          | 0.0          | 378               | 469.0      | 100.0      |
| ALL | 96.2            | 49.7      | 10.6      | 121.7            | 38.1         | 7.9          | 11,712            | 62.6       | 13.2       |

**Unit Summary: Q NARDOM SORTS U1**

| Sp  | Status | Rx  | N  | D   | DBH  | BL | THT | BF Gross | BF Net | Defect % | TPA  | BA   | RD   | MBF Net |
|-----|--------|-----|----|-----|------|----|-----|----------|--------|----------|------|------|------|---------|
| DF  | LIVE   | CUT | 13 | ALL | 14.0 | 61 | 76  | 6,703    | 6,369  | 5.0      | 45.7 | 48.9 | 13.1 | 180.9   |
| GF  | LIVE   | CUT | 1  | ALL | 14.5 | 69 | 87  | 727      | 727    | 0.0      | 4.0  | 4.6  | 1.2  | 20.7    |
| PP  | LIVE   | CUT | 5  | ALL | 12.8 | 57 | 75  | 1,790    | 1,790  | 0.0      | 20.5 | 18.3 | 5.1  | 50.8    |
| RC  | LIVE   | CUT | 1  | ALL | 34.2 | 85 | 109 | 383      | 378    | 1.4      | 0.2  | 1.5  | 0.3  | 10.7    |
| WL  | LIVE   | CUT | 3  | ALL | 12.4 | 63 | 78  | 765      | 765    | 0.0      | 7.3  | 6.1  | 1.7  | 21.7    |
| ALL | LIVE   | CUT | 23 | ALL | 13.7 | 61 | 76  | 10,369   | 10,029 | 3.3      | 77.7 | 79.4 | 21.4 | 284.8   |
| ALL | ALL    | ALL | 23 | ALL | 13.7 | 61 | 76  | 10,369   | 10,029 | 3.3      | 77.7 | 79.4 | 21.4 | 284.8   |

## Cruise Unit Report Q NARDOM SORTS U2

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS U2

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |       | Utility |
|-----|------|----------|-----|---------------------|-------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | 5 Saw |         |
| DF  | 13.3 |          |     | 636                 | 201   | 350   | 36    |       | 49      |
| GF  | 12.4 |          |     | 135                 | 53    | 49    | 28    |       | 5       |
| PP  | 16.1 |          |     | 95                  |       |       | 28    | 66    |         |
| RC  | 17.8 |          |     | 87                  |       | 81    | 6     |       |         |
| WL  | 15.2 |          |     | 35                  |       | 34    |       |       | 1       |
| LP  | 10.6 |          |     | 23                  |       | 18    | 2     |       | 3       |
| ALL | 13.5 |          |     | 1,009               | 254   | 531   | 100   | 66    | 57      |

### Unit Cruise Design: Q NARDOM SORTS U2

| Design  | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|---|--------------|-----------|---------|----------------|--------------|
| B1C: VR, 1 BAF (33.61) Measure/Count Plots,<br>Sighting Ht = 4.5 ft | 62.1         | 63.1      | 36      | 11             | 2            |

### Unit Cruise Summary: Q NARDOM SORTS U2

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| DF  | 23            | 84        | 2.3        | 0                |
| GF  | 7             | 14        | 0.4        | 0                |
| PP  | 3             | 17        | 0.5        | 0                |
| RC  | 5             | 12        | 0.3        | 0                |
| WL  | 1             | 4         | 0.1        | 0                |
| LP  | 2             | 3         | 0.1        | 0                |
| ALL | 41            | 134       | 3.7        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS U2

| Sp | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| DF | 78.4               | 88.7         | 14.8         | 142.4               | 26.7            | 5.6             | 11,166               | 92.7          | 15.8          |
| GF | 13.1               | 232.3        | 38.7         | 179.1               | 22.0            | 8.3             | 2,341                | 233.3         | 39.6          |
| PP | 15.9               | 217.6        | 36.3         | 116.4               | 35.0            | 20.2            | 1,848                | 220.4         | 41.5          |
| RC | 11.2               | 268.3        | 44.7         | 149.2               | 45.8            | 20.5            | 1,672                | 272.2         | 49.2          |
| WL | 3.7                | 600.0        | 100.0        | 149.2               | 0.0             | 0.0             | 557                  | 600.0         | 100.0         |

| Sp  | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|-----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| LP  | 2.8                | 336.4        | 56.1         | 130.6               | 10.1            | 7.1             | 366                  | 336.5         | 56.5          |
| ALL | 125.1              | 56.6         | 9.4          | 143.5               | 29.5            | 4.6             | 17,949               | 63.8          | 10.5          |

### Unit Summary: Q NARDOM SORTS U2

| Sp  | Status | Rx  | N  | D   | DBH  | BL | THT | BF<br>Gross | BF<br>Net | Defect<br>% | TPA   | BA    | RD   | MBF<br>Net |
|-----|--------|-----|----|-----|------|----|-----|-------------|-----------|-------------|-------|-------|------|------------|
| DF  | LIVE   | CUT | 23 | ALL | 13.3 | 59 | 73  | 10,273      | 10,235    | 0.4         | 74.5  | 71.9  | 19.7 | 635.6      |
| GF  | LIVE   | CUT | 7  | ALL | 12.4 | 65 | 82  | 2,219       | 2,174     | 2.0         | 14.5  | 12.1  | 3.4  | 135.0      |
| LP  | LIVE   | CUT | 2  | ALL | 10.6 | 59 | 73  | 366         | 366       | 0.0         | 4.6   | 2.8   | 0.9  | 22.7       |
| PP  | LIVE   | CUT | 3  | ALL | 16.1 | 68 | 90  | 1,557       | 1,522     | 2.2         | 9.2   | 13.1  | 3.3  | 94.5       |
| RC  | LIVE   | CUT | 5  | ALL | 17.8 | 61 | 76  | 1,552       | 1,393     | 10.2        | 5.4   | 9.3   | 2.2  | 86.5       |
| WL  | LIVE   | CUT | 1  | ALL | 15.2 | 75 | 94  | 557         | 557       | 0.0         | 3.0   | 3.7   | 1.0  | 34.6       |
| ALL | LIVE   | CUT | 41 | ALL | 13.6 | 61 | 76  | 16,524      | 16,247    | 1.7         | 111.2 | 113.0 | 30.4 | 1,008.9    |
| ALL | ALL    | ALL | 41 | ALL | 13.6 | 61 | 76  | 16,524      | 16,247    | 1.7         | 111.2 | 113.0 | 30.4 | 1,008.9    |

## Cruise Unit Report Q NARDOM SORTS U3

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS U3

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |       | Utility |
|-----|------|----------|-----|---------------------|-------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | 5 Saw |         |
| DF  | 14.6 |          |     | 582                 | 249   | 281   | 36    |       | 16      |
| WL  | 13.6 |          |     | 168                 |       | 136   | 32    |       |         |
| LP  | 13.8 |          |     | 103                 | 12    | 75    | 16    |       | 1       |
| RC  | 17.5 |          |     | 90                  |       | 90    |       |       |         |
| PP  | 20.4 |          |     | 9                   |       |       | 6     | 4     |         |
| GF  | 8.8  |          |     | 7                   |       |       | 5     |       | 2       |
| ALL | 14.1 |          |     | 960                 | 261   | 581   | 95    | 4     | 19      |

### Unit Cruise Design: Q NARDOM SORTS U3

| Design  | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|---|--------------|-----------|---------|----------------|--------------|
| B1C: VR, 1 BAF (33.61) Measure/Count Plots,<br>Sighting Ht = 4.5 ft | 46.5         | 47.4      | 29      | 8              | 0            |

### Unit Cruise Summary: Q NARDOM SORTS U3

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| DF  | 19            | 73        | 2.5        | 0                |
| WL  | 2             | 20        | 0.7        | 0                |
| LP  | 7             | 12        | 0.4        | 0                |
| RC  | 1             | 10        | 0.3        | 0                |
| PP  | 1             | 3         | 0.1        | 0                |
| GF  | 1             | 3         | 0.1        | 0                |
| ALL | 31            | 121       | 4.2        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS U3

| Sp | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| DF | 84.6               | 70.9         | 13.2         | 163.7               | 24.8            | 5.7             | 13,851               | 75.1          | 14.3          |
| WL | 23.2               | 178.0        | 33.1         | 155.8               | 22.4            | 15.8            | 3,611                | 179.4         | 36.7          |
| LP | 13.9               | 199.3        | 37.0         | 159.5               | 19.8            | 7.5             | 2,218                | 200.2         | 37.7          |
| RC | 11.6               | 312.7        | 58.1         | 167.0               | 0.0             | 0.0             | 1,936                | 312.7         | 58.1          |
| PP | 3.5                | 299.6        | 55.6         | 174.5               | 0.0             | 0.0             | 607                  | 299.6         | 55.6          |



| Sp  | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|-----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| GF  | 3.5                | 299.6        | 55.6         | 63.9                | 0.0             | 0.0             | 222                  | 299.6         | 55.6          |
| ALL | 140.2              | 37.4         | 6.9          | 160.1               | 24.6            | 4.4             | 22,446               | 44.8          | 8.2           |

**Unit Summary: Q NARDOM SORTS U3**

| Sp  | Status | Rx   | N  | D   | DBH  | BL | THT | BF<br>Gross | BF<br>Net | Defect<br>% | TPA   | BA    | RD   | MBF<br>Net |
|-----|--------|------|----|-----|------|----|-----|-------------|-----------|-------------|-------|-------|------|------------|
| DF  | LIVE   | CUT  | 19 | ALL | 14.6 | 68 | 85  | 12,633      | 12,523    | 0.9         | 65.8  | 76.5  | 20.0 | 582.3      |
| GF  | LIVE   | CUT  | 1  | ALL | 8.8  | 42 | 51  | 148         | 148       | 0.0         | 5.5   | 2.3   | 0.8  | 6.9        |
| LP  | LIVE   | CUT  | 7  | ALL | 13.8 | 68 | 85  | 2,269       | 2,218     | 2.2         | 13.4  | 13.9  | 3.7  | 103.2      |
| PP  | LIVE   | CUT  | 1  | ALL | 20.4 | 92 | 124 | 207         | 202       | 2.5         | 0.5   | 1.2   | 0.3  | 9.4        |
| RC  | LIVE   | CUT  | 0  | ALL |      |    |     | 1,549       | 1,549     | 0.0         |       | 9.3   |      | 72.0       |
| RC  | LIVE   | POLE | 1  | ALL | 17.5 | 78 | 99  | 387         | 387       | 0.0         | 1.4   | 2.3   | 0.6  | 18.0       |
| WL  | LIVE   | CUT  | 2  | ALL | 13.6 | 77 | 98  | 3,611       | 3,611     | 0.0         | 23.0  | 23.2  | 6.3  | 167.9      |
| ALL | LIVE   | POLE | 1  | ALL | 17.5 | 78 | 99  | 387         | 387       | 0.0         | 1.4   | 2.3   | 0.6  | 18.0       |
| ALL | LIVE   | CUT  | 30 | ALL | 14.1 | 69 | 86  | 20,418      | 20,252    | 0.8         | 108.2 | 126.3 | 31.1 | 941.7      |
| ALL | ALL    | ALL  | 31 | ALL | 14.1 | 69 | 86  | 20,805      | 20,639    | 0.8         | 109.6 | 128.6 | 31.6 | 959.7      |

## Cruise Unit Report Q NARDOM SORTS U4

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS U4

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |         |
|-----|------|----------|-----|---------------------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | Utility |
| DF  | 15.0 |          |     | 689                 | 277   | 322   | 76    | 15      |
| RC  | 12.8 |          |     | 260                 |       | 200   | 60    |         |
| GF  | 11.6 |          |     | 252                 | 72    | 109   | 60    | 12      |
| WH  | 14.1 |          |     | 58                  |       | 54    | 4     |         |
| LP  | 11.4 |          |     | 21                  |       | 15    | 5     |         |
| WL  | 12.7 |          |     | 17                  |       | 11    | 5     | 1       |
| ALL | 13.7 |          |     | 1,297               | 349   | 711   | 210   | 27      |

### Unit Cruise Design: Q NARDOM SORTS U4

| Design  | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|---|--------------|-----------|---------|----------------|--------------|
| B1C: VR, 1 BAF (33.61) Measure/Count Plots,<br>Sighting Ht = 4.5 ft | 79.2         | 79.9      | 63      | 17             | 3            |

### Unit Cruise Summary: Q NARDOM SORTS U4

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| PP  |               | 5         | 0.1        | 0                |
| DF  | 34            | 118       | 1.9        | 0                |
| RC  | 9             | 69        | 1.1        | 0                |
| GF  | 9             | 41        | 0.7        | 0                |
| WH  | 1             | 7         | 0.1        | 0                |
| WL  | 2             | 8         | 0.1        | 0                |
| LP  | 1             | 3         | 0.0        | 0                |
| ALL | 56            | 251       | 4.0        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS U4

| Sp | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| PP | 2.7                | 343.3        | 43.3         |                     |                 |                 |                      |               |               |
| DF | 63.0               | 110.8        | 14.0         | 145.5               | 29.6            | 5.1             | 9,160                | 114.7         | 14.9          |
| RC | 36.8               | 173.3        | 21.8         | 91.7                | 52.9            | 17.6            | 3,377                | 181.2         | 28.1          |
| GF | 21.9               | 174.9        | 22.0         | 149.3               | 36.7            | 12.2            | 3,266                | 178.7         | 25.2          |

| Sp  | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|-----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| WH  | 3.7                | 793.7        | 100.0        | 197.4               | 0.0             | 0.0             | 737                  | 793.7         | 100.0         |
| WL  | 4.3                | 360.4        | 45.4         | 98.9                | 26.5            | 18.7            | 422                  | 361.4         | 49.1          |
| LP  | 1.6                | 587.8        | 74.1         | 163.7               | 0.0             | 0.0             | 262                  | 587.8         | 74.1          |
| ALL | 133.9              | 64.8         | 8.2          | 131.2               | 37.7            | 5.0             | 17,574               | 74.9          | 9.6           |

#### Unit Summary: Q NARDOM SORTS U4

| Sp  | Status | Rx   | N  | D   | DBH  | BL | THT | BF<br>Gross | BF<br>Net | Defect<br>% | TPA   | BA    | RD   | MBF<br>Net |
|-----|--------|------|----|-----|------|----|-----|-------------|-----------|-------------|-------|-------|------|------------|
| DF  | LIVE   | CUT  | 34 | ALL | 15.2 | 64 | 80  | 9,053       | 8,694     | 4.0         | 47.4  | 59.8  | 15.3 | 688.6      |
| GF  | LIVE   | CUT  | 9  | ALL | 11.6 | 57 | 71  | 3,244       | 3,186     | 1.8         | 29.1  | 21.3  | 6.3  | 252.4      |
| LP  | LIVE   | CUT  | 1  | ALL | 11.4 | 67 | 84  | 262         | 262       | 0.0         | 2.3   | 1.6   | 0.5  | 20.7       |
| RC  | LIVE   | CUT  | 9  | ALL | 12.8 | 61 | 76  | 3,446       | 2,985     | 13.4        | 36.4  | 32.5  | 9.1  | 236.4      |
| RC  | LIVE   | POLE | 0  | ALL |      |    |     | 339         | 294       | 13.4        |       | 3.2   |      | 23.3       |
| WH  | LIVE   | CUT  | 1  | ALL | 14.1 | 84 | 106 | 737         | 737       | 0.0         | 3.4   | 3.7   | 1.0  | 58.4       |
| WL  | LIVE   | CUT  | 2  | ALL | 12.7 | 65 | 82  | 245         | 211       | 13.9        | 2.4   | 2.1   | 0.6  | 16.7       |
| ALL | LIVE   | POLE | 0  | ALL |      |    |     | 339         | 294       | 13.4        |       | 3.2   |      | 23.3       |
| ALL | LIVE   | CUT  | 56 | ALL | 13.5 | 62 | 78  | 16,987      | 16,076    | 5.4         | 121.0 | 121.1 | 32.8 | 1,273.2    |
| ALL | ALL    | ALL  | 56 | ALL | 13.5 | 62 | 78  | 17,326      | 16,370    | 5.5         | 121.0 | 124.3 | 32.8 | 1,296.5    |

## Cruise Unit Report Q NARDOM SORTS U5

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS U5

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |         |
|-----|------|----------|-----|---------------------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | Utility |
| DF  | 15.6 |          |     | 697                 | 265   | 339   | 76    | 17      |
| LP  | 11.6 |          |     | 353                 |       | 260   | 75    | 18      |
| GF  | 11.7 |          |     | 262                 | 44    | 174   | 14    | 30      |
| RC  | 14.2 |          |     | 243                 |       | 220   | 24    |         |
| WL  | 13.0 |          |     | 228                 | 13    | 183   | 25    | 6       |
| ES  | 12.3 |          |     | 17                  | 6     | 9     | 2     | 0       |
| WH  | 11.9 |          |     | 7                   |       | 5     | 2     |         |
| ALL | 13.2 |          |     | 1,807               | 328   | 1,190 | 217   | 72      |

### Unit Cruise Design: Q NARDOM SORTS U5

| Design   | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|--|--------------|-----------|---------|----------------|--------------|
| B1C: VR, 1 BAF (33.61) Measure/Count Plots, Sighting Ht = 4.5 ft | 94.9         | 96.8      | 67      | 18             | 0            |

### Unit Cruise Summary: Q NARDOM SORTS U5

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| PP  |               | 3         | 0.0        | 0                |
| DF  | 23            | 104       | 1.6        | 0                |
| LP  | 15            | 48        | 0.7        | 0                |
| GF  | 8             | 41        | 0.6        | 0                |
| WL  | 11            | 37        | 0.6        | 0                |
| RC  | 9             | 44        | 0.7        | 0                |
| ES  | 2             | 2         | 0.0        | 0                |
| WH  | 1             | 1         | 0.0        | 0                |
| ALL | 69            | 280       | 4.2        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS U5

| Sp | BA (sq ft/acre) | BA CV (%) | BA SE (%) | V-BAR (bf/sq ft) | V-BAR CV (%) | V-BAR SE (%) | Net Vol (bf/acre) | Vol CV (%) | Vol SE (%) |
|----|-----------------|-----------|-----------|------------------|--------------|--------------|-------------------|------------|------------|
| PP | 1.5             | 465.4     | 56.9      |                  |              |              |                   |            |            |
| DF | 52.2            | 134.2     | 16.4      | 157.5            | 29.2         | 6.1          | 8,217             | 137.4      | 17.5       |

| Sp  | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|-----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| LP  | 24.1               | 145.4        | 17.8         | 154.4               | 22.0            | 5.7             | 3,719                | 147.1         | 18.7          |
| GF  | 20.6               | 153.1        | 18.7         | 148.5               | 28.7            | 10.1            | 3,054                | 155.7         | 21.3          |
| WL  | 18.6               | 167.6        | 20.5         | 145.0               | 21.9            | 6.6             | 2,691                | 169.1         | 21.5          |
| RC  | 22.1               | 186.6        | 22.8         | 116.1               | 37.6            | 12.5            | 2,563                | 190.3         | 26.0          |
| ES  | 1.0                | 574.4        | 70.2         | 179.3               | 17.5            | 12.4            | 180                  | 574.7         | 71.3          |
| WH  | 0.5                | 818.5        | 100.0        | 152.8               | 0.0             | 0.0             | 77                   | 818.5         | 100.0         |
| ALL | 140.5              | 48.9         | 6.0          | 147.5               | 27.9            | 3.4             | 20,722               | 56.3          | 6.9           |

#### Unit Summary: Q NARDOM SORTS U5

| Sp  | Status | Rx  | N  | D   | DBH  | BL | THT | BF<br>Gross | BF<br>Net | Defect<br>% | TPA   | BA    | RD   | MBF<br>Net |
|-----|--------|-----|----|-----|------|----|-----|-------------|-----------|-------------|-------|-------|------|------------|
| DF  | LIVE   | CUT | 23 | ALL | 15.7 | 73 | 92  | 7,607       | 7,348     | 3.4         | 34.7  | 46.7  | 11.8 | 697.3      |
| ES  | LIVE   | CUT | 2  | ALL | 12.3 | 67 | 84  | 180         | 180       | 0.0         | 1.2   | 1.0   | 0.3  | 17.1       |
| GF  | LIVE   | CUT | 8  | ALL | 11.7 | 62 | 78  | 2,881       | 2,756     | 4.3         | 24.9  | 18.6  | 5.4  | 261.6      |
| LP  | LIVE   | CUT | 15 | ALL | 11.6 | 66 | 83  | 3,783       | 3,719     | 1.7         | 32.8  | 24.1  | 7.1  | 352.9      |
| RC  | LIVE   | CUT | 9  | ALL | 14.2 | 60 | 75  | 2,727       | 2,563     | 6.0         | 20.1  | 22.1  | 5.9  | 243.2      |
| WH  | LIVE   | CUT | 1  | ALL | 11.9 | 67 | 83  | 77          | 77        | 0.0         | 0.6   | 0.5   | 0.1  | 7.3        |
| WL  | LIVE   | CUT | 11 | ALL | 13.0 | 72 | 91  | 2,412       | 2,400     | 0.5         | 18.0  | 16.6  | 4.6  | 227.7      |
| ALL | LIVE   | CUT | 69 | ALL | 13.4 | 67 | 84  | 19,667      | 19,042    | 3.2         | 132.3 | 129.4 | 35.2 | 1,807.0    |
| ALL | ALL    | ALL | 69 | ALL | 13.4 | 67 | 84  | 19,667      | 19,042    | 3.2         | 132.3 | 129.4 | 35.2 | 1,807.0    |

## Cruise Unit Report Q NARDOM SORTS U6

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS U6

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |       | Utility |
|-----|------|----------|-----|---------------------|-------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | 5 Saw |         |
| GF  | 12.5 |          |     | 559                 | 237   | 251   | 38    |       | 33      |
| DF  | 10.5 |          |     | 391                 |       | 251   | 111   |       | 29      |
| LP  | 9.9  |          |     | 317                 |       | 180   | 82    |       | 56      |
| RC  | 11.5 |          |     | 76                  |       | 48    | 29    |       |         |
| WH  | 15.7 |          |     | 23                  | 15    | 7     | 2     |       |         |
| WL  | 16.2 |          |     | 8                   |       | 7     |       |       | 0       |
| PP  | 9.3  |          |     | 5                   |       |       |       | 5     |         |
| ALL | 10.9 |          |     | 1,379               | 252   | 744   | 261   | 5     | 118     |

### Unit Cruise Design: Q NARDOM SORTS U6

| Design  | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|---|--------------|-----------|---------|----------------|--------------|
| B1C: VR, 1 BAF (33.61) Measure/Count Plots,<br>Sighting Ht = 4.5 ft | 90.1         | 90.8      | 59      | 15             | 0            |

### Unit Cruise Summary: Q NARDOM SORTS U6

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| GF  | 14            | 74        | 1.3        | 0                |
| DF  | 24            | 77        | 1.3        | 0                |
| LP  | 11            | 45        | 0.8        | 0                |
| RC  | 4             | 15        | 0.3        | 0                |
| PP  | 1             | 22        | 0.4        | 0                |
| WH  | 1             | 2         | 0.0        | 0                |
| WL  | 1             | 1         | 0.0        | 0                |
| ALL | 56            | 236       | 4.0        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS U6

| Sp | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| GF | 42.2               | 122.6        | 16.0         | 151.3               | 27.8            | 7.4             | 6,377                | 125.7         | 17.6          |
| DF | 43.9               | 129.0        | 16.8         | 113.7               | 18.2            | 3.7             | 4,989                | 130.3         | 17.2          |
| LP | 25.6               | 140.6        | 18.3         | 137.4               | 15.6            | 4.7             | 3,523                | 141.4         | 18.9          |

| Sp  | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|-----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| RC  | 8.5                | 297.5        | 38.7         | 106.3               | 53.2            | 26.6            | 908                  | 302.3         | 47.0          |
| PP  | 12.5               | 238.3        | 31.0         | 44.5                | 0.0             | 0.0             | 558                  | 238.3         | 31.0          |
| WH  | 1.1                | 538.4        | 70.1         | 221.7               | 0.0             | 0.0             | 253                  | 538.4         | 70.1          |
| WL  | 0.6                | 768.1        | 100.0        | 146.0               | 0.0             | 0.0             | 83                   | 768.1         | 100.0         |
| ALL | 134.4              | 47.8         | 6.2          | 124.2               | 30.4            | 4.1             | 16,691               | 56.7          | 7.4           |

#### Unit Summary: Q NARDOM SORTS U6

| Sp  | Status | Rx  | N  | D   | DBH  | BL | THT | BF<br>Gross | BF<br>Net | Defect<br>% | TPA   | BA    | RD   | MBF<br>Net |
|-----|--------|-----|----|-----|------|----|-----|-------------|-----------|-------------|-------|-------|------|------------|
| DF  | LIVE   | CUT | 24 | ALL | 10.5 | 54 | 66  | 4,425       | 4,341     | 1.9         | 63.5  | 38.2  | 11.8 | 391.1      |
| GF  | LIVE   | CUT | 14 | ALL | 12.5 | 62 | 77  | 6,571       | 6,205     | 5.6         | 48.1  | 41.0  | 11.6 | 559.1      |
| LP  | LIVE   | CUT | 11 | ALL | 9.9  | 60 | 75  | 3,752       | 3,523     | 6.1         | 48.0  | 25.6  | 8.1  | 317.4      |
| PP  | LIVE   | CUT | 1  | ALL | 9.3  | 46 | 58  | 53          | 51        | 4.5         | 2.4   | 1.1   | 0.4  | 4.6        |
| RC  | LIVE   | CUT | 4  | ALL | 11.5 | 56 | 70  | 875         | 848       | 3.1         | 11.1  | 8.0   | 2.4  | 76.4       |
| WH  | LIVE   | CUT | 1  | ALL | 15.7 | 86 | 108 | 253         | 253       | 0.0         | 0.8   | 1.1   | 0.3  | 22.8       |
| WL  | LIVE   | CUT | 1  | ALL | 16.2 | 73 | 91  | 83          | 83        | 0.0         | 0.4   | 0.6   | 0.1  | 7.5        |
| ALL | LIVE   | CUT | 56 | ALL | 11.0 | 58 | 72  | 16,012      | 15,303    | 4.4         | 174.3 | 115.6 | 34.7 | 1,378.8    |
| ALL | ALL    | ALL | 56 | ALL | 11.0 | 58 | 72  | 16,012      | 15,303    | 4.4         | 174.3 | 115.6 | 34.7 | 1,378.8    |

## Cruise Unit Report Q NARDOM SORTS RW1

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS RW1

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |         |
|-----|------|----------|-----|---------------------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | Utility |
| RC  | 21.7 |          |     | 3                   |       | 3     |         |
| WL  | 21.3 |          |     | 2                   | 2     | 0     | 0       |
| ALL | 21.6 |          |     | 5                   | 2     | 3     | 0       |

### Unit Cruise Design: Q NARDOM SORTS RW1

| Design   | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|--|--------------|-----------|---------|----------------|--------------|
| B1: VR, 1 BAF (33.61) Measure All, Sighting<br>Ht = 4.5 ft | 0.2          | 0.2       | 1       | 1              | 0            |

### Unit Cruise Summary: Q NARDOM SORTS RW1

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| RC  | 2             | 2         | 2.0        | 0                |
| WL  | 1             | 1         | 1.0        | 0                |
| ALL | 3             | 3         | 3.0        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS RW1

| Sp  | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|-----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| RC  | 67.2               | 0.0          | 0.0          | 211.4               | 32.2            | 22.8            | 14,208               | 32.2          | 22.8          |
| WL  | 33.6               | 0.0          | 0.0          | 242.0               | 0.0             | 0.0             | 8,134                | 0.0           | 0.0           |
| ALL | 100.8              | 0.0          | 0.0          | 221.6               | 23.2            | 13.4            | 22,342               | 23.2          | 13.4          |

### Unit Summary: Q NARDOM SORTS RW1

| Sp  | Status | Rx  | N | D   | DBH  | BL | THT | BF Gross | BF Net | Defect % | TPA  | BA    | RD   | MBF Net |
|-----|--------|-----|---|-----|------|----|-----|----------|--------|----------|------|-------|------|---------|
| RC  | LIVE   | CUT | 2 | ALL | 21.7 | 81 | 103 | 14,208   | 14,208 | 0.0      | 26.2 | 67.2  | 14.4 | 2.8     |
| WL  | LIVE   | CUT | 1 | ALL | 21.3 | 93 | 118 | 8,134    | 8,134  | 0.0      | 13.6 | 33.6  | 7.3  | 1.6     |
| ALL | LIVE   | CUT | 3 | ALL | 21.6 | 85 | 108 | 22,342   | 22,342 | 0.0      | 39.8 | 100.8 | 21.7 | 4.5     |
| ALL | ALL    | ALL | 3 | ALL | 21.6 | 85 | 108 | 22,342   | 22,342 | 0.0      | 39.8 | 100.8 | 21.7 | 4.5     |



## Cruise Unit Report Q NARDOM SORTS RW2

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS RW2

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |       | Utility |
|-----|------|----------|-----|---------------------|-------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | 5 Saw |         |
| DF  | 14.4 |          |     | 17                  | 6     | 9     | 2     |       | 0       |
| RC  | 13.4 |          |     | 10                  |       | 9     | 1     |       |         |
| WL  | 19.0 |          |     | 10                  | 6     | 3     | 1     |       | 0       |
| PP  | 24.3 |          |     | 4                   |       |       | 4     | 1     |         |
| ALL | 15.2 |          |     | 41                  | 12    | 21    | 6     | 1     | 0       |

### Unit Cruise Design: Q NARDOM SORTS RW2

| Design   | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|--|--------------|-----------|---------|----------------|--------------|
| B1: VR, 1 BAF (20) Measure All, Sighting Ht = 4.5 ft | 2.2          | 2.2       | 4       | 4              | 0            |

### Unit Cruise Summary: Q NARDOM SORTS RW2

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| DF  | 10            | 10        | 2.5        | 0                |
| RC  | 5             | 6         | 1.5        | 0                |
| WL  | 3             | 4         | 1.0        | 0                |
| PP  | 2             | 2         | 0.5        | 0                |
| ALL | 20            | 22        | 5.5        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS RW2

| Sp  | BA (sq ft/acre) | BA CV (%) | BA SE (%) | V-BAR (bf/sq ft) | V-BAR CV (%) | V-BAR SE (%) | Net Vol (bf/acre) | Vol CV (%) | Vol SE (%) |
|-----|-----------------|-----------|-----------|------------------|--------------|--------------|-------------------|------------|------------|
| DF  | 50.0            | 51.6      | 25.8      | 150.1            | 37.4         | 11.8         | 7,503             | 63.8       | 28.4       |
| RC  | 30.0            | 200.0     | 100.0     | 153.6            | 40.3         | 18.0         | 4,607             | 204.0      | 101.6      |
| WL  | 20.0            | 115.5     | 57.7      | 220.6            | 1.0          | 0.6          | 4,412             | 115.5      | 57.7       |
| PP  | 10.0            | 200.0     | 100.0     | 197.8            | 15.0         | 10.6         | 1,978             | 200.6      | 100.6      |
| ALL | 110.0           | 56.5      | 28.3      | 168.2            | 32.8         | 7.3          | 18,500            | 65.3       | 29.2       |

**Unit Summary: Q NARDOM SORTS RW2**

| Sp  | Status | Rx   | N  | D   | DBH  | BL | THT | BF<br>Gross | BF<br>Net | Defect<br>% | TPA  | BA    | RD   | MBF<br>Net |
|-----|--------|------|----|-----|------|----|-----|-------------|-----------|-------------|------|-------|------|------------|
| DF  | LIVE   | CUT  | 10 | ALL | 14.4 | 67 | 84  | 7,793       | 7,503     | 3.7         | 44.2 | 50.0  | 13.2 | 16.5       |
| PP  | LIVE   | CUT  | 2  | ALL | 24.3 | 87 | 116 | 1,978       | 1,978     | 0.0         | 3.1  | 10.0  | 2.0  | 4.4        |
| RC  | LIVE   | CUT  | 2  | ALL | 11.2 | 64 | 80  | 2,303       | 2,303     | 0.0         | 21.9 | 15.0  | 4.5  | 5.1        |
| RC  | LIVE   | POLE | 3  | ALL | 17.9 | 86 | 110 | 2,303       | 2,303     | 0.0         | 8.6  | 15.0  | 3.5  | 5.1        |
| WL  | LIVE   | CUT  | 3  | ALL | 19.0 | 95 | 121 | 4,412       | 4,412     | 0.0         | 10.2 | 20.0  | 4.6  | 9.7        |
| ALL | LIVE   | CUT  | 17 | ALL | 14.8 | 71 | 89  | 16,486      | 16,196    | 1.8         | 79.4 | 95.0  | 24.3 | 35.6       |
| ALL | LIVE   | POLE | 3  | ALL | 17.9 | 86 | 110 | 2,303       | 2,303     | 0.0         | 8.6  | 15.0  | 3.5  | 5.1        |
| ALL | ALL    | ALL  | 20 | ALL | 15.1 | 72 | 91  | 18,790      | 18,500    | 1.5         | 88.0 | 110.0 | 27.8 | 40.7       |

## Cruise Unit Report Q NARDOM SORTS RW3

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS RW3

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |
|-----|------|----------|-----|---------------------|-------|-------|-------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw |
| RC  | 12.7 |          |     | 5                   |       | 5     | 1     |
| GF  | 18.4 |          |     | 2                   | 1     | 1     | 0     |
| ALL | 13.3 |          |     | 7                   | 1     | 5     | 1     |

### Unit Cruise Design: Q NARDOM SORTS RW3

| Design   | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|--|--------------|-----------|---------|----------------|--------------|
| B1: VR, 1 BAF (33.61) Measure All, Sighting<br>Ht = 4.5 ft | 0.5          | 0.5       | 2       | 2              | 0            |

### Unit Cruise Summary: Q NARDOM SORTS RW3

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| RC  | 5             | 5         | 2.5        | 0                |
| GF  | 1             | 1         | 0.5        | 0                |
| ALL | 6             | 6         | 3.0        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS RW3

| Sp  | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|-----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| RC  | 84.0               | 84.9         | 60.0         | 126.4               | 40.4            | 18.1            | 10,624               | 94.0          | 62.7          |
| GF  | 16.8               | 141.4        | 100.0        | 191.7               | 0.0             | 0.0             | 3,221                | 141.4         | 100.0         |
| ALL | 100.8              | 47.1         | 33.3         | 137.3               | 38.5            | 15.7            | 13,845               | 60.9          | 36.9          |

### Unit Summary: Q NARDOM SORTS RW3

| Sp  | Status | Rx   | N | D   | DBH  | BL | THT | BF<br>Gross | BF<br>Net | Defect<br>% | TPA  | BA   | RD   | MBF<br>Net |
|-----|--------|------|---|-----|------|----|-----|-------------|-----------|-------------|------|------|------|------------|
| GF  | LIVE   | CUT  | 1 | ALL | 18.4 | 86 | 109 | 3,331       | 3,221     | 3.3         | 9.1  | 16.8 | 3.9  | 1.6        |
| RC  | LIVE   | CUT  | 3 | ALL | 12.6 | 56 | 70  | 6,545       | 6,374     | 2.6         | 58.2 | 50.4 | 14.2 | 3.2        |
| RC  | LIVE   | POLE | 2 | ALL | 12.9 | 67 | 84  | 4,363       | 4,250     | 2.6         | 37.0 | 33.6 | 9.4  | 2.1        |
| ALL | LIVE   | CUT  | 4 | ALL | 13.5 | 60 | 75  | 9,875       | 9,596     | 2.8         | 67.3 | 67.2 | 18.1 | 4.8        |
| ALL | LIVE   | POLE | 2 | ALL | 12.9 | 67 | 84  | 4,363       | 4,250     | 2.6         | 37.0 | 33.6 | 9.4  | 2.1        |

| Sp  | Status | Rx  | N | D   | DBH  | BL | THT | BF<br>Gross | BF<br>Net | Defect<br>% | TPA   | BA    | RD   | MBF<br>Net |
|-----|--------|-----|---|-----|------|----|-----|-------------|-----------|-------------|-------|-------|------|------------|
| ALL | ALL    | ALL | 6 | ALL | 13.3 | 63 | 79  | 14,238      | 13,845    | 2.8         | 104.3 | 100.8 | 27.5 | 6.9        |

## Cruise Unit Report Q NARDOM SORTS RW4

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS RW4

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |         |
|-----|------|----------|-----|---------------------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | Utility |
| RC  | 12.1 |          |     | 19                  |       | 17    | 2     |         |
| DF  | 15.5 |          |     | 12                  | 5     | 7     | 1     | 0       |
| WL  | 16.6 |          |     | 11                  | 5     | 6     | 1     |         |
| ES  | 14.2 |          |     | 3                   |       | 2     | 1     |         |
| ALL | 13.6 |          |     | 46                  | 10    | 32    | 4     | 0       |

### Unit Cruise Design: Q NARDOM SORTS RW4

| Design   | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |
|--|--------------|-----------|---------|----------------|--------------|
| B1: VR, 1 BAF (33.61) Measure All, Sighting<br>Ht = 4.5 ft | 2.9          | 2.9       | 5       | 5              | 0            |

### Unit Cruise Summary: Q NARDOM SORTS RW4

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| RC  | 8             | 8         | 1.6        | 0                |
| DF  | 4             | 4         | 0.8        | 0                |
| WL  | 3             | 3         | 0.6        | 0                |
| ES  | 1             | 1         | 0.2        | 0                |
| ALL | 16            | 16        | 3.2        | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS RW4

| Sp  | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|-----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| RC  | 53.8               | 104.6        | 46.8         | 124.2               | 16.3            | 5.7             | 6,677                | 105.8         | 47.1          |
| DF  | 26.9               | 136.9        | 61.2         | 154.3               | 23.2            | 11.6            | 4,148                | 138.9         | 62.3          |
| WL  | 20.2               | 91.3         | 40.8         | 193.2               | 7.5             | 4.3             | 3,895                | 91.6          | 41.1          |
| ES  | 6.7                | 223.6        | 100.0        | 152.8               | 0.0             | 0.0             | 1,027                | 223.6         | 100.0         |
| ALL | 107.6              | 26.1         | 11.7         | 146.4               | 23.6            | 5.9             | 15,747               | 35.2          | 13.1          |

**Unit Summary: Q NARDOM SORTS RW4**

| Sp  | Status | Rx  | N  | D   | DBH  | BL | THT | BF<br>Gross | BF<br>Net | Defect<br>% | TPA   | BA    | RD   | MBF<br>Net |
|-----|--------|-----|----|-----|------|----|-----|-------------|-----------|-------------|-------|-------|------|------------|
| DF  | LIVE   | CUT | 4  | ALL | 15.5 | 66 | 87  | 4,148       | 4,148     | 0.0         | 20.5  | 26.9  | 6.8  | 12.0       |
| ES  | LIVE   | CUT | 1  | ALL | 14.2 | 63 | 79  | 1,027       | 1,027     | 0.0         | 6.1   | 6.7   | 1.8  | 3.0        |
| RC  | LIVE   | CUT | 8  | ALL | 12.1 | 59 | 74  | 6,677       | 6,677     | 0.0         | 67.3  | 53.8  | 15.5 | 19.4       |
| WL  | LIVE   | CUT | 3  | ALL | 16.6 | 82 | 104 | 3,895       | 3,895     | 0.0         | 13.4  | 20.2  | 4.9  | 11.3       |
| ALL | LIVE   | CUT | 16 | ALL | 13.6 | 64 | 81  | 15,747      | 15,747    | 0.0         | 107.3 | 107.6 | 29.0 | 45.7       |
| ALL | ALL    | ALL | 16 | ALL | 13.6 | 64 | 81  | 15,747      | 15,747    | 0.0         | 107.3 | 107.6 | 29.0 | 45.7       |

## Cruise Unit Report Q NARDOM SORTS RW5

### Unit Sale Notice Volume (MBF): Q NARDOM SORTS RW5

| Sp  | DBH  | Rings/In | Age | MBF Volume by Grade |       |       |       |       | Utility |
|-----|------|----------|-----|---------------------|-------|-------|-------|-------|---------|
|     |      |          |     | All                 | 2 Saw | 3 Saw | 4 Saw | 5 Saw |         |
| DF  | 12.7 |          |     | 32                  | 4     | 19    | 8     |       | 1       |
| GF  | 12.2 |          |     | 10                  |       | 8     | 2     |       | 0       |
| LP  | 11.5 |          |     | 7                   |       | 4     | 2     |       | 0       |
| WL  | 11.9 |          |     | 4                   |       | 3     | 1     |       | 0       |
| RC  | 13.3 |          |     | 3                   |       | 3     | 1     |       |         |
| PP  | 13.0 |          |     | 2                   |       |       |       | 2     | 0       |
| ALL | 12.5 |          |     | 57                  | 4     | 36    | 13    | 2     | 2       |

### Unit Cruise Design: Q NARDOM SORTS RW5

| Design                                      | Cruise Acres | FMA Acres | N Plots | N Cruise Plots | N Void Plots |   |
|---|--------------|-----------|---------|----------------|--------------|---|
| ST: Strip/Percent Sample (1 tree expansion) |              | 9.8       | 9.8     | 1              | 1            | 0 |

### Unit Cruise Summary: Q NARDOM SORTS RW5

| Sp  | Cruised Trees | All Trees | Trees/Plot | Ring-Count Trees |
|-----|---------------|-----------|------------|------------------|
| DF  | 37            | 373       | 373.0      | 0                |
| GF  | 9             | 90        | 90.0       | 0                |
| LP  | 11            | 101       | 101.0      | 0                |
| WL  | 7             | 35        | 35.0       | 0                |
| RC  | 8             | 40        | 40.0       | 0                |
| PP  | 8             | 40        | 40.0       | 0                |
| ALL | 80            | 679       | 679.0      | 0                |

### Unit Cruise Statistics (Cut + Leave Trees): Q NARDOM SORTS RW5

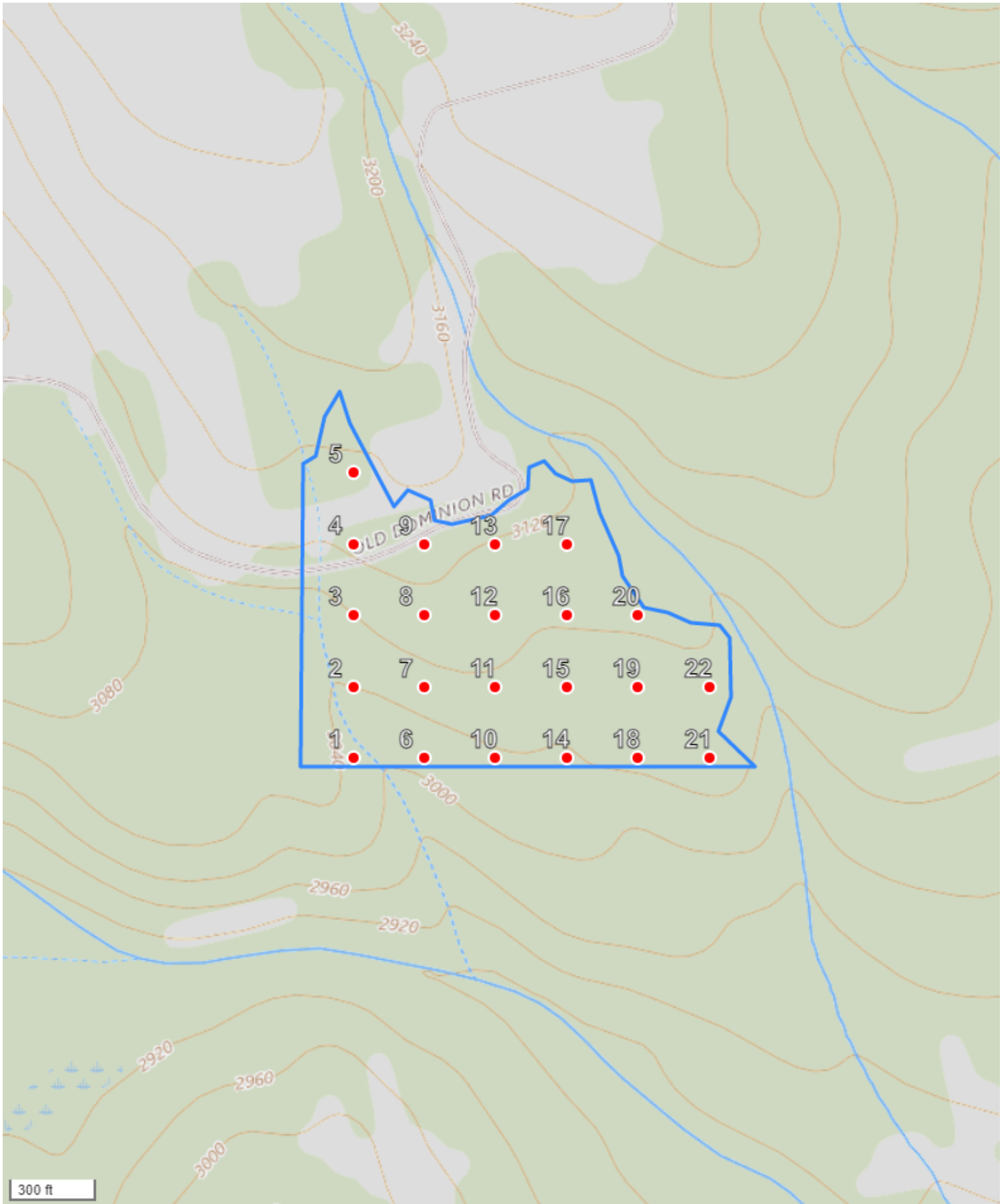
| Sp | BA (sq ft/acre) | BA CV (%) | BA SE (%) | V-BAR (bf/sq ft) | V-BAR CV (%) | V-BAR SE (%) | Net Vol (bf/acre) | Vol CV (%) | Vol SE (%) |
|----|-----------------|-----------|-----------|------------------|--------------|--------------|-------------------|------------|------------|
| DF | 33.7            | 0.0       | 0.0       | 96.0             | 23.1         | 3.8          | 3,236             | 23.1       | 3.8        |
| GF | 7.4             | 0.0       | 0.0       | 130.9            | 23.1         | 7.7          | 969               | 23.1       | 7.7        |
| LP | 7.5             | 0.0       | 0.0       | 91.8             | 22.8         | 6.9          | 684               | 22.8       | 6.9        |
| WL | 2.8             | 0.0       | 0.0       | 130.4            | 13.7         | 5.2          | 358               | 13.7       | 5.2        |
| RC | 4.0             | 0.0       | 0.0       | 82.8             | 61.0         | 21.6         | 331               | 61.0       | 21.6       |

| Sp  | BA<br>(sq ft/acre) | BA CV<br>(%) | BA SE<br>(%) | V-BAR<br>(bf/sq ft) | V-BAR CV<br>(%) | V-BAR SE<br>(%) | Net Vol<br>(bf/acre) | Vol CV<br>(%) | Vol SE<br>(%) |
|-----|--------------------|--------------|--------------|---------------------|-----------------|-----------------|----------------------|---------------|---------------|
| PP  | 3.8                | 0.0          | 0.0          | 58.6                | 43.4            | 15.4            | 223                  | 43.4          | 15.4          |
| ALL | 59.1               | 0.0          | 0.0          | 98.1                | 34.2            | 3.8             | 5,800                | 34.2          | 3.8           |

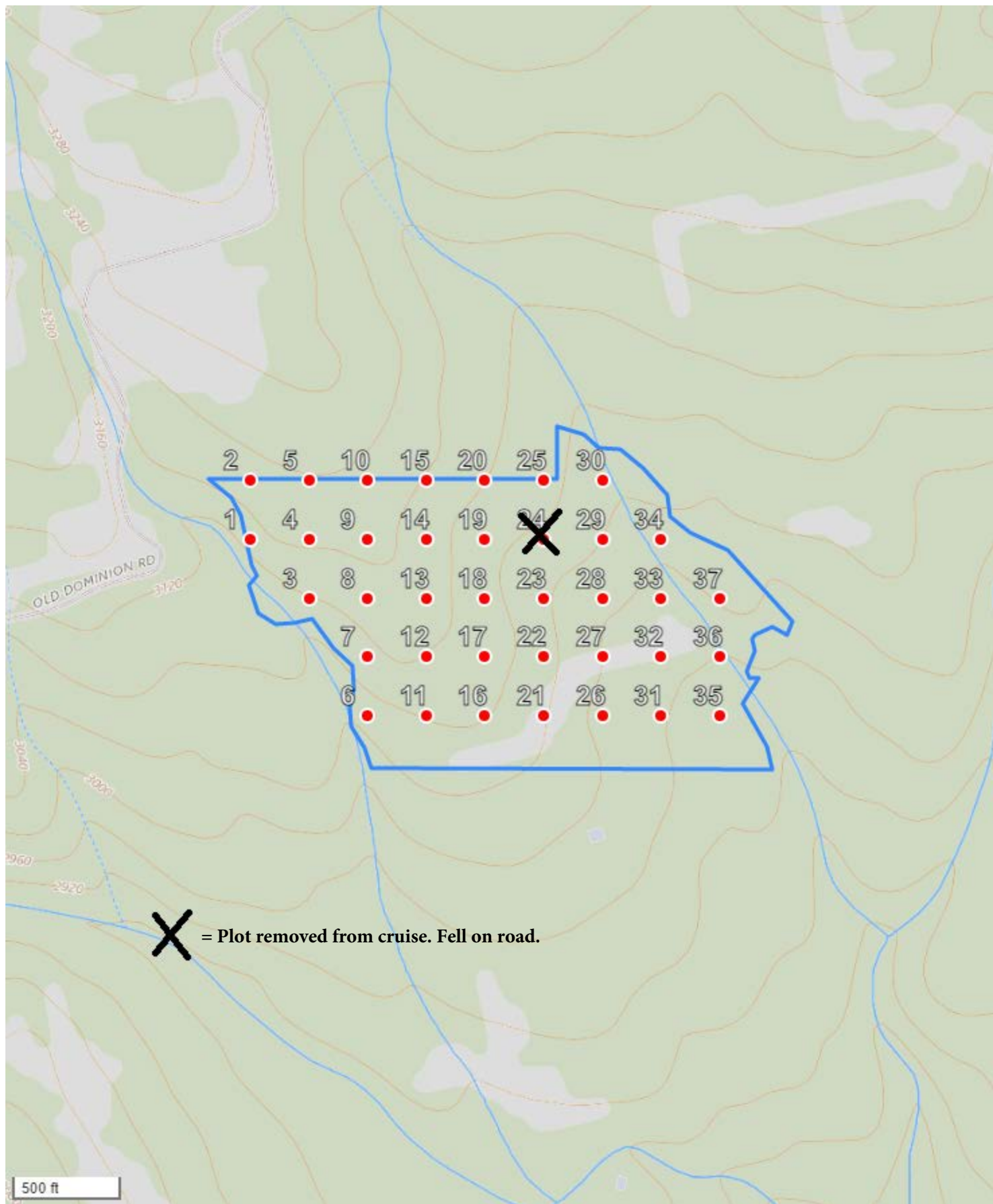
### Unit Summary: Q NARDOM SORTS RW5

| Sp  | Status | Rx  | N  | D   | DBH  | BL | THT | BF Gross | BF Net | Defect % | TPA  | BA   | RD   | MBF Net |
|-----|--------|-----|----|-----|------|----|-----|----------|--------|----------|------|------|------|---------|
| DF  | LIVE   | CUT | 37 | ALL | 12.7 | 53 | 65  | 3,334    | 3,236  | 2.9      | 38.3 | 33.7 | 9.5  | 31.7    |
| GF  | LIVE   | CUT | 9  | ALL | 12.2 | 60 | 74  | 984      | 969    | 1.5      | 9.1  | 7.4  | 2.1  | 9.5     |
| LP  | LIVE   | CUT | 11 | ALL | 11.5 | 52 | 64  | 713      | 684    | 4.1      | 10.3 | 7.5  | 2.2  | 6.7     |
| PP  | LIVE   | CUT | 8  | ALL | 13.0 | 53 | 69  | 257      | 223    | 13.4     | 4.1  | 3.8  | 1.1  | 2.2     |
| RC  | LIVE   | CUT | 8  | ALL | 13.3 | 50 | 61  | 363      | 331    | 8.7      | 4.1  | 4.0  | 1.1  | 3.2     |
| WL  | LIVE   | CUT | 7  | ALL | 11.9 | 61 | 75  | 359      | 359    | 0.0      | 3.6  | 2.8  | 0.8  | 3.5     |
| ALL | LIVE   | CUT | 80 | ALL | 12.5 | 54 | 66  | 6,008    | 5,800  | 3.5      | 69.5 | 59.1 | 16.7 | 56.8    |
| ALL | ALL    | ALL | 80 | ALL | 12.5 | 54 | 66  | 6,008    | 5,800  | 3.5      | 69.5 | 59.1 | 16.7 | 56.8    |

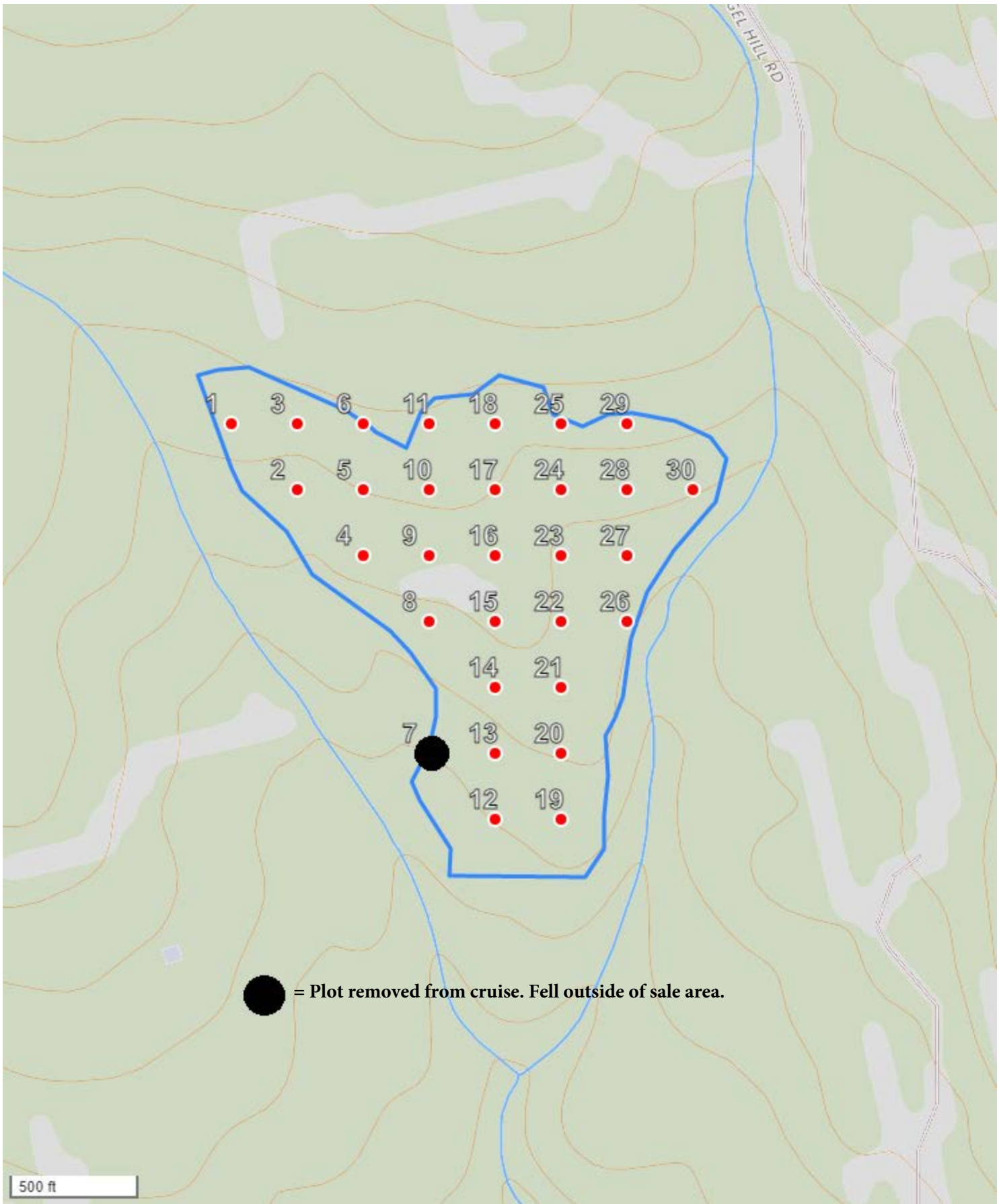





|                                |                     |                        |
|--------------------------------|---------------------|------------------------|
| FMA Name: NARDOM SORTS U1      | N Plots: 22         | Plot Spacing: 246.2 ft |
| Grid Name: NARDOM SORTS U1 - 1 | Acres Treated: 28.4 | Main Azimuth: 0 deg    |

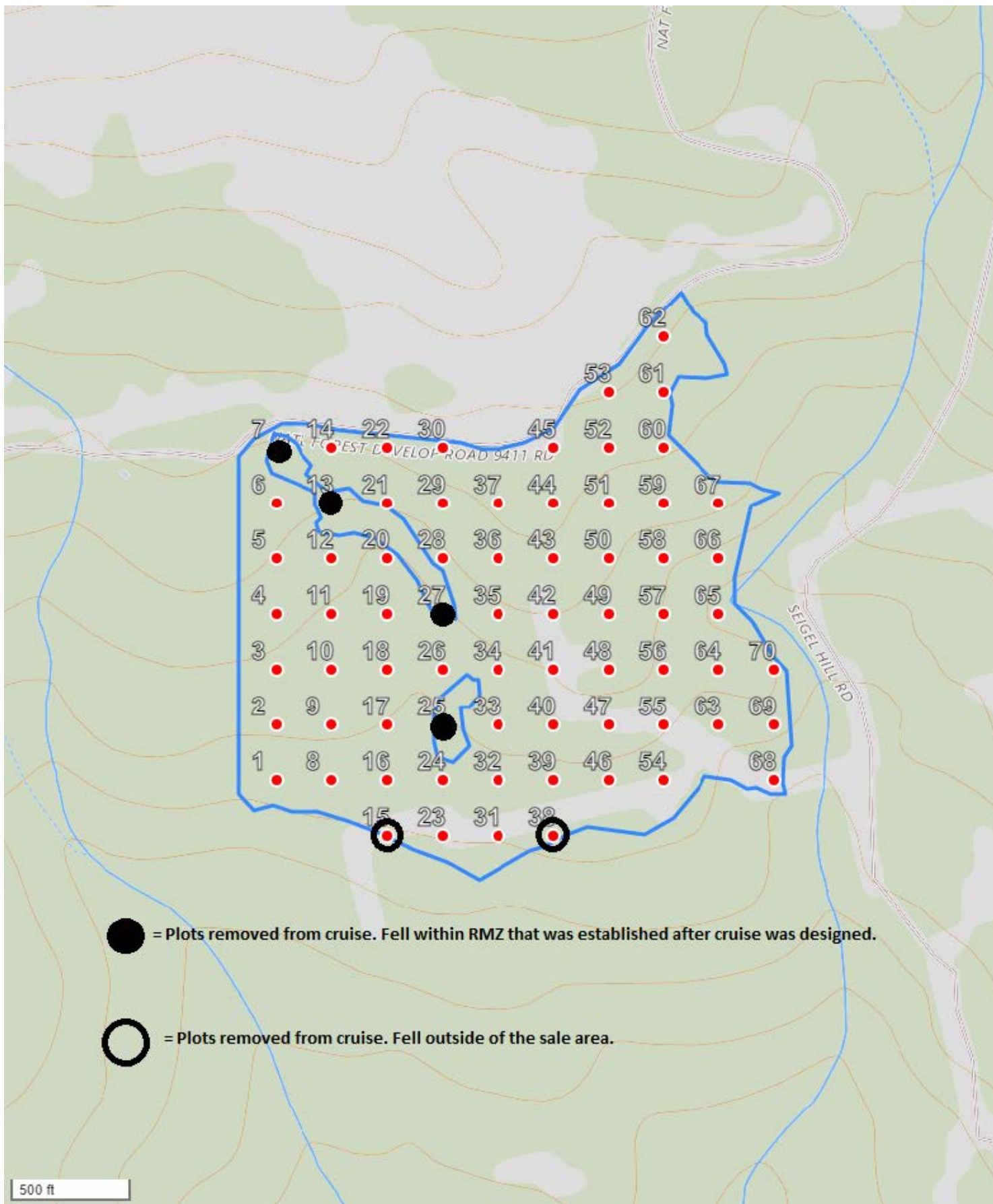


|                                |                     |                        |
|--------------------------------|---------------------|------------------------|
| FMA Name: NARDOM SORTS U2      | N Plots: 37         | Plot Spacing: 268.7 ft |
| Grid Name: NARDOM SORTS U2 - 1 | Acres Treated: 62.1 | Main Azimuth: 0 deg    |

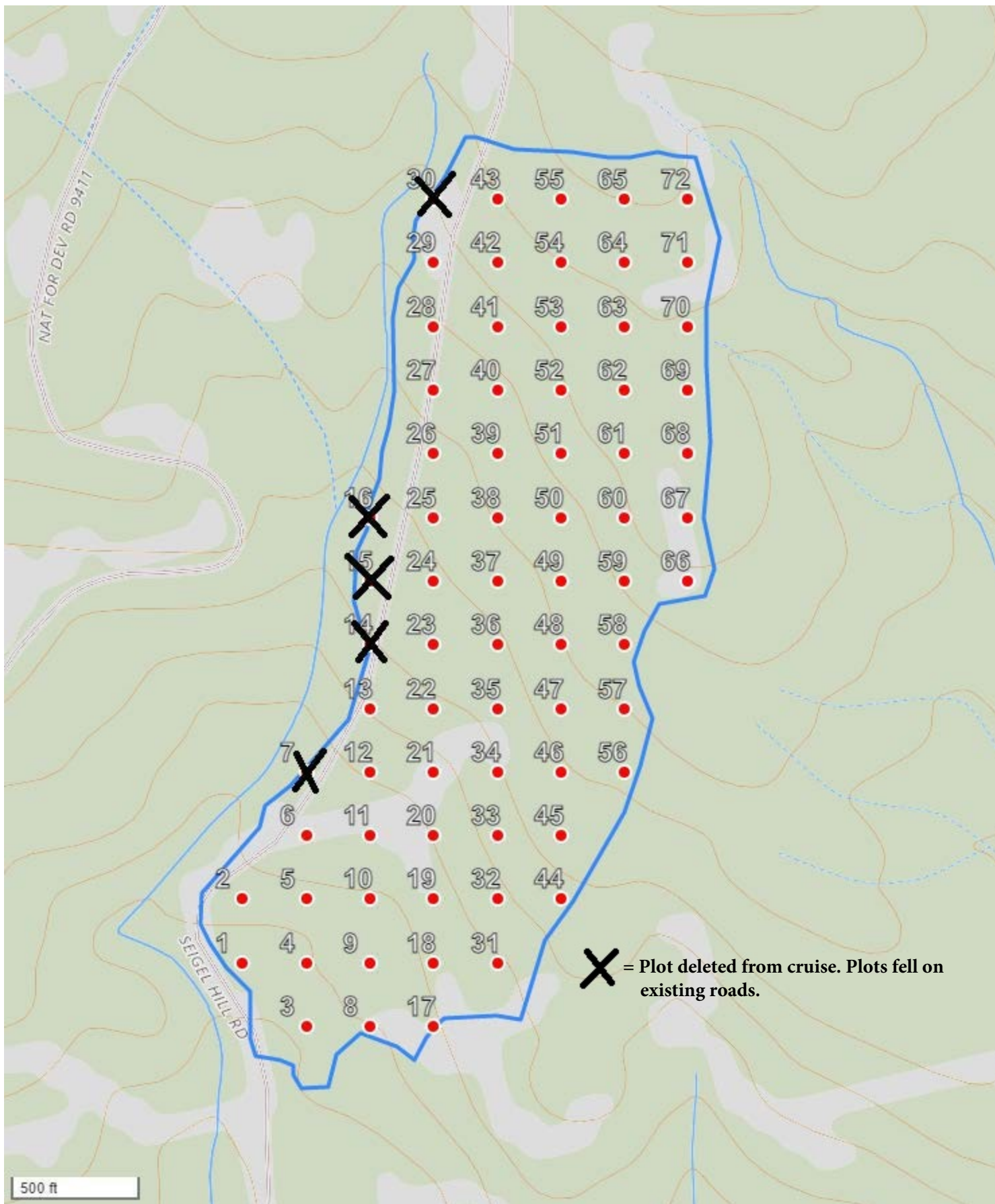


 = Plot removed from cruise. Fell outside of sale area.

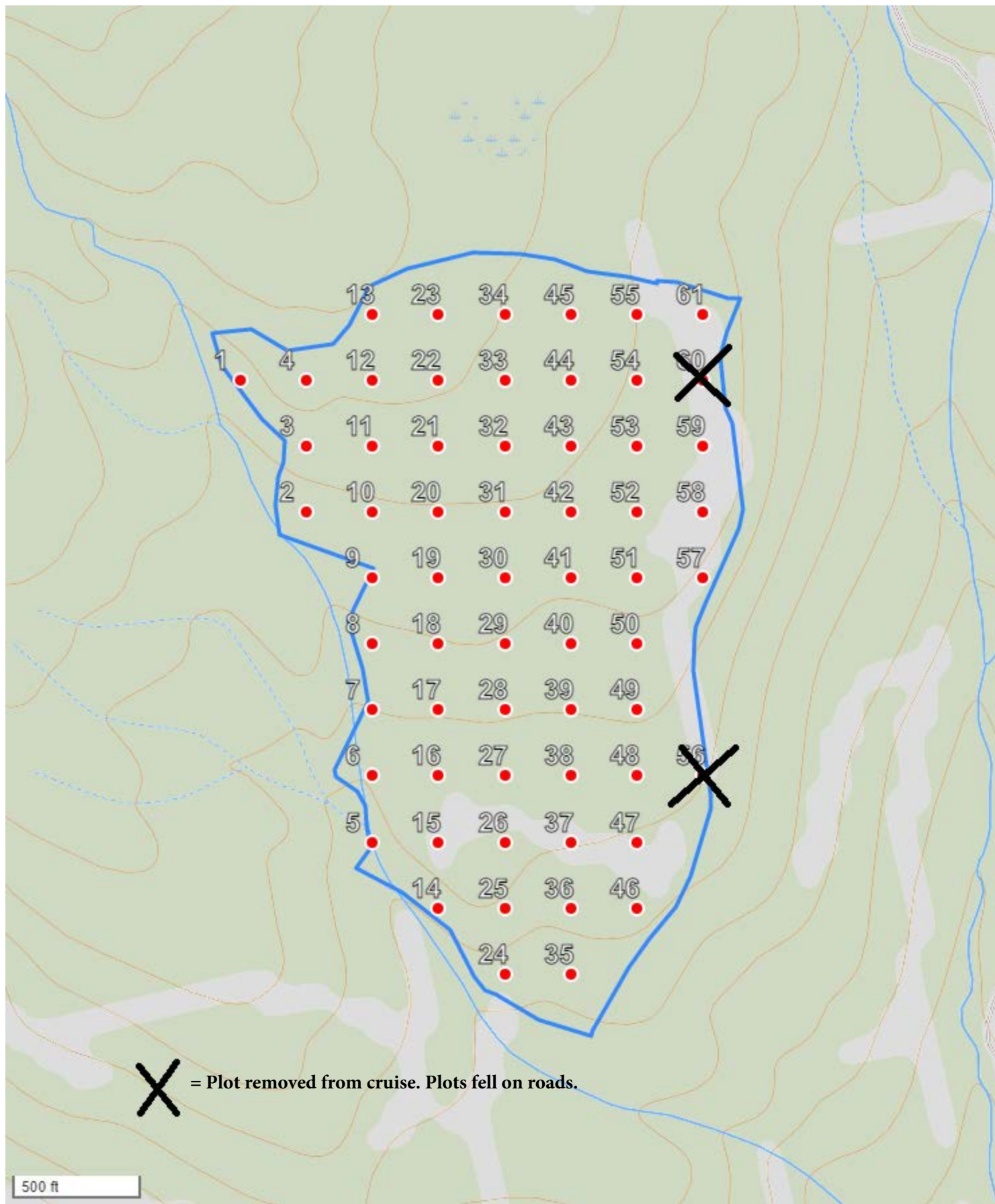
|                                |                     |                        |
|--------------------------------|---------------------|------------------------|
| FMA Name: NARDOM SORTS U3      | N Plots: 30         | Plot Spacing: 253.8 ft |
| Grid Name: NARDOM SORTS U3 - 1 | Acres Treated: 46.5 | Main Azimuth: 0 deg    |



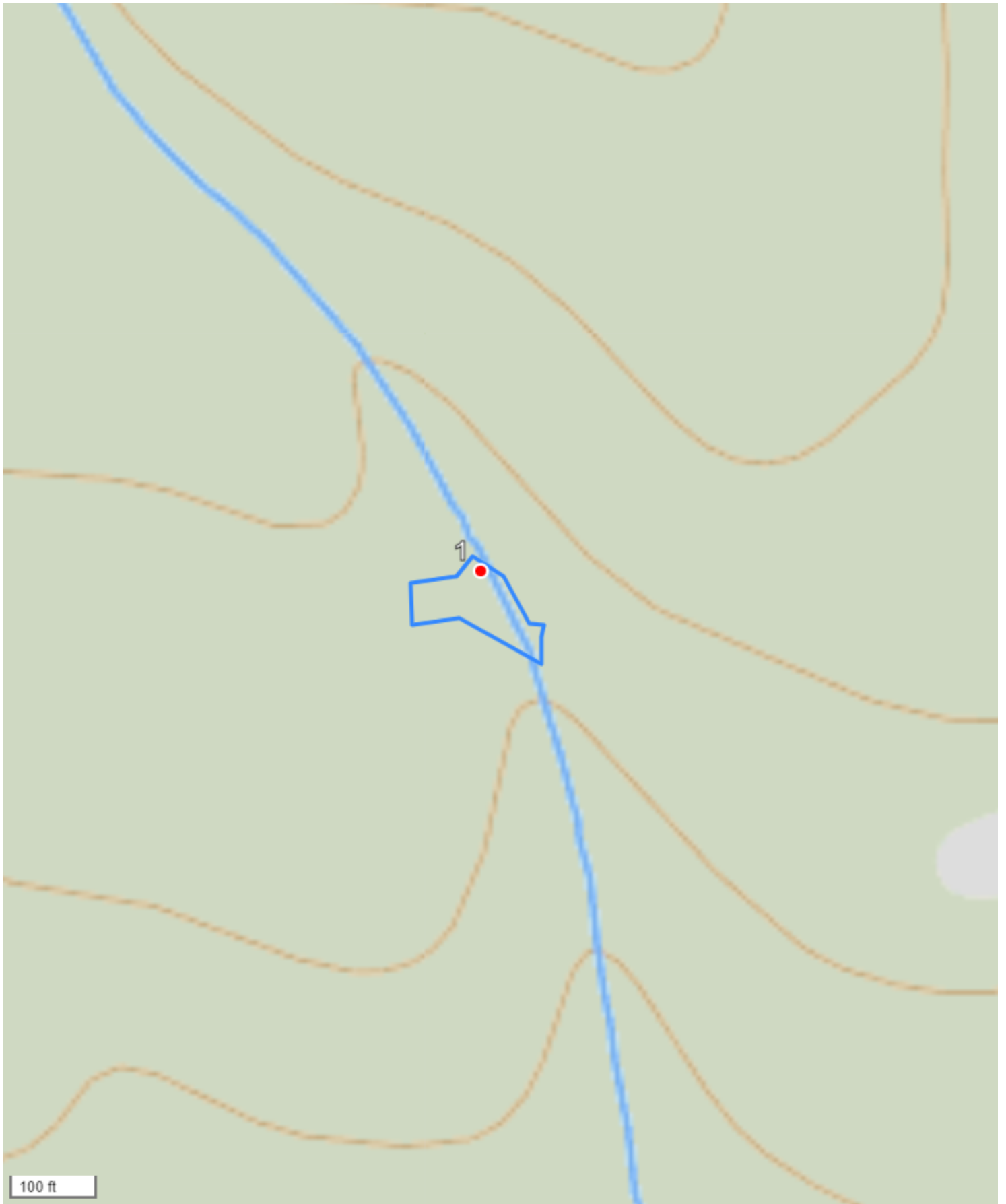
|                                |                     |                        |
|--------------------------------|---------------------|------------------------|
| FMA Name: Q NARDOM SORTS U4    | N Plots: 70         | Plot Spacing: 227.9 ft |
| Grid Name: NARDOM SORTS U4 - 1 | Acres Treated: 79.2 | Main Azimuth: 0 deg    |



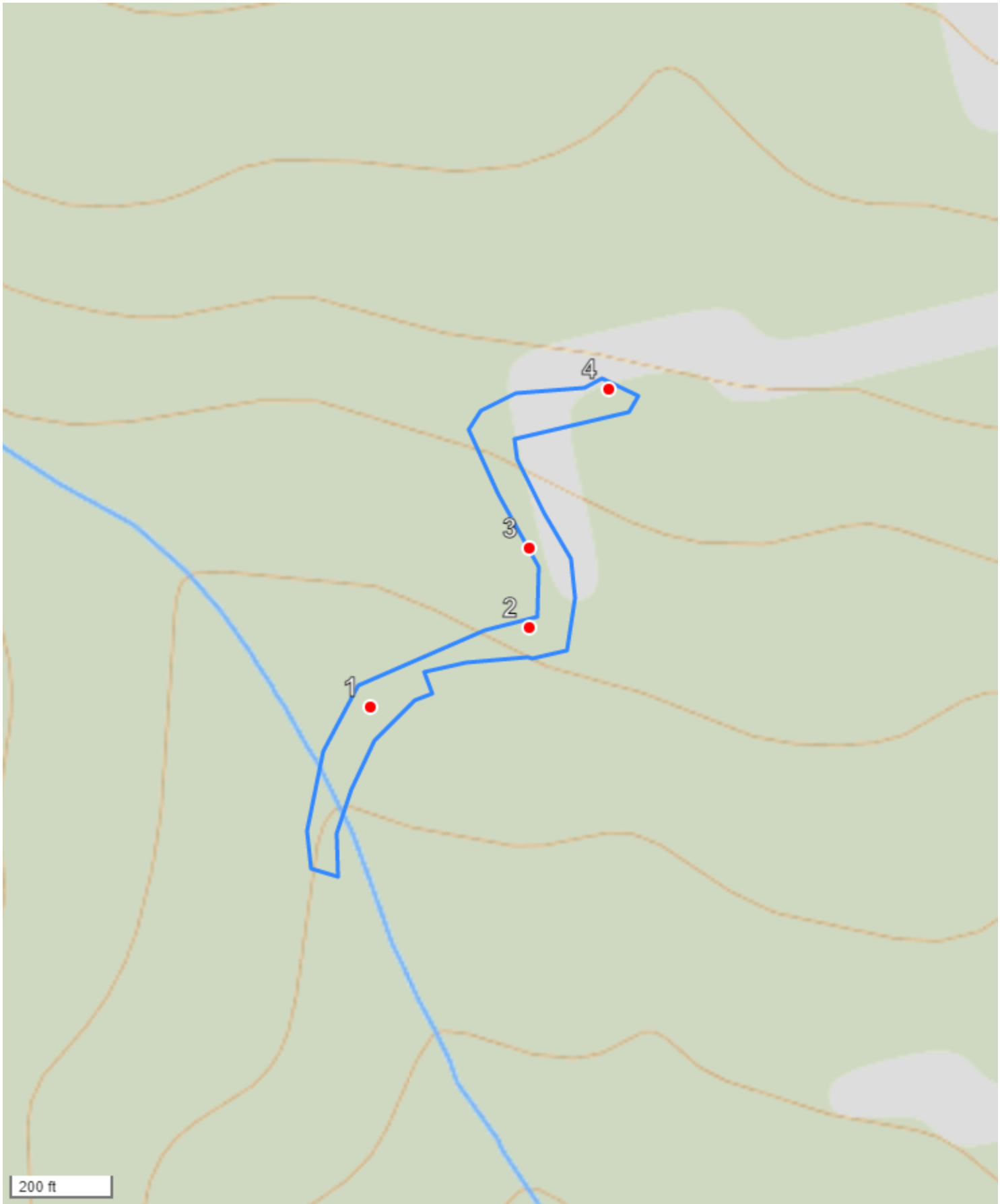
|                                |                     |                        |
|--------------------------------|---------------------|------------------------|
| FMA Name: NARDOM SORTS U5      | N Plots: 72         | Plot Spacing: 245.1 ft |
| Grid Name: NARDOM SORTS U5 - 1 | Acres Treated: 94.9 | Main Azimuth: 0 deg    |



|                                |                     |                        |
|--------------------------------|---------------------|------------------------|
| FMA Name: NARDOM SORTS U6      | N Plots: 61         | Plot Spacing: 254.3 ft |
| Grid Name: NARDOM SORTS U6 - 1 | Acres Treated: 90.1 | Main Azimuth: 0 deg    |

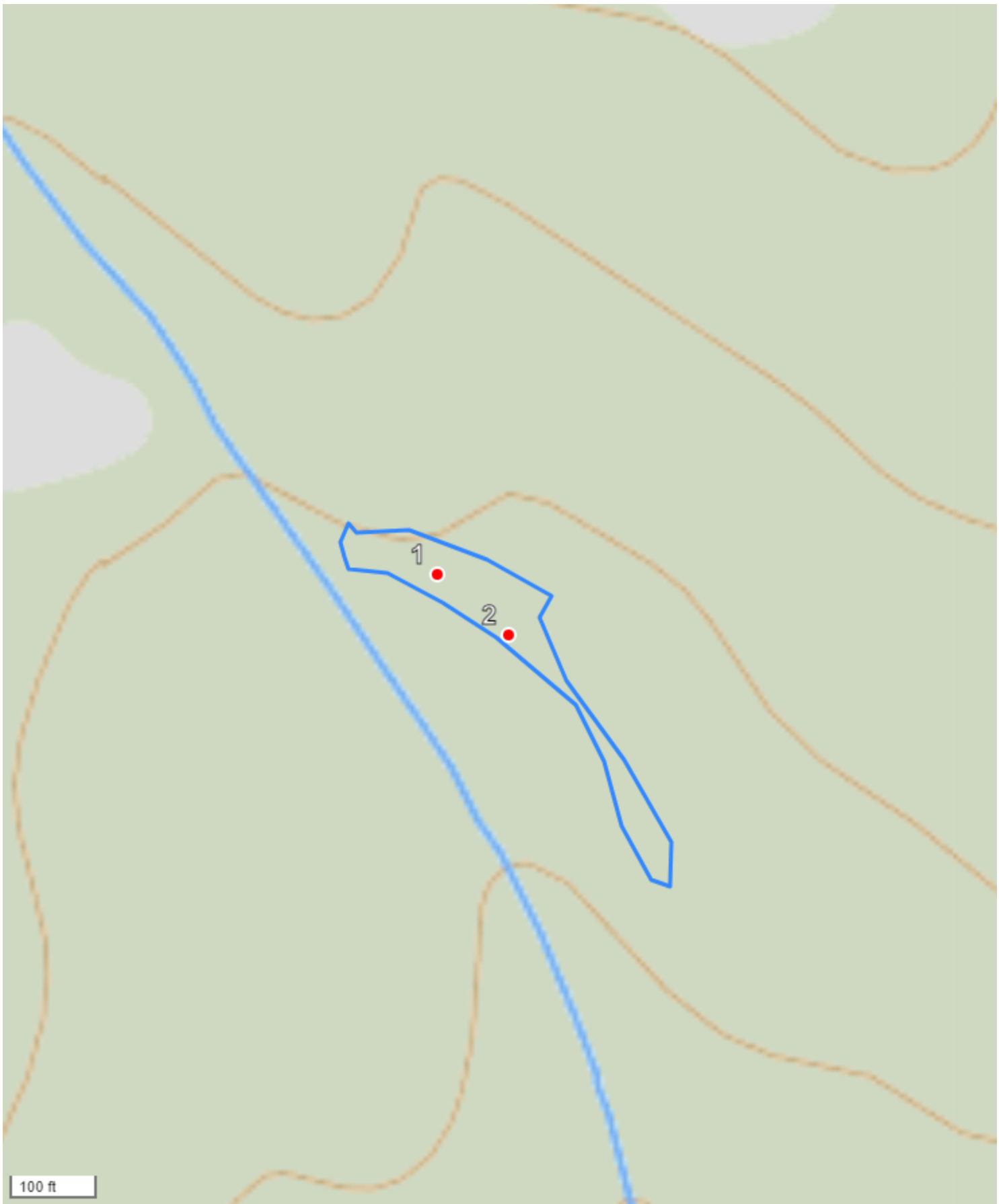


|  |                           |                               |
|--|---------------------------|-------------------------------|
| <b>FMA Name:</b> NARDOM SORTS RW1      | <b>N Plots:</b> 1         | <b>Plot Spacing:</b> 93.8 ft  |
| <b>Grid Name:</b> NARDOM SORTS RW1 - 1 | <b>Acres Treated:</b> 0.2 | <b>Main Azimuth:</b> 31.4 deg |



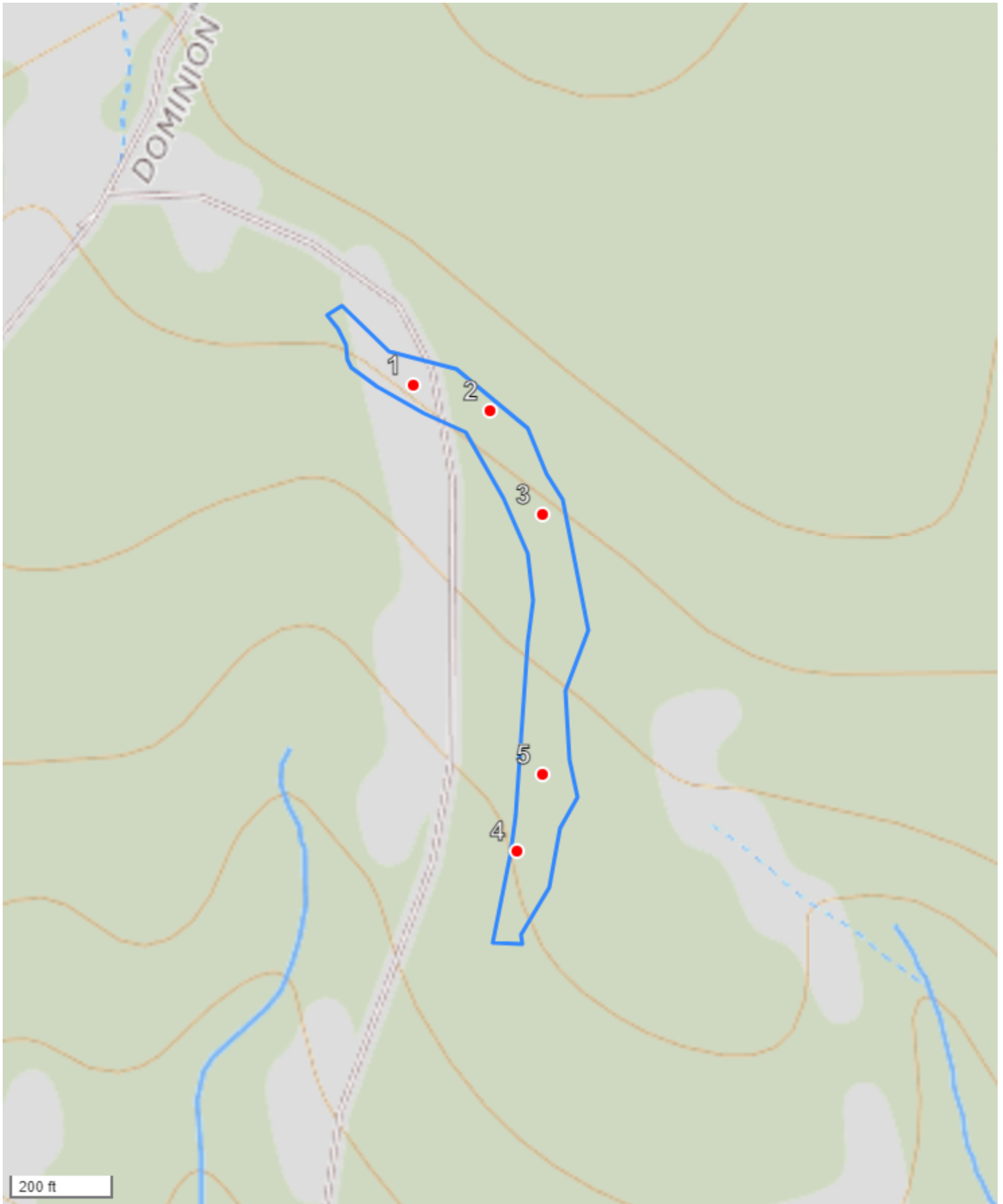
|  |                           |                               |
|--|---------------------------|-------------------------------|
| <b>FMA Name:</b> NARDOM SORTS RW2      | <b>N Plots:</b> 4         | <b>Plot Spacing:</b> 153.1 ft |
| <b>Grid Name:</b> NARDOM SORTS RW2 - 1 | <b>Acres Treated:</b> 2.2 | <b>Main Azimuth:</b> 0 deg    |



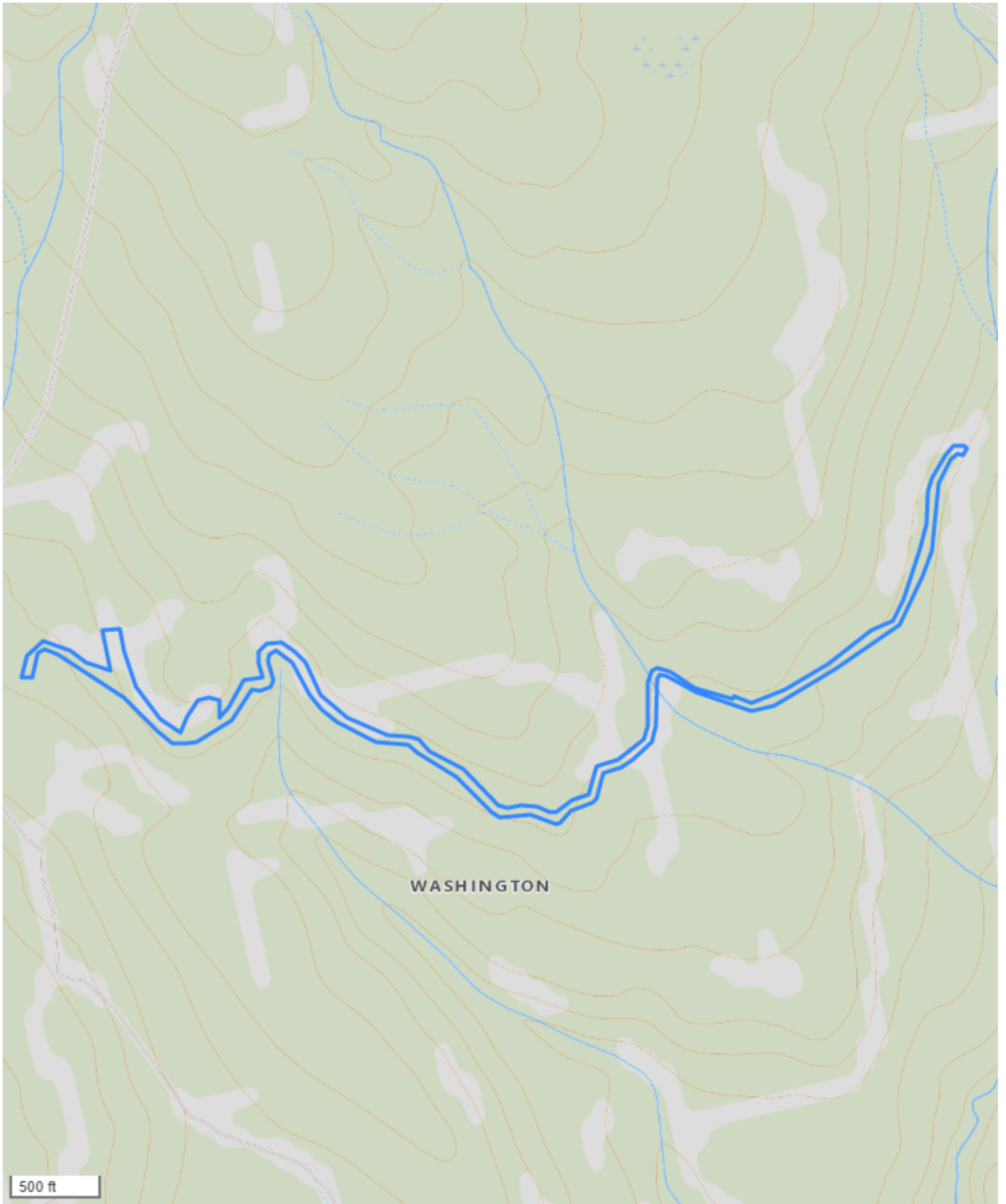


100 ft

|  |                           |                               |
|--|---------------------------|-------------------------------|
| <b>FMA Name:</b> NARDOM SORTS RW3      | <b>N Plots:</b> 2         | <b>Plot Spacing:</b> 107.9 ft |
| <b>Grid Name:</b> NARDOM SORTS RW3 - 1 | <b>Acres Treated:</b> 0.5 | <b>Main Azimuth:</b> 40.7 deg |



|  |                           |                               |
|--|---------------------------|-------------------------------|
| <b>FMA Name:</b> NARDOM SORTS RW4      | <b>N Plots:</b> 5         | <b>Plot Spacing:</b> 157.7 ft |
| <b>Grid Name:</b> NARDOM SORTS RW4 - 1 | <b>Acres Treated:</b> 2.9 | <b>Main Azimuth:</b> 18.4 deg |



|                                    |                           |                              |
|------------------------------------|---------------------------|------------------------------|
| <b>FMA Name:</b> NARDOM SORTS RW5  | <b>N Plots:</b>           | <b>Plot Spacing:</b> NaN ft  |
| <b>Grid Name:</b> NARDOM SORTS RW5 | <b>Acres Treated:</b> 9.8 | <b>Main Azimuth:</b> NaN deg |

## PRE-CRUISE NARRATIVE

|   |   |
|---|---|
| Sale Name: <b>Q Nardom Sorts</b>  | Region: <b>Northeast</b>  |
| Agreement #: <b>30-103927</b>   | District: North Columbia  |
| Contact Forester: Nathan Simpkins<br>Phone / Location: 509-675-3191       | County(s): Stevens, Choose a county   |
| Alternate Contact: Tony Flanagan<br>Phone / Location: <b>509-481-8032</b> | Other information:<br>Alternate Contact: Berny Beardslee<br>Phone: 509-675-5119 |

|   |   |
|---|---|
| Type of Sale: Log Sort (Contract harvest)   |   |
| Harvest System: Ground based <a href="#">Click here to enter text.</a>                          | 100%  |
| Harvest System: <a href="#">Select harvest system</a> <a href="#">Click here to enter text.</a> | <a href="#">Click here to enter percent sale acres.</a> |
| Harvest System: <a href="#">Select harvest system</a> <a href="#">Click here to enter text.</a> | <a href="#">Click here to enter percent sale acres.</a> |

### UNIT ACREAGES AND METHOD OF DETERMINATION:

| Unit #<br><br>Harvest R/W or RMZ WMZ | Legal Description<br>(Enter only one legal for each unit)<br><b>Sec/Twp/Rng</b> | Grant or Trust | Gross Proposal Acres | Deductions from Gross Acres<br>(No harvest acres) |                  |                     |                        | Net Harvest Acres | Acreage Determination<br><br>(List method and error of closure if applicable) |
|--------------------------------------|---|----------------|----------------------|---|------------------|---------------------|------------------------|-------------------|---|
|                                      |   |                |                      | RMZ/WMZ Acres                                     | Leave Tree Acres | Existing Road Acres | Other Acres (describe) |                   |   |
| 1                                    | S10/T35/R40   | 08             | 29.3                 |   |                  | .92                 |                        | 28.4              | GPS (Garmin)  |
| 2                                    | S10/T35/R40   | 08             | 63.1                 |   |                  | 1                   |                        | 62.1              | GPS (Garmin)  |
| 3                                    | S10/T35/R40   | 08             | 47.4                 |   |                  | .92                 |                        | 46.5              | GPS (Garmin)  |
| 4                                    | S10/T35/R40   | 08             | 79.9                 | 3.76  |                  | .77                 |                        | 79.1              | GPS (Garmin)  |
| 5                                    | S2,10&11/T35/R40  | 08, 05         | 96.8                 |   |                  | 1.9                 |                        | 94.9              | GPS (Garmin)  |
| 6                                    | S2&11/T35/R40   | 05, 08         | 90.8                 |   |                  | .64                 |                        | 90.1              | GPS (Garmin)  |
| RW1                                  | S10/T35/R40   | 08             | .2                   |   |                  |                     |                        | .2                | GPS (Garmin)  |
| RW2                                  | S10/T35/R40   | 08             | 2.2                  |   |                  |                     |                        | 2.2               | GPS (Garmin)  |
| RW3                                  | S10/T35/R40   | 08             | .5                   |   |                  |                     |                        | .5                | GPS (Garmin)  |
| RW4                                  | S2/T35/R40  | 05             | 2.9                  |   |                  |                     |                        | 2.9               | GPS (Garmin)  |

|             |                |    |       |      |  |     |       |              |
|-------------|----------------|----|-------|------|--|-----|-------|--------------|
| RW5         | S11&12/T35/R40 | 08 | 9.8   |      |  |     | 9.8   | GPS (Garmin) |
| TOTAL ACRES |                |    | 422.9 | 3.76 |  | 6.2 | 416.7 |              |

### HARVEST PLAN AND SPECIAL CONDITIONS:

| Unit # | Harvest Prescription:<br>(Leave, take, paint color, tags, flagging etc.)  | Special Management areas:                                     | Other conditions (# leave trees, etc.) |
|--------|---|---|--|
| 1      | Harvest all timber not banded with blue paint, including dead standing and down DF and WL. Leave all hardwoods. | Leave two of the largest snags per acre, preferably WL or DF. | 6-8 TPA                                |
| 2      | Harvest all timber not banded with blue paint, including dead standing and down DF and WL. Leave all hardwoods. | Leave two of the largest snags per acre, preferably WL or DF. | 6-8 TPA                                |
| 3      | Harvest all timber not banded with blue paint, including dead standing and down DF and WL. Leave all hardwoods. | Leave two of the largest snags per acre, preferably WL or DF. | 6-8 TPA                                |
| 4      | Harvest all timber not banded with blue paint, including dead standing and down DF and WL. Leave all hardwoods. | Leave two of the largest snags per acre, preferably WL or DF. | 6-8 TPA                                |
| 5      | Harvest all timber not banded with blue paint, including dead standing and down DF and WL. Leave all hardwoods. | Leave two of the largest snags per acre, preferably WL or DF. | 6-8 TPA                                |
| 6      | Harvest all timber not banded with blue paint, including dead standing and down DF and WL. Leave all hardwoods. | Leave two of the largest snags per acre, preferably WL or DF. | 6-8 TPA                                |
| RW/1-5 | Harvest all timber in-between the orange RW tags.   |   | 0TPA                                   |

### OTHER PRE-CRUISE INFORMATION:

| Unit # | Primary,secondary Species / Estimated Volume (MBF) | Access information (Gates, locks, etc.) | Photos, traverse maps required |
|--------|--|---|--------------------------------|
| 1      | PP,DF400mbf  | Accessible by Old Dominion Rd.          |                                |
| 2      | DF,WL880mbf  | Accessible by Old Dominion Rd.          |                                |
| 3      | DF,WL850mbf  | Accessible by Old Dominion Rd.          |                                |

|           |               |  |  |
|-----------|---------------|--|--|
| 4         | DF,WL1,170mbf | Accessible by Old Dominion Rd.                                   |  |
| 5         | DF,WL1,400mbf | Accessible by Old Dominion Rd.                                   |  |
| 6         | DF,WL1,300mbf | Accessible by Siegel Hill Rd and E354023A                        |  |
| RW1-5     | DF,WL70mbf    | Accessible by Old Dominion Rd or by Siegel Hill Rd and E354023A. |  |
| TOTAL MBF | 6,070mbf      |  |  |

**REMARKS:**

|                                   |
|-----------------------------------|
| An ATV is recommended for access. |
|-----------------------------------|

|  |                    |                      |
|--|--------------------|----------------------|
| <b>Prepared By: Nathan Simpkins</b><br><b>Date: 7/6/22</b> | <b>Title: NRS2</b> | <b>CC: Jake Culp</b> |
|--|--------------------|----------------------|



Forest Practices Application/Notification  
Notice of Decision

FPA/N No: 3026144

Effective Date: 1/26/23

Expiration Date: 1/26/26

Shut Down Zone: 687

EARR Tax Credit:  Eligible  Non-eligible

Reference: Q Nardom Sorts

2,10,11,12,13,14,23,24-35-40

Decision

- Notification Accepted Operations shall not begin before the effective date.
- Approved This Forest Practices Application is subject to the conditions listed below.
- Disapproved This Forest Practices Application is disapproved for the reasons listed below.
- Withdrawn Applicant has withdrawn the Forest Practices Application/Notification (FPA/N).
- Closed All forest practices obligations are met.

FPA/N Classification

- Class II  Class III  Class IVG  Class IVS

Number of Years Granted on Multi-Year Request

- 4 years  5 years

Conditions on Approval/Reasons for Disapproval

Approved with no conditions.

Issued By: Bob Hinds

Region: Northeast

Title: Forest Practices Forester

Date: 01/26/2023

Copies to:  Landowner, Timber Owner and Operator

Issued in person:  LO  TO  OP By: Ragene Christensen

Date: 01/26/2023