



NOTICE OF SALE

SALE NAME: *HIGHER GROUNDS CEDAR SALVAGE*

AGREEMENT NO: 30-105156

AUCTION: May 24, 2023 starting at 10:00 a.m.,
Olympic Region Office, Forks, WA

COUNTY: Jefferson

SALE LOCATION: Sale located approximately 21 miles south of Forks, WA

**PRODUCTS SOLD
AND SALE AREA:**

All down cedar logs and cedar stumps except trees marked with a band of blue paint or bounded out by leave tree area tags, bounded by timber sale boundary tags, the Hoh-Clearwater Mainline and the H-1303 Road in Unit 1; timber sale boundary tags, the Hoh-Clearwater Mainline, the 4+25 Spur and the H-1234 Road in Unit 2; timber sale boundary tags and the Hoh-Clearwater Mainline in Units 3, 8 and 10; timber sale boundary tags, Hoh-Clearwater Mainline and leave tree area tags in Units 4, 5 and 7; timber sale boundary tags in Unit 6; timber sale boundary tags and leave tree area tags in Unit 9.

All down cedar logs and cedar stumps bounded by right of way boundary tags.

All forest products above located on part(s) of Sections 9, 16, 17 and 20 all in Township 26 North, Range 11 West, W.M., containing 145 acres, more or less.

ESTIMATED SALE VOLUMES AND QUALITY:

Species	Avg Ring DBH Count	Total MBF	MBF by Grade								
			1P	2P	3P	SM	1S	2S	3S	4S	UT
Cedar Salvage		15									
Sale Total		15									

MINIMUM BID: \$10,000.00

BID METHOD: Sealed Bids

**PERFORMANCE
SECURITY:**

\$10,000.00

SALE TYPE: Lump Sum

EXPIRATION DATE: October 31, 2024

ALLOCATION: Export Restricted

BID DEPOSIT: \$2,500.00 or Bid Bond. Said deposit shall constitute an opening bid at the appraised price.

HARVEST METHOD: 100% hand and helicopter methods. No machines allowed.

ROADS:

All road maintenance and repair work that is needed on all roads under this agreement will be the responsibility of the Purchaser. For marbled murrelet restrictions, there will be no operations on the 2+25 Spur and 14+00 Spur from one hour before to two hours after official sunrise and from one hour before to one hour after official sunset from April 1 through September 23.

ACREAGE DETERMINATION

CRUISE METHOD: Sale acreage was 100% GPS'd.



NOTICE OF SALE

FEES: None

SPECIAL REMARKS: The DNR's standard conversion factor is 600 board feet per cord (cord = 128 ft).

Before the close of business on the auction day 25% of the successful Purchaser's total bid will be due and shall account for the full initial deposit. The remaining 75% will be due prior to the start of operations.

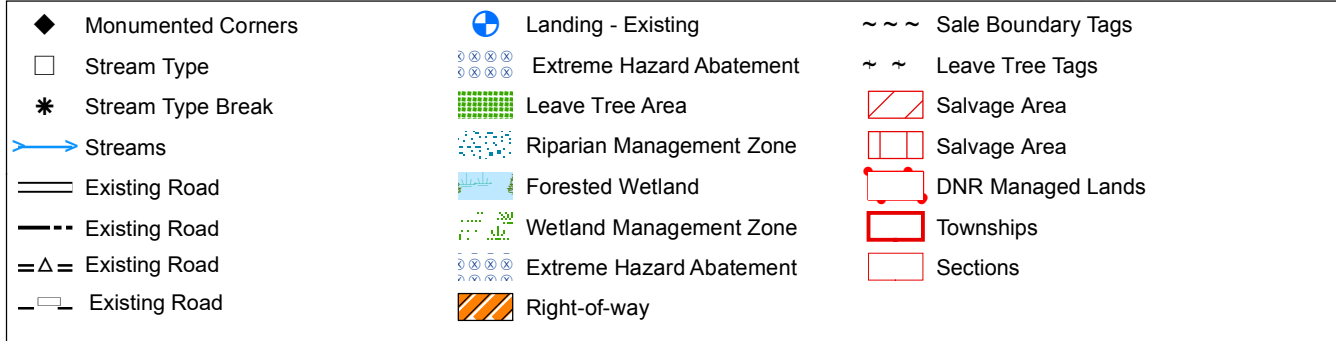
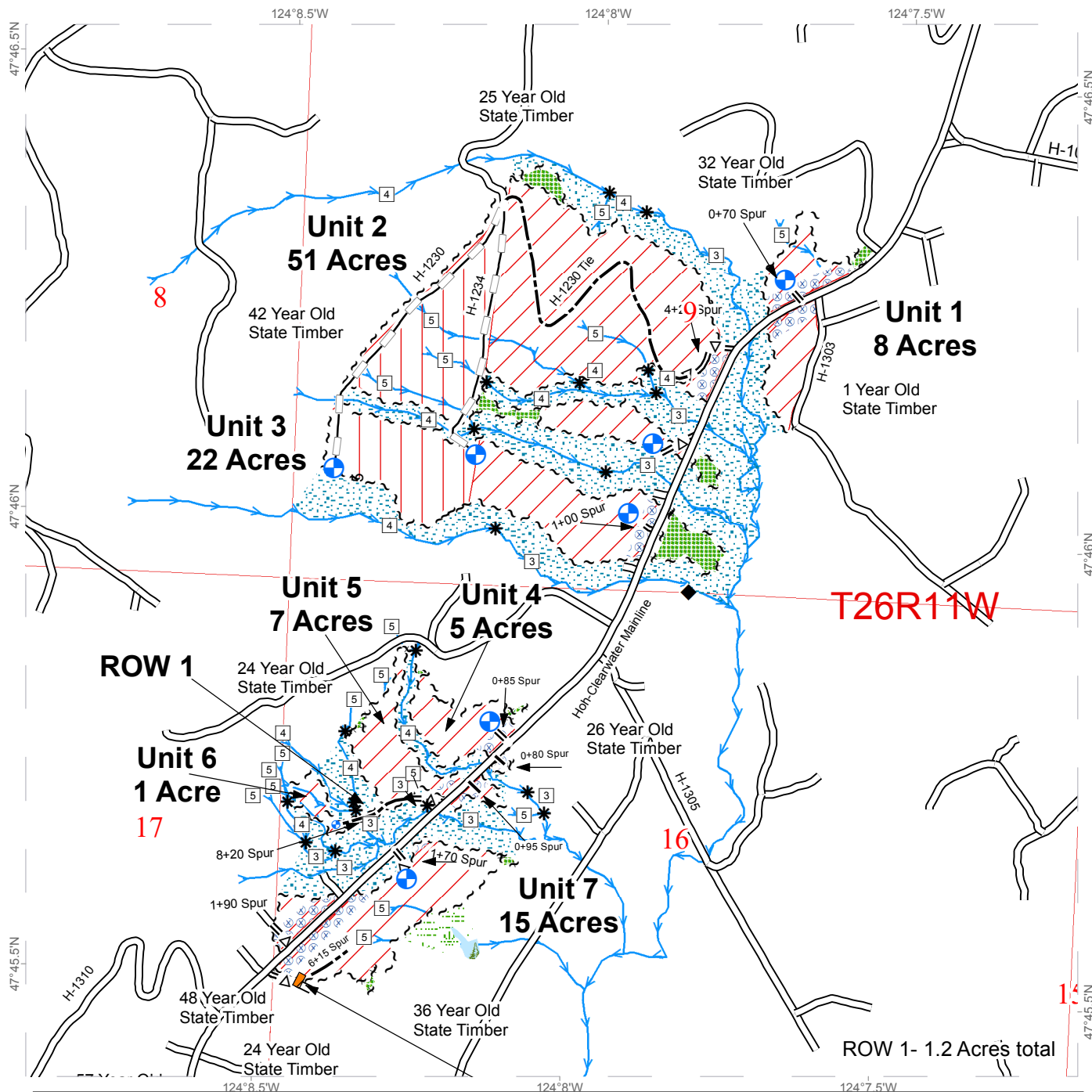
Helicopter operations shall not be allowed over an occupied marbled murrelet site during the critical nesting season (April 1 through September 23).

Many spur roads on this sale have been previously deactivated and will be limited to foot traffic only during salvage operations.

SALVAGE SALE MAP

SALE NAME: HIGHER GROUNDS CEDAR SALVAGE
AGREEMENT #: 30-105156
TOWNSHIP(S): T26R11W
TRUST(S): Common School and Indemnity(3)

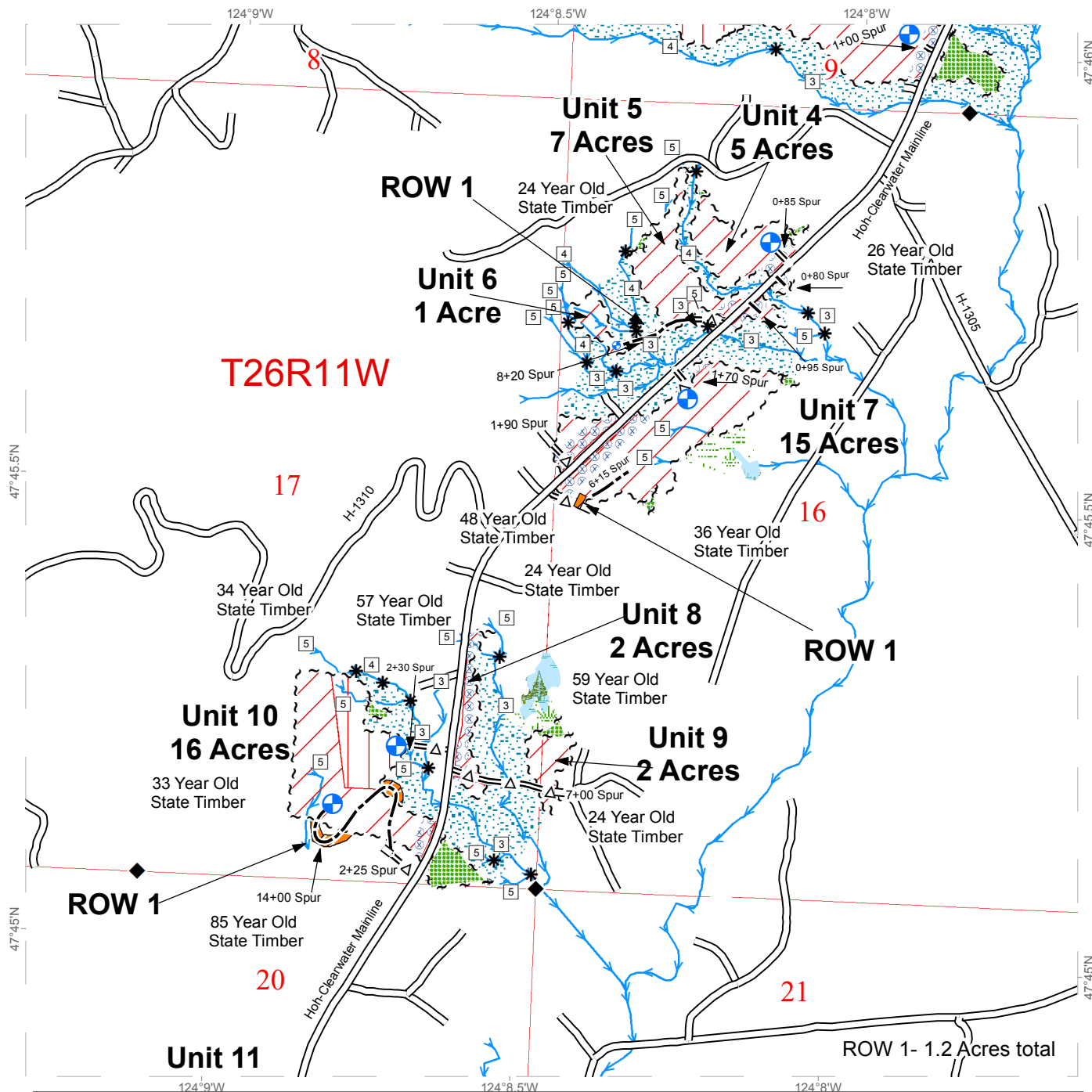
REGION: Olympic Region
COUNTY(S): JEFFERSON
ELEVATION RANGE: 666'-1319'



SALVAGE SALE MAP

SALE NAME: HIGHER GROUNDS CEDAR SALVAGE
AGREEMENT #: 30-105156
TOWNSHIP(S): T26R11W
TRUST(S): Common School and Indemnity(3)

REGION: Olympic Region
COUNTY(S): JEFFERSON
ELEVATION RANGE: 666'-1319'



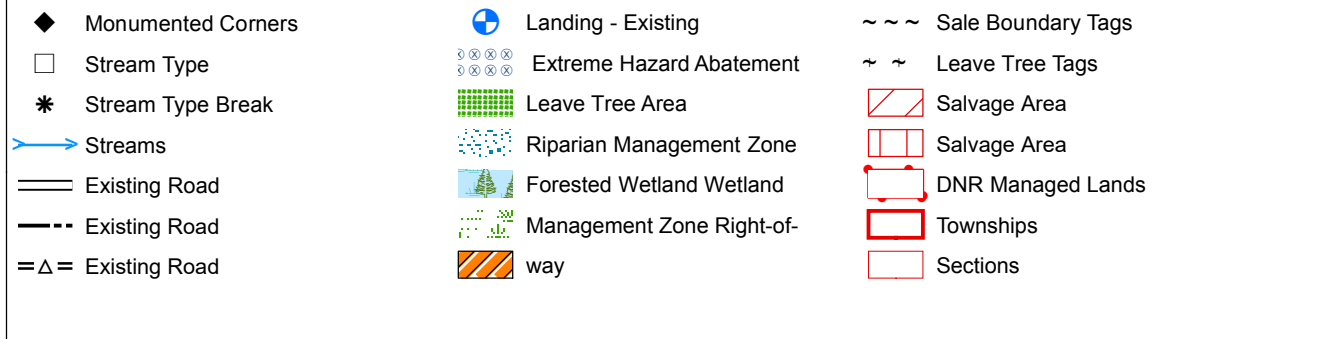
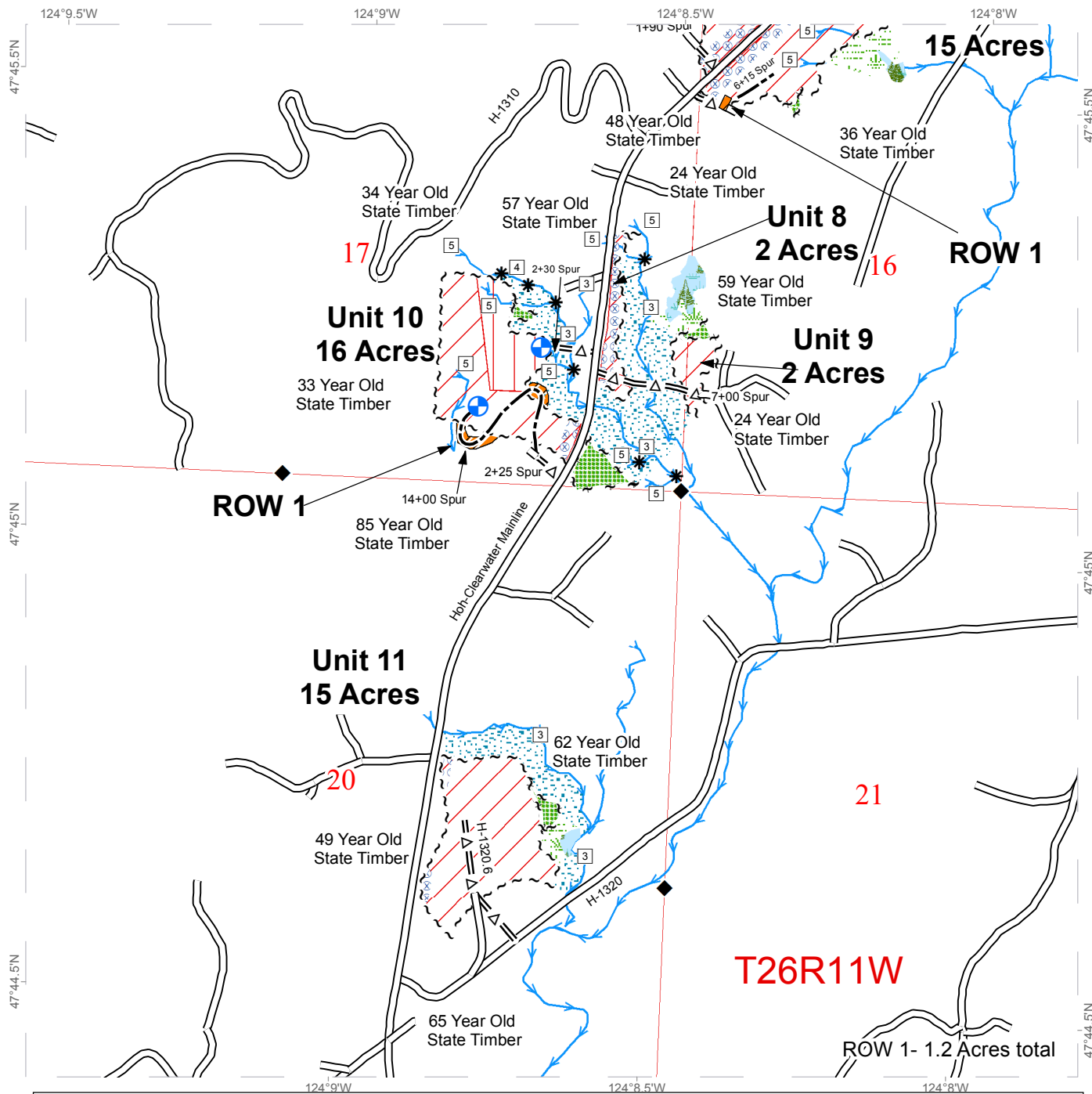
◆ Monumented Corners	⊕ Landing - Existing	~ ~ ~ Sale Boundary Tags
□ Stream Type	⊗ Extreme Hazard Abatement	~ ~ Leave Tree Tags
* Stream Type Break	▨ Leave Tree Area	▨ Ground
→ Streams	▨ Riparian Management Zone	▨ Cable
— Existing Road	▨ Forested Wetland	▨ DNR Managed Lands
- - - Existing Road	▨ Wetland Management Zone	▨ Townships
=Δ= Existing Road	▨ Right-of-way	▨ Sections



SALVAGE SALE MAP

SALE NAME: HIGHER GROUNDS CEDAR SALVAGE
AGREEMENT #: 30-105156
TOWNSHIP(S): T26R11W
TRUST(S): Common School and Indemnity(3)

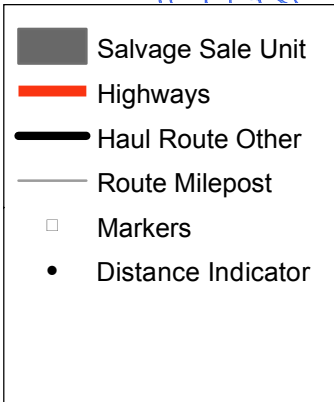
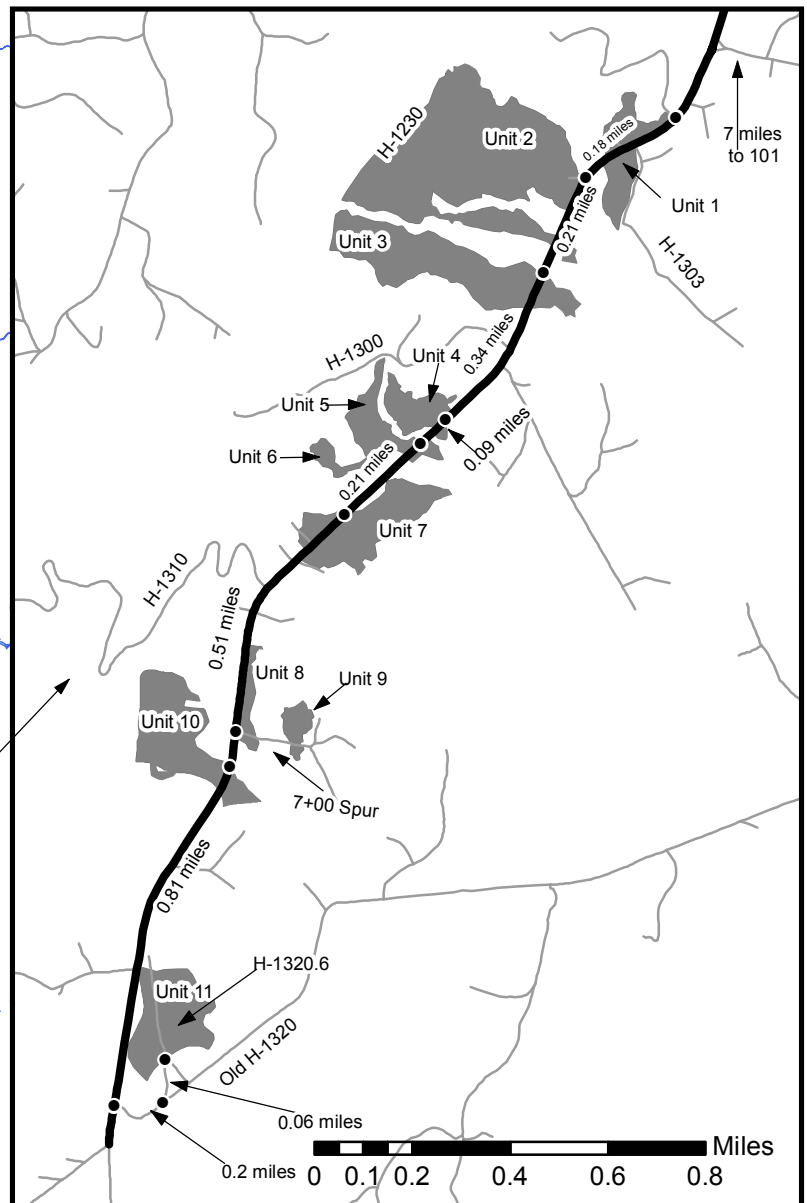
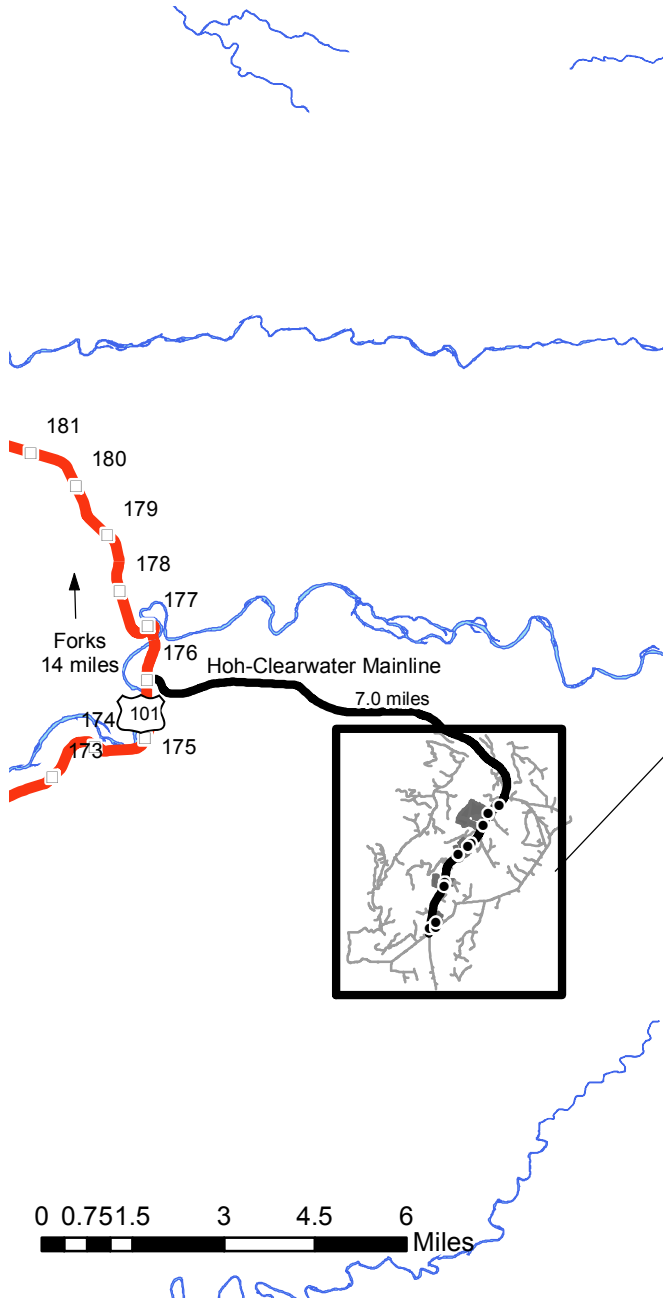
REGION: Olympic Region
COUNTY(S): JEFFERSON
ELEVATION RANGE: 666'-1319'



DRIVING MAP

SALE NAME: HIGHER GROUNDS CEDAR SALVAGE
AGREEMENT#: 30-105156
TOWNSHIP(S): T26R11W
TRUST(S): Common School and Indemnity(3)

REGION: Olympic Region
COUNTY(S): JEFFERSON
ELEVATION RANGE: 666'-1319'



Unit 1: From Forks drive 14 miles south on HWY 101 and turn east onto the Hoh-Clearwater Mainline. Continue 7 miles and Unit 1 will be on both sides of the road.

Unit 2: From Unit 1, continue down the mainline for 0.20 miles and the unit is northwest of the Hoh-Clearwater Mainline.

Unit 3: From Unit 2, continue down the Hoh-Clearwater Mainline for 0.21 miles and the unit is northwest of the Hoh-Clearwater Mainline.

Unit 4: From Unit 3, continue down the mainline for 0.34 miles and the unit is on both sides of the road.

Unit 5: From Unit 4, continue down the mainline for 0.09 miles and the unit is on both sides of the road.

Unit 6: From Unit 5, continue down the mainline for 0.14 miles and the unit is on the northwest side of the road.

Unit 7: Located on the southeast side of the Hoh-Clearwater Mainline across the mainline from Unit 6. Unit crosses the road and is on both sides of the Hoh-Clearwater Mainline.

Unit 8: From Unit 7, drive 0.51 miles down the Hoh-Clearwater Mainline to Mainline_45909 to the east. Unit 8 is located both north and south of the intersection of the two roads.

Unit 9: From Unit 8, continue east on Mainline_45909 for 0.12 miles to Unit 9 on both sides of the road.

Unit 10: Unit 10 is located on the west side of the Hoh-Clearwater Mainline at the intersection of the Hoh-Clearwater Mainline and Mainline_45909.

Unit 11: From the intersection of the Hoh-Clearwater Mainline and Mainline_45909, continue down the mainline 0.81 miles and turn northeast onto the Old H-1320. Drive for 0.2 miles and turn north onto the H-1320_1091. Drive for 0.06 miles and the unit is on both sides of the road.

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

**BILL OF SALE AND CONTRACT FOR
FOREST PRODUCTS**

Export Restricted Lump Sum AGREEMENT NO. 30-0105156

SALE NAME: HIGHER GROUNDS CEDAR SALVAGE

**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 Definitions

The following definitions apply throughout this contract;

Bill of Sale and Contract for Forest Products: Contract between the Purchaser and the State, which sets forth the procedures and obligations of the Purchaser in exchange for the right to remove forest products from the sale area. The Bill of Sale and Contract for Forest Products may include a Road Plan for any road construction or reconstruction, where applicable.

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

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

Purchaser: The company or individual that has entered into a Bill of Sale and Contract for Forest Products with the State for the right to harvest and remove forest products from the sale area.

Road Construction: 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 Forest Products from the 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 Purchaser to perform a portion or all of the services required by The Bill of Sale and Contract for Forest Products. The Purchaser is responsible for independently negotiating, procuring and paying for all subcontracted services rendered.

G-011 Right to Remove Forest Products and Contract Area

Purchaser was the successful bidder on May 24, 2023 and the sale was confirmed on _____. The State, as owner, agrees to sell to Purchaser, and Purchaser agrees to purchase as much of the following forest products as can be cut and removed during the term of this contract: All down cedar logs and cedar stumps except trees marked with a band of blue paint or bounded out by leave tree area tags, bounded by timber sale boundary tags, the Hoh-Clearwater Mainline and the H-1303 Road in Unit 1; timber sale boundary tags, the Hoh-Clearwater Mainline, the 4+25 Spur and the H-1234 Road in Unit 2; timber sale boundary tags and the Hoh-Clearwater Mainline in Units 3, 8 and 10; timber sale boundary tags, Hoh-Clearwater Mainline and leave tree area tags in Units 4, 5 and 7; timber sale boundary tags in Unit 6; timber sale boundary tags and leave tree area tags in Unit 9.

All down cedar logs and cedar stumps bounded by right of way boundary tags.

All forest products above located on approximately 145 acres on part(s) of Sections 9, 16, 17, and 20 all in Township 26 North, Range 11 West W.M. in Jefferson County(s) as designated on the sale area and as shown on the attached sale map.

All forest products described above from the bole of the tree that meet or exceed 2 inches diameter inside bark on the small end are eligible for removal. Above ground components of a tree that remain as by-products after the manufacture of logs, including but not limited to tree tops, branches, limbs, needles, leaves, stumps, are not eligible for removal under the terms of this contract.

Forest products purchased under a contract that is designated as export restricted shall not be exported until processed. Forest products purchased under a contract that is designated as exportable may be exported prior to processing.

G-020 Inspection By Purchaser

Purchaser hereby warrants to the State that they have had an opportunity to fully inspect the sale area and the forest products being sold. Purchaser further warrants to the State that they enter this contract based solely upon their own judgment of the value of the forest products, formed after their own examination and inspection of both the

timber sale area and the forest products being sold. Purchaser also warrants to the State that they enter this contract without any reliance upon the volume estimates, acreage estimates, appraisals, pre-bid documentation, or any other representations by the State Department of Natural Resources.

G-025 Schedules

The following attached schedules are hereby incorporated by reference:

Schedule	Title
A	FIRE SEASON OPERATIONAL RESTRICTIONS

G-031 Contract Term

Purchaser shall complete all work required by this contract prior to October 31, 2024.

G-040 Contract Term Adjustment - No Payment

Purchaser may request an adjustment in the contract term. A claim must be submitted in writing and received by the State within 30 days after the start of interruption or delay. The claim must also indicate the actual or anticipated length of interruption or delay. The State may grant an adjustment without charge only if the cause for contract term adjustment is beyond Purchaser's control. The cause must be one of the following and the adjustment may be granted only if operations or planned operations under this contract are actually interrupted or delayed:

- a. Road and bridge failures which deny access.
- b. Access road closures imposed by road owner.
- c. Excessive suspensions as provided in clause G-220.
- d. Regulatory actions not arising from Purchaser's failure to comply with this contract which will prevent timber harvest for a period less than 6 months.

G-053 Surveys - Sensitive, Threatened, Endangered Species

Whenever the State determines that a survey for sensitive, threatened, or endangered species is prudent, or when Purchaser determines a survey is prudent and the State agrees, Purchaser shall perform such surveys at Purchaser's expense and to the standards required by the State. The survey information shall be supplied to the State.

G-060 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 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 **ACREAGE** contained within any sale area. Any acreage descriptions appearing in the timber notice of sale, timber sale contract, or other documents are estimates only, provided solely for administrative and identification purposes.
- d. The **VOLUME, QUALITY, OR GRADE** of the forest products. The State neither warrants nor limits the amount of timber to be harvested. The descriptions of the forest products to be conveyed are estimates only, made solely for administrative and identification purposes.
- e. 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 the State's appraisal purposes only.
- f. **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.
- g. **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.
- h. Items contained in any other documents prepared for or by the State.

G-061 Inadvertent Discovery of Cultural Resources

Purchaser 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. Purchaser has a duty to exercise due care in its operations and in the event any human skeletal remains are discovered by the Purchaser or the State during the course of operations Purchaser 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 Purchaser or the State during the course of operations Purchaser shall immediately halt operations and notify the Contract Administrator. Any potential resources shall not be removed or disturbed. Purchaser shall resume operations as directed in writing by the Contract Administrator.

G-062 Habitat Conservation Plan

The State has entered into a Habitat Conservation Plan (HCP) with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service (the Services) to address state trust land management issues relating to compliance with the Federal Endangered Species Act. The activities to be carried out under this contract are located within the State's HCP area and are subject to the terms and conditions of the HCP, and the Services' Incidental Take Permit Nos. TE812521-1 and 1168 (collectively referred to as ITP), or as amended hereafter by the Services. The ITP authorizes the incidental take of certain federally listed threatened and endangered species, as specified in the ITP conditions. All HCP materials, including the ITP, are available for review at the State's Regional Offices and the administrative headquarters in Olympia, Washington.

By signing this contract, Purchaser agrees to comply with the terms and conditions of the ITP, and the HCP, which shall become terms of this contract. The State agrees to authorize the lawful activities of the Purchaser carried out pursuant to this contract, PROVIDED the Purchaser remains in compliance with the terms and conditions of both the HCP and ITP. The requirements set forth in this contract are intended to comply with the terms and conditions of the HCP and ITP. Accordingly, non-compliance with the terms and conditions of the HCP and ITP will render the authorization provided in this paragraph void, be deemed a breach of the contract and may subject Purchaser to liability for violation of the Endangered Species Act.

Any modifications to the contract shall be proposed in writing by Purchaser, shall continue to meet the terms and conditions of the HCP and ITP, and shall require the prior written approval of the Region Manager before taking effect.

G-063 Incidental Take Permit Notification Requirements

- a. Purchaser shall immediately notify the Contract Administrator of new locations of permit species covered by the Incidental Take Permits (ITP) that are discovered within the area covered by the State's Habitat Conservation Plan (HCP), including, but not limited to: locations of occupied murrelet habitat; spotted owl nest sites; wolves; grizzly bears; nests, communal roosts, or feeding concentrations of bald eagles; peregrine falcon nests; Columbian white-tailed deer; Aleutian Canada geese; Oregon silverspot butterflies; and additional stream reaches found to contain bull trout. Purchaser is required to notify the Contract Administrator upon discovery of any fish species found in streams or bodies of water classified as non-fish bearing. In all circumstances, notification must occur within a 24 hour time period.
- b. Upon locating any live, dead, injured, or sick specimens of any permit species covered by the ITP, Purchaser shall immediately notify the Contract Administrator. Purchaser shall notify the Contract Administrator if there is any doubt as to the identification of a discovered permit species. Purchaser may be required to take certain actions to help the Contract Administrator safeguard the well-being of any live, injured or sick specimens of any permit species discovered, until the proper disposition of such specimens can be

determined by the Contract Administrator. Any such requirements will be explained to Purchaser by the Contract Administrator during the Pre-Work Conference. In all circumstances, notification must occur within a 24 hour time period.

- c. Purchaser shall refer to a specific ITP number, ITP TE812521-1 or ITP 1168 (copies which are located in the region office) in all correspondence and reports concerning permit activities.
- d. Provisions and requirements of the ITP shall be clearly presented and explained to Purchaser by Contract Administrator during the Pre-Work Conference as per contract clause G-330. All applicable provisions of the ITP and this schedule must be presented and clearly explained by Purchaser to all authorized officers, employees, contractors, or agents of Purchaser conducting authorized activities in the timber sale area. Any questions Purchaser may have about the ITP should be directed to the Contract Administrator.

G-064 Permits

Purchaser is responsible for obtaining any permits not already obtained by the State that relate to Purchaser's operation. Forest Practice Application / Hydraulic Project Approval permits obtained by the State shall be transferred to Purchaser. Purchaser 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 Governmental Regulatory Actions

a. Risk

Purchaser 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 Purchaser's failure to comply with this contract, Purchaser shall remain responsible for payment of the total contract price notwithstanding the impracticability or frustration.

b. Sale Area

When portions of the sale area become subject to a foreign or domestic governmental regulation or order that will likely prevent timber harvest for a period that will exceed the expiration date of this contract, and Purchaser has complied with this contract, the following shall apply:

- i. RCW 79.15.140 shall govern all adjustments to the contract area.

c. Adjustment of Price

The State shall adjust the total contract price by subtracting from the total contract price an amount determined in the following manner: The State shall cause the timber sale area subject to governmental regulation or order to be measured. The State shall calculate the percentage of the total sale area subject to the governmental regulation or order. The State shall reduce the total contract price by that calculated percentage. However, variations in species, value, costs, or other items pertaining to the affected sale area will be analyzed and included in the adjustment if deemed appropriate by the State. The State will further reduce the total contract price by the reasonable cost of unamortized roads Purchaser constructed but was unable to fully use for removing timber. A reduction in total contract price terminates all of the Purchaser's rights to purchase and remove the timber and all other interest in the affected sale area.

G-070 Limitation on Damage

In the event of a breach of any provision of this contract by the State, the exclusive remedy available to Purchaser will be limited to a return of the initial deposit, unapplied payments, and credit for unamortized improvements made by Purchaser. The State shall not be liable for any damages, whether direct, incidental or consequential.

G-080 Scope of State Advice

No advice by any agent, employee, or representative of the State regarding the method or manner of performing shall constitute a representation or warranty that said method, manner or result thereof will conform to the contract or be suitable for Purchaser's purposes under the contract. Purchaser's reliance on any State advice regarding the method or manner of performance shall not relieve Purchaser of any risk or obligation under the contract. Purchaser retains the final responsibility for its operations under this contract and State shall not be liable for any injuries resulting from Purchaser's reliance on any State advice regarding the method or manner of performance.

G-091 Sale Area Adjustment

The Parties may agree to adjustments in the sale area boundary. The cumulative changes to the sale area during the term of the contract shall not exceed more than four percent of the original sale area. If the sale area is increased, the added forest products become a part of this contract. The State shall determine the volume added and shall calculate the increase to the total contract price using the rates set forth in clause G-101, G-102, or G-103. If the sale area is reduced, the State shall determine the volume to be reduced. The State shall calculate the reduction to the total contract price using the rates set forth in clause G-101, G-102, or G-103.

G-101 Forest Products Not Designated

Any forest products not designated for removal, which must be removed in the course of operations authorized by the State, shall be approved and designated by the Contract

Administrator. Added forest products become a part of this contract and the Scribner log scale volume, as defined by the Northwest Log Rules Advisory Group, shall be determined by the Contract Administrator. Added forest products shall be paid for at the following contract payment rates per Mbf Scribner log scale, using the DNR's standard conversion factor of 600 board feet per cord (cord = 128 cubic feet).

The pricing schedule has not been set for the sale.

G-106 Adding Naturally Damaged Forest Products

Any forest products not designated for removal that are seriously damaged by disease, insects or wind, or that may contribute seriously to the spread of insect or disease damage may be added to this sale by the State's Contract Administrator. Additions must be in unlogged areas of the sale and added volume shall not exceed an amount equal to 10 percent of the original advertised volume. Added forest products become a part of this contract and shall be paid for at the rate set forth in clause G-101, G-102 or G-103.

G-111 Title and Risk of Loss

Title to the forest products under this contract passes to the Purchaser after they are removed from the sale area, if adequate advance payment or payment security has been provided to the State under this contract. Purchaser bears all risk of loss of, or damage to, and has an insurable interest in, the forest products described in this contract from the time the sale is confirmed under RCW 79.15.120. Breach of this contract shall have no effect on this provision.

G-120 Responsibility for Work

All work, equipment, and materials necessary to perform this contract shall be the responsibility of Purchaser. Any damage to improvements, except as provided in clause G-121 or unless the State issues an operating release pursuant to clause G-280, shall be repaired promptly to the satisfaction of the State and at Purchaser's expense.

G-121 Exceptions

Exceptions to Purchaser's responsibility in clause G-120 shall be limited exclusively to the following. These exceptions shall not apply where road damage occurs due to Purchaser's failure to take reasonable precautions or to exercise sound forest engineering and construction practices.

The State will bear the cost to repair damages caused by a third party. In all other cases, the Purchaser shall bear responsibility for the costs as described below.

Road is defined as the road bed, including but not limited to its component parts, such as cut and fill slopes, subgrade, ditches, culverts, bridges, and cattle guards.

For the purposes of this clause, damage will be identified by the State and is defined as:

1. Failure of (a) required improvements or roads designated in clause C-050, or (b) required or optional construction completed to the point that authorization to haul has been issued;
2. Caused by a single event from forces beyond the control of Purchaser, its employees, agents, or invitees, including independent contractors; and
3. Includes, but is not limited to natural disasters such as earthquakes, volcanic eruptions, landslides, and floods.

The repair work identified by the State shall be promptly completed by Purchaser at an agreed price. The State may elect to accomplish repairs by means of State-provided resources.

For each event, Purchaser shall be solely responsible for the initial \$5,000 in repairs. For repairs in excess of \$5,000, the parties shall share equally the portion of costs between \$5,000 and \$15,000. The State shall be solely responsible for the portion of the cost of repairs that exceed \$15,000.

Nothing contained in clauses G-120 and G-121 shall be construed as relieving Purchaser of responsibility for, or damage resulting from, Purchaser's operations or negligence, nor shall Purchaser be relieved from full responsibility for making good any defective work or materials. Authorization to haul does not warrant that Purchaser built roads are free from material defect and the State may require additional work, at Purchaser's expense regardless of cost, to remedy deficiencies at any time.

G-140 Indemnity

To the fullest extent permitted by law, Purchaser 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. Purchaser's obligations to indemnify, defend, and hold harmless includes any claim by Purchaser's agents, employees, representatives, or any subcontractor or its employees. Purchaser expressly agrees to indemnify, defend, and hold harmless State for any claim arising out of or incident to Purchaser's or any subcontractors' performance or failure to perform the contract. Purchaser's 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. Purchaser 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.

G-150 Insurance

Purchaser 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 suspend Purchaser operations until required insurance has been secured.

All insurance and surety bonds should be issued by 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. 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 region office of sale origin 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, Purchaser shall furnish State of Washington, Department of Natural Resources 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. Insurance coverage shall be obtained by the Purchaser prior to operations commencing and continually maintained in full force until all contract obligations have been satisfied or an operating release has been signed by the State.

Purchaser 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 Purchaser'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. Purchaser 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 Purchaser and such coverage and limits shall not limit Purchaser'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 of Washington, Department of Natural Resources, shall not be less than as follows:

Commercial General Liability (CGL) Insurance. Purchaser 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. Purchaser 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. Purchaser shall comply with all State of Washington workers' compensation statutes and regulations. Workers' compensation coverage shall be provided for all employees of Purchaser 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, Purchaser 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 Purchaser, 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, Purchaser shall indemnify State. Indemnity shall include all fines, payment of benefits to Purchaser or subcontractor employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees.

Business Auto Policy (BAP). Purchaser 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. Purchaser 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-151 Aviation Insurance

If Purchaser elects or is required to use aircraft to perform the duties as required by this contract, Purchaser shall buy and maintain aircraft liability insurance coverage for bodily injury and property damage, including passengers, for all operations involving the aircraft including, but not limited to, liability assumed under a contract. The limits shall be not less than \$2,000,000 per occurrence and a general aggregate limit of \$5,000,000. 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 suspend Purchaser operations until required insurance has been secured.

G-160 Agents

The State's rights and duties will be exercised by the Region Manager at Forks, 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 forest products conveyed beyond the terms of this contract.

Purchaser is required to have a person on site during all operations who is authorized to receive instructions and notices from the State. Purchaser 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 Assignment and Delegation

No rights or interest in this contract shall be assigned by Purchaser without prior written permission of the State. Any attempted assignment shall be void and ineffective for all purposes unless made in conformity with this paragraph. Purchaser may perform any duty through a delegate, but Purchaser is not thereby relieved of any duty to perform or any liability. Any assignee or delegate shall be bound by the terms of the contract in the same manner as Purchaser.

G-180 Modifications

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

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 Notice

Notices required to be given under the following clauses shall be in writing and shall be delivered to Purchaser's authorized agent or sent by certified mail to Purchaser's address of record:

G-210 Violation of Contract

G-220 State Suspends Operations

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. Purchaser agrees to notify the State of any change of address.

G-210 Violation of Contract

- a. If Purchaser 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, Purchaser has 30 days after receipt of a suspension notice to remedy the violation. If the violation cannot be remedied (such as a violation of WAC 240-15-015) or Purchaser fails to remedy the violation within 30 days after receipt of a suspension notice, the State may terminate the rights of Purchaser under this contract and collect damages.
- b. If the contract expires pursuant to clause G-030 or G-031 without Purchaser having performed all its duties under this contract, Purchaser's right to operate is terminated and Purchaser shall not have the right to remedy the breach. This provision shall not relieve Purchaser of any payment obligations.
- c. The State has the right to remedy the breach in the absence of any indicated attempt by 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 30 days of receipt of billing.
- d. If Purchaser's violation is a result of a failure to make a payment when due, in addition to a. and b. above, interest shall accrue on the unpaid balance at 12 percent per annum, beginning the date payment was due.

G-220 State Suspends Operations

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

Purchaser shall be in breach of this contract if the operation continues after the suspension notice or if the operation resumes without prior approval and notice from the Contract Administrator.

Purchaser may request a modification of a suspension within 30 days of the start of suspension through the dispute resolution process in clause G-240. If this process results in a finding that the suspension exceeded the time reasonably necessary to stop or prevent damage to the State, Purchaser is entitled to request a contract term adjustment under clause G-040.

If it reasonably appears that the damage that the State is suffering, or can reasonably be expected to suffer if the operation is allowed to continue, will prevent harvest for a period that will exceed 6 months, and Purchaser has complied with this contract, the provisions of clause G-066 shall govern just as if the harvest was prevented by an applicable foreign or domestic governmental regulation or order.

G-230 Unauthorized Activity

Any cutting, removal, or damage of forest products by Purchaser, 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 Purchaser 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 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 ten business days.
- c. Within ten business days of receipt of the Region Manager's decision, Purchaser may make a written request for resolution to the Deputy Supervisor - Uplands of the Department of Natural Resources.
- d. Unless otherwise agreed, a conference will be held by the Deputy Supervisor - Uplands within 30 calendar days of the receipt of Purchaser's request for review of the Region Manager's written decision. Purchaser and the Region Manager will have an opportunity to present their positions. The Deputy Supervisor - Uplands will issue a decision within a reasonable time of being presented with both Parties' positions.

G-250 Compliance with All Laws

Purchaser shall comply with all applicable statutes, regulations and laws, including, but not limited to; chapter 27.53 RCW, chapter 68.50 RCW, WAC 240-15 and WAC 296-54. Failure to comply may result in forfeiture of this contract.

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 Equipment Left on State Land

All equipment owned or in the possession of Purchaser, 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 60 days after the expiration of the contract period is subject to disposition as provided by law. Purchaser 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 Operating Release

An operating release is a written document, signed by the State and Purchaser, indicating that Purchaser has been relieved of certain rights or responsibilities with regard to the entire or a portion of the sales contract. Purchaser 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, Purchaser's right to cut and remove forest products on the released area will terminate.

G-310 Road Use Authorization

Purchaser is authorized to use the following State roads and roads for which the State has acquired easements and road use permits; Hoh-Clearwater Mainline, H-1230, H-1230 Tie, H-1234, H-1310, H-1320.6, 4+25 Spur, 1+70 Spur, 1+90 Spur, 6+15 Spur and the 14+00 Spur. The State may authorize in writing the use of other roads subject to fees, restrictions, and prior rights.

G-330 Pre-work Conference

Purchaser 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 Purchaser 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 Purchaser's plan of operations shall not be construed as any statement or warranty that the plan of operations is adequate for Purchaser's purposes or complies with applicable laws.

G-340 Preservation of Markers

Any legal land subdivision survey corners and witness objects are to be preserved. If such are destroyed or disturbed, the Purchaser shall, at the Purchaser'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-360 Road Use Reservation

The State shall have the right to use, without charge, all existing roads and any road constructed or reconstructed on State lands by Purchaser under this contract. The State may extend such rights to others. If the State grants such rights to others, the State shall require performance or payment, as directed by the State, for their proportionate share of maintenance based on their use.

G-380 Road Easement and Road Use Permit Requirements

Purchaser agrees to comply with the terms and conditions of the attached:

Easement #55-000467 with Bert Cole - 10/3/1966

G-430 Open Fires

Purchaser shall not set, or allow to be set by Purchaser's employees, agents, invitees and independent contractors, any open fire at any time of the year without first obtaining permission, in writing, from the Contract Administrator.

G-450 Encumbrances

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

DATA MISSING

Section P: Payments and Securities**P-011 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 Clause P-020, 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-020 Payment for Forest Products

Purchaser agrees to pay the total, lump sum contract price of \$0.00. Purchaser shall be liable for the entire purchase price, and will not be entitled to any refunds or offsets unless expressly stated in this contract.

THE PURCHASE PRICE SHALL NOT BE AFFECTED BY ANY FACTORS, INCLUDING: the amount of forest products actually present within the contract area, the actual acreage covered by the contract area, the amount or volume of forest products actually cut or removed by purchaser, whether it becomes physically impossible or uneconomic to remove the forest products, and whether the subject forest products have been lost or damaged by fire or any other cause. The only situations Purchaser may not be liable for the full purchase price are governed by clause G-066, concerning governmental regulatory actions taken during the term of the contract.

P-045 Guarantee of Payment

Purchaser will pay for forest products prior to cutting or will guarantee payment by posting an approved payment security. The amount of cash or payment security shall be determined by the State and shall equal or exceed the value of the cutting proposed by Purchaser.

P-050 Billing Procedure

The State will compute and forward to Purchaser statements of charges provided for in the contract. Purchaser shall deliver payment to the State on or before the date shown on the billing statement.

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.

P-090 Performance Security

Purchaser agrees to furnish, within 30 days of the confirmation date, security acceptable to the State in the amount of \$10,000.00. The Security provided shall guarantee performance of all provisions of this contract and payment of any damages caused by operations under this contract or resulting from Purchaser's noncompliance with any rule or law. Acceptable performance security may be in the form of a performance bond, irrevocable letter of credit, cash, savings or certificate of deposit account assignments, and must name the State as the obligee or beneficiary. A letter of credit must comply with Title 62A RCW, Article 5. Performance security must remain in full force over the duration of the contract length. Surety bonds issued shall conform to the issuance and rating requirements in clause G-150. The State shall retain the performance security pursuant to RCW 79.15.100. Purchaser shall not operate unless the performance security has been accepted by the State. If at any time the State decides that the security document or amount has become unsatisfactory, Purchaser agrees to suspend operations and, within 30 days of notification, to replace the security with one acceptable to the State or to supplement the amount of the existing security.

P-100 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 Purchaser.

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-013 Reserve Tree Damage Definition

Reserve trees are trees required and designated for retention within the sale boundary. Purchaser 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 Purchaser'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 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 Purchaser 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. Purchaser may be required to pay liquidated damages for Excessive Reserve Tree Damage as detailed in clause D-041.

Removal of designated reserve trees from the sale area is unauthorized, and may invoke the use of the G-230 'Unauthorized Activity' clause. Purchaser is required to leave all cut or damaged reserve trees on site.

H-017 Preventing Excessive Soil Disturbance

Operations may be suspended when soil rutting exceeds 12 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-040 Purchaser Harvest Plan

Purchaser shall, as part of the plan of operations, prepare an acceptable harvest plan for the sale area. The plan shall address the location and duration of desired use, which are part(s) of this contract. The harvest plan shall be approved by the Contract Administrator prior to beginning the harvest operation. Purchaser shall not deviate from the harvest plan without prior written approval by the Contract Administrator.

H-051 Branding and Painting

If Purchaser elects to haul whole salvaged cedar logs, they shall provide a State of Washington registered log brand, acceptable to the State, unless the State agrees to furnish the brand. All purchased timber shall be branded in a manner that meets the requirements of WAC 240-15-030(2)(a)(i). All timber purchased under a contract 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, Purchaser 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-080 Snags Not to be Felled

Snags not required to be felled for safety reasons may be left standing. Snags felled for safety reasons shall not be removed and must remain where felled.

H-120 Harvesting Equipment

Forest products sold under this contract shall be harvested and removed using hand and helicopter methods. No machines are allowed. Authority to use other equipment or to operate outside the equipment specifications detailed above must be approved in writing by the State.

H-130 Hauling Schedule

The hauling of forest products will not be permitted on weekends, State recognized holidays or from 6:00pm to 6:00am, unless authorized in writing by the Contract Administrator.

H-140 Special Harvest Requirements

Purchaser shall accomplish the following during the harvest operations:

1. During helicopter operations, two warning signs must be posted on both ends of the Hoh-Clearwater Mainline before Units 1 and 11.
2. Purchaser shall not remove any downed red cedar outside cedar salvage sale boundaries. Cedar salvage will be allowed in all newly constructed road right of ways and machinery will be restricted to use on roads only. No machinery will be allowed in salvage units.
3. All spaults will be removed from sensitive areas (i.e. RMZ's, draws, wet areas) and placed in a stable location as directed by the Contract Administrator.
4. Purchaser shall immediately repair gate damage resulting from operations to an equal or better condition than existed at the time of the sale.
5. Purchaser is required to notify the Contract Administrator 48 hours prior to flying wood from the sale area. Each fly-out requires this notification.

6. Cutting of standing trees or snags within the sale area is prohibited, unless determined by the Contract Administrator to be danger trees.
7. All road maintenance and repair work that is needed, as directed by the Contract Administrator, on all roads under this agreement will be the responsibility and expense of the Purchaser. As determined by the Contract Administrator, reshaping, grading, spot patching or other work along the entire haul route may be required prior to termination of this agreement at the Purchaser's expense.
8. See Schedule A pertaining to seasonal operational restrictions during fire season.
9. Helicopter operations shall not be allowed over an occupied marbled murrelet site during the critical nesting season.
10. Many spur roads have been previously deactivated on this sale and will be limited to foot traffic only during salvage operations.
11. No salvage operations will be allowed in live waters with unprotected Type 5 streams.

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

H-142 Wildlife Timing Restrictions

The following wildlife timing restrictions apply to this contract and shall be in place in the locations shown on the attached timber sale map.

For marbled murrelet restrictions, there will be no operations on the 2+25 Spur and 14+00 Spur from one hour before to two hours after official sunrise and from one hour before to one hour after official sunset from April 1 through September 23.

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

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-220 Protection of Residual or Adjacent Trees

Unless otherwise specified by this contract, the Contract Administrator shall identify damaged adjacent or leave trees that shall be paid for according to clause G-230.

H-230 Tops and Limbs Outside the Sale Boundary

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

Section C: Construction and Maintenance**C-040 Road Plan**

Road construction and associated work provisions of the Road Plan for this sale, dated 4/19/2023 are hereby made a part of this contract.

C-050 Purchaser Road Maintenance and Repair

Purchaser shall perform work at their own expense on all roads listed in the Road Plan, authorized in clause G-310 and not listed in clause C-060. All work shall be completed to the specifications detailed in the Road Plan.

C-060 Designated Road Maintainer

If required by the State, Purchaser shall perform maintenance and replacement work as directed by the Contract Administrator on Hoh-Clearwater Mainline and the H-1040 Road. Purchaser 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 Purchaser for said costs within 30 days of receipt and approval of the statement.

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 Fire Hazardous Conditions

Purchaser acknowledges that operations under this Contract may increase the risk of fire. Purchaser 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, Purchaser agrees to provide equipment and personnel working at the site to safely and effectively engage in first response fire suppression activity.

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

S-030 Landing Debris Clean Up

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

S-035 Logging Debris Clean Up

Slash and debris created from harvest activities shall be treated in a manner approved in writing by the Contract Administrator.

S-050 Cessation of Operations for Low Humidity

When the humidity is 30 percent or lower on the sale area, all operations must cease unless authority to continue is granted by the State in writing.

S-060 Pump Truck or Pump Trailer

Purchaser 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 typed waters 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-110 Resource Protection

No equipment may operate within 30' of any typed water, unless authority is granted in writing by the Contract Administrator.

S-130 Hazardous Materials

a. Hazardous Materials and Waste - Regulatory Compliance

Purchaser 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.

Purchaser 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 Materials Spill Containment, Control and Cleanup

If safe to do so, Purchaser shall take immediate action to contain and control all hazardous material spills. Purchaser 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, Purchaser 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 Purchaser 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 Purchaser 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 Refuse Disposal

As required by RCW 70.93, All Purchaser 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.

Section D: Damages

D-013 Liquidated Damages or Failure to Perform

The following clauses provide for payments by Purchaser to the State for breaches of the terms of this contract other than failure to perform. These payments are agreed to as liquidated damages and not as penalties. They are reasonable estimates of anticipated harm to the State, which will be 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.

Clause P-020 governs Purchaser's liability in the event Purchaser fails to perform any of the contract requirements other than the below liquidated damage clauses without written approval by the State. Purchaser's failure to pay for all or part of the forest products sold in this contract prior to expiration of the contract term results in substantial injury to the State. Therefore, Purchaser agrees to pay the State the full lump sum contract price in P-020 in the event of failure to perform.

D-041 Reserve Tree Excessive Damage

When Purchaser's operations exceed the damage limits set forth in clause H-013, 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 Purchaser 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 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

Mona Griswold

Olympic Region Manager

Print Name

Date: _____

Date: _____

Address: _____

DRAFT

DRAFT

DRAFT

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
FIRE SEASON OPERATIONAL RESTRICTIONS

1. Each cutter operating a power saw within the cedar salvage sale area will be required to carry a fire extinguisher, shovel and a 5 gallon or larger backpack sprayer with them at all times.
2. No salvage operations will be allowed during IFPL levels 2-4.
3. The Purchaser will have an approved functional fire pump trailer with a fully stocked and inspected fire tool box located no more than 5 minutes from salvage operations in accordance with WAC 332-24-005 and WAC 332-24-405.
4. The Purchaser will need to have all fire equipment inspected by the Contract Administrator prior to beginning operations.
5. During fire season, the Purchaser is required to monitor relative humidity hourly and shut down operations when relative humidity is less than 35%.
6. An emergency helicopter landing location will be identified during the pre-work meeting and needs to be within five minutes of the fire trailer location.
7. Any fire occurrence or near incident will be immediately reported to the Contract Administrator by the Purchaser.



Forest Practices Application/Notification Notice of Decision

FPA/N No: 2617851

Effective Date: 4/12/2023

Expiration Date: 4/12/2026

Shut Down Zone: 650

EARR Tax Credit: ☒ Eligible ☐ Non-eligible

Reference: DNR

Higher Grounds Cedar Salvage

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

Other Conditions: Helicopter operations shall not be allowed over an occupied marbled murrelet site during the critical nesting season.

Issued By: Jenny Garstang

Region: Olympic

Title: Forest Practices Forester

Date: 4/12/2023

Copies to: ☒ Landowner, Timber Owner and Operator

Issued in person: ☐ LO ☐ TO ☐ OP

By: _____

Date: _____

Appeal Information

You have thirty (30) days to **file** (i.e., **actually deliver**) an appeal in writing of this Decision and any related State Environmental Policy Act (SEPA) determinations to the Pollution Control Hearings Board, the Attorney General's Office, and the Department of Natural Resources' region office. See [RCW 76.09.205](#). The appeal period starts when the applicant receives this decision, which usually happens electronically on the date indicated below.

You must file your appeal at all three addresses below:

Pollution Control Hearings Board	Office of the Attorney General Natural Resources Division	Department Of Natural Resources Olympic Region
<u>Physical Address</u> 1111 Israel Road, SW Suite 301 Tumwater, WA 98501 <u>Mailing address</u> Post Office Box 40903 Olympia, WA 98504-0903	<u>Physical Address</u> 1125 Washington Street, SE Olympia, WA 98504 <u>Mailing Address</u> Post Office Box 40100 Olympia, WA 98504-0100	<u>Physical & Mailing Address</u> 411 Tillicum Lane Forks, WA 98331

Information regarding the Pollution Control Hearings Board can be found at: <http://elaho.wa.gov/>

Other Applicable Laws

Operating as described in this application/notification does not ensure compliance with the Endangered Species Act, or other federal, state, or local laws.

Transfer of Forest Practices Application/Notification (WAC 222-20-010)

Use the "Notice of Transfer of Approved Forest Practices Application/Notification" form. This form is available at region offices and on the Forest Practices website <https://www.dnr.wa.gov/programs-and-services/forest-practices/review-applications-fpars/forest-practices-forms-and>. Notify DNR of new Operators within 48 hours.

Continuing Forestland Obligations (RCW 76.09.060, RCW 76.09.070, RCW 76.09.390, and WAC 222-20-055)

Obligations include reforestation, road maintenance and abandonment plans, conversions of forestland to non- forestry use and/or harvest strategies on perennial non-fish habitat (Type Np) waters in Eastern Washington.

Before the sale or transfer of land or perpetual timber rights subject to continuing forest and obligations, the seller must notify the buyer of such an obligation on a form titled "Notice of Continuing Forest Land Obligation". The seller and buyer must both sign the "Notice of Continuing Forest Land Obligation" form and send it to the DNR Region Office for retention. This form is available at DNR region offices.

If the seller fails to notify the buyer about the continuing forestland obligation, the seller must pay the buyer's costs related to continuing forestland obligations, including all legal costs and reasonable attorneys' fees incurred by the buyer in enforcing the continuing forestland obligation against the seller.

Failure by the seller to send the required notice to DNR at the time of sale will be prima facie evidence in an action by the buyer against the seller for costs related to the continuing forestland obligation prior to sale.

DNR Declaration of Mailing

I, Rosielly Sanchez, caused the Notice of Decision for FPA/N No. 2617851 to be placed in the United States mail at Forks, WA, postage paid. I declare under penalty of perjury of the laws of the State of Washington, that the foregoing is true and correct.

4/12/2023
(Date)

Forks, Washington
(City & State where signed)

(Signature)

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

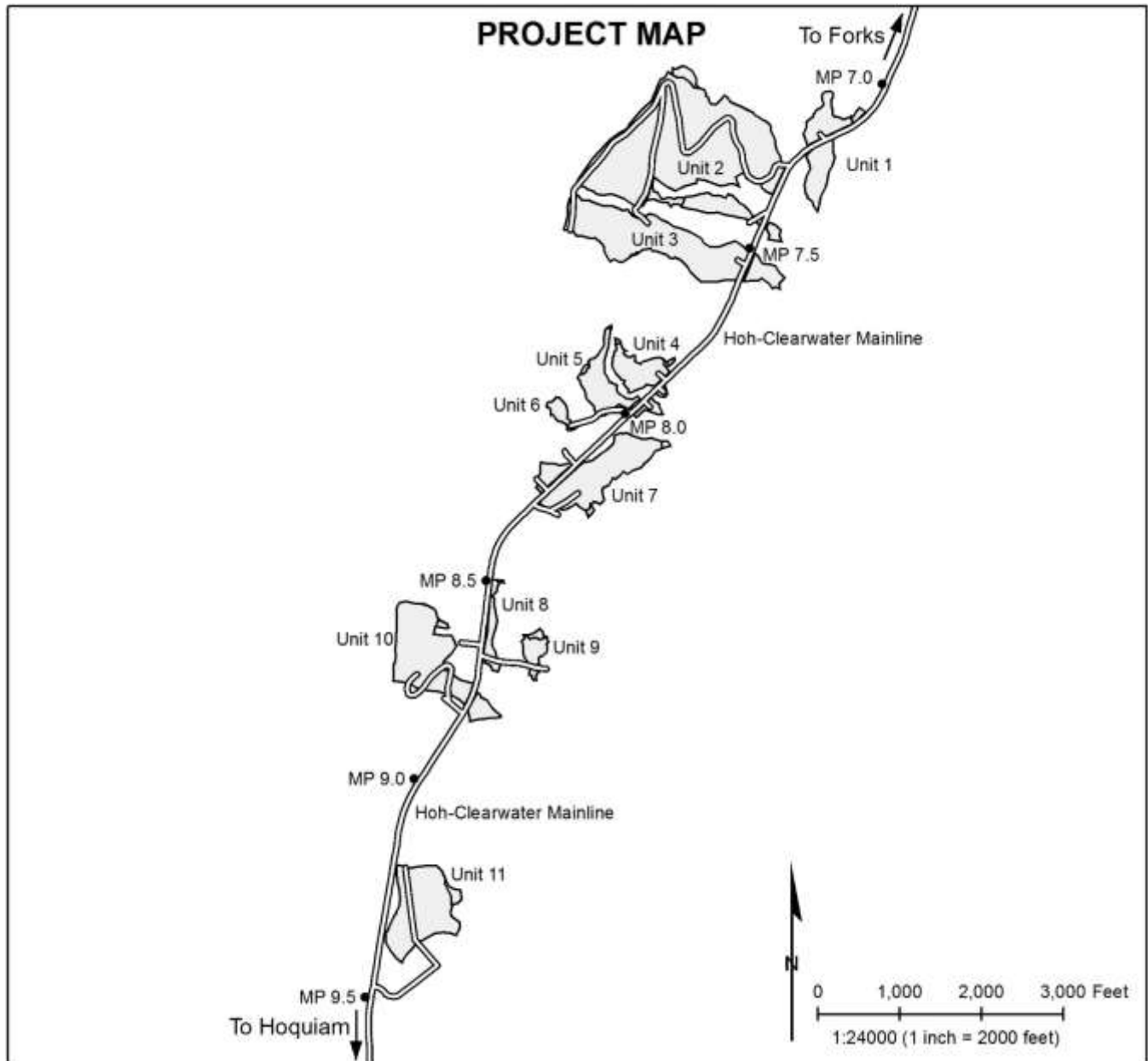
HIGHER GROUNDS CEDAR SALVAGE ROAD PLAN
JEFFERSON COUNTY
COAST DISTRICT

AGREEMENT NO.: 30-105156

STAFF ENGINEER: BILL MEHL

DATE: MAY 9TH, 2023

DRAWN & COMPILED BY: CRAIG MAGNUSON/MIKE SLY



SECTION 0 – SCOPE OF PROJECT

0-1 ROAD PLAN SCOPE

Clauses in this road plan apply to all road related work, including landings and rock source development, unless otherwise noted.

0-7 POST-HAUL MAINTENANCE

This project includes post-haul road maintenance listed in Clause 9-5 POST-HAUL MAINTENANCE.

SUBSECTION RESTRICTIONS

1-27 TIMING RESTRICTION FOR MARBLED MURRELET

On the following road(s), any road work, right-of-way timber falling and yarding, rock pit operations, or operation of heavy equipment is not permitted from one hour before official sunrise to two hours after official sunrise, and from one hour before official sunset to one hour after official sunset from April 1 through September 23. This restriction does not apply to the hauling of timber, rock, or equipment.

<u>Road</u>	<u>Stations</u>
2+25 Spur	0+00 – 2+25
14+00 Spur	0+00 – 14+00

1-29 SEDIMENT RESTRICTION

Purchaser shall not allow silt-bearing runoff to enter any streams.

1-30 CLOSURE TO PREVENT DAMAGE

In accordance with Contract Clause G-220 State Suspends Operation, the Contract Administrator shall suspend road work or hauling of right-of-way timber, forest products, or rock under the following conditions:

- In the opinion of the Contract Administrator excessive road damage or rutting may occur.

Operations must stop unless authority to continue working or hauling is granted, in writing, by the Contract Administrator. In the event that surface or base stability problems persist, the Purchaser will be required to cease operations, or perform corrective maintenance or repairs, subject to specifications within this Road Plan. Before and during any suspension, the Purchaser shall protect the work from damage or deterioration.

1-32 BRIDGE AND ASPHALT SURFACE RESTRICTION

The use of metal tracked equipment is not allowed on bridge or asphalt surfaces at any time. If Purchaser must run equipment on bridge or asphalt surfaces, then rubber tired equipment or other methods, as approved in writing by Contract Administrator, shall be used.

If tracked equipment is used on bridge or asphalt surfaces, Purchaser shall immediately cease all road work and hauling operations. Any dirt, rock, or other material tracked or spilled on bridge or asphalt surface(s) shall be removed immediately. Any damage to the surface(s) shall be repaired at the Purchaser's expense as directed by the Contract Administrator.

1-33 SNOW PLOWING RESTRICTION

On all roads, snow plowing shall be permitted only after the execution of a Snow Plowing Agreement, which is available from the Contract Administrator upon request. Purchaser shall request a Snow Plowing Agreement each time plowing occurs. If damage occurs while plowing, further permission to plow may be revoked by the Contract Administrator.

1-43 ROAD WORK AROUND UTILITIES

Road work is in close proximity to a utility. Known utilities are listed, but it is the Purchaser's responsibility to identify any utilities not listed. The Purchaser shall work in accordance with all applicable laws or rules concerning utilities. The Purchaser is responsible for all notification, including "call before you dig", and liabilities associated with the utilities and their rights-of-way.

<u>Road</u>	<u>Stations</u>	<u>Utility</u>	<u>Utility Contact</u>
0+80 Spur	Approx. 0+00 – 0+50	PUD No. 1 of Clallam County	811 and 1-800-542-7859
0+95 Spur	Approx. 0+00 – 0+50	Same	Same
1+20 Spur	Approx. 0+00 – 0+50	Same	Same
6+15 Spur	Approx. 0+00 – 0+50	Same	Same
7+00 Spur	Approx. 0+00 – 0+50	Same	Same
H-1320.6	Approx. 0+00 – 0+50	Same	Same

SECTION 2 – MAINTENANCE**2-1 GENERAL ROAD MAINTENANCE**

Purchaser shall maintain all roads used under this contract in accordance with the FOREST ACCESS ROAD MAINTENANCE SPECIFICATIONS for the entire term of this contract. Maintenance is required even during periods of inactivity.

2-2 ROAD MAINTENANCE – PURCHASER MAINTENANCE

Purchaser shall perform maintenance on roads listed in Contract Clause C-050 PURCHASER ROAD MAINTENANCE AND REPAIR in accordance with FOREST ACCESS ROAD MAINTENANCE SPECIFICATIONS.

2-3 ROAD MAINTENANCE – DESIGNATED MAINTAINER

Purchaser may be required to perform maintenance on roads listed in Contract Clause C-060 DESIGNATED ROAD MAINTAINER as directed by the Contract Administrator. Purchaser shall maintain roads in accordance with FOREST ACCESS ROAD MAINTENANCE SPECIFICATIONS.

2-4 PASSAGE OF LIGHT VEHICLES

Purchaser shall maintain the following road(s) in a condition that will allow the passage of light administrative vehicles.

<u>Road</u>	<u>Stations</u>
All Roads	All

SECTION 9 – POST-HAUL ROAD WORK

SUBSECTION STRUCTURES

SUBSECTION POST-HAUL MAINTENANCE

9-5 POST-HAUL MAINTENANCE

If necessary post-haul maintenance shall be performed in accordance with the Forest Access Road Maintenance Specifications and as specified below.

<u>Road</u>	<u>Stations</u>	<u>Additional Requirements</u>
All	All	Grade road shape and compact as directed by the Contract Administrator.

SUBSECTION POST-HAUL LANDING MAINTENANCE

9-10 LANDING DRAINAGE

On all roads, Purchaser shall provide for drainage of the landing surface as approved in writing by the Contract Administrator.

9-11 LANDING EMBANKMENT

On all roads, landing embankments shall be sloped to original construction specifications.

FOREST ACCESS ROAD MAINTENANCE SPECIFICATIONS

Cuts and Fills

- Maintain slope lines to a stable gradient compatible with the cut slope/fill slope ratios. Remove slides from ditches and the roadway. Repair fill-failures in accordance with Clause 4-6 Embankment Slope Ratio, and with material approved by the Contract Administrator. Remove overhanging material from the top of cut slopes.
- Waste material from slides or other sources shall be placed and compacted in stable locations identified in the road plan or approved by the Contract Administrator, so that sediment will not deliver to any streams or wetlands.
- Slide material and debris shall not be mixed into the road surface materials, unless approved by the Contract Administrator.

Surface

- Grade, shape, and compact the road surface, turnouts, and shoulders to the original shape on the Typical Section Sheet, to provide a smooth, rut-free traveled surface and maintain surface water runoff in an even, unconcentrated manner.
- Blading shall not undercut the backslope or cut into geotextile fabric on the road.
- If required by the Contract Administrator, water shall be applied as necessary to control dust and retain fine surface rock.
- Surface material shall not be bladed off the roadway. Replace surface material when lost or worn away, or as directed by the Contract Administrator.
- Remove shoulder berms, created by grading, to facilitate drainage, except as marked or directed by the Contract Administrator.
- For roads with geotextile fabric: spread surface aggregate to fill in soft spots and wheel ruts (barrel spread) to prevent damage to the geotextile fabric.

Drainage

- Prevent silt bearing road surface and ditch runoff from delivering sediment to any streams or wetlands.
- Maintain rolling dips and drivable waterbars as needed to keep them functioning as intended.
- Maintain headwalls to the road shoulder level with material that will resist erosion.
- Maintain energy dissipaters at culvert outlets with non-erodible material or rock.
- Keep ditches, culverts, and other drainage structures clear of obstructions and functioning as intended.
- Inspect and clean culverts at least monthly, with additional inspections during storms and periods of high runoff. This shall be done even during periods of inactivity.

Preventative Maintenance

Perform preventative maintenance work to safeguard against storm damage, such as blading to ensure correct runoff, ditch and culvert cleaning, and waterbar maintenance.

Termination of Use or End of Season

At the conclusion of Salvage operations, ensure all conditions of these specifications have been met.

Debris

Remove fallen timber, limbs, and stumps from the slopes, roadway, ditchlines, and culvert inlets.

