# Timber Sale Contract

This contract is made as of the ___ day of March in the year 2022 between Bryon Loucks and Donna Loucks, husband and wife, herein called "Seller" and, _____ herein called "Purchaser".

In consideration of the payments to be made by Purchaser to Seller, the mutual promises herein contained, and subject to the terms and conditions herein, Seller and Purchaser agree as follows:

## 1. Forest Products and Sale Area

Seller sells and grants unto Purchaser the exclusive right to cut, remove and appropriate all standing and down timber, and Purchaser agrees to cut, remove and appropriate, according to the terms herein, the timber being on portions of the following described lands situated in Lewis County, Washington *(herein referred to as "Sale Area").*

Legal Description: Portions of the SW¼ of the W½, SE¼ Section 27 – T14N – R3W
Street Address of gated entry: 765 Brockway Road, Chehalis, WA 98532
Lewis County Tax Parcel #: 022323000000
For a 2 year period from execution of this contract

The Sale Area is drawn in red on Sale Area map **Exhibit A**, and aerial of same coverage showing Sale Area also drawn in red, Aerial Photo **Exhibit B,** and a detailed Sale Area boundary in **Exhibit C,** attached hereto and by this reference made a part hereof. The boundaries of all but the riparian zone are marked with orange ribbon. The riparian zone is marked with orange and pink ribbon (two different colored ribbons).

## 2. Warranties and Title

A. The Seller warrants that it has the right to grant Purchaser the right to enter the sale area and to remove the timber standing and down thereon. Seller does not represent or warrant a specific volume, quality or sort of timber on sale area.

B. The Sale Area has direct access to Brockway Road (Lewis County road).

C. It is understood and agreed by and between Seller and Purchaser that no interest in the land upon which the timber is standing and down described in **Exhibit A** is granted or conveyed by this contract.

D. Title of the timber passes to the Purchaser upon the signing of the contract and payment in full.

E. Seller shall not be liable for any indirect, punitive or consequential damages for any claim arising under this contract, whether in contract or tort.

## 3. Start and Expiration Date

Purchaser can start work on sale area after contract is signed, payment in full is made, and FPA application is approved by DNR. Purchaser shall complete the work of cutting and removing the timber from the sale area on or before 2-years after the signing of the contract. Any and all timber or logs not cut and removed by this date shall be sole property of Seller.

## 4. Payment

Seller agrees to sell and Purchaser agrees to purchase the timber for the total of $_____.
A business check for 100 % is due at the signing of this contract.

# Timber Sale Contract

## 3. Performance Bond

At the time of execution of the Contract, Purchaser shall provide security for performance of its obligations set forth hereunder and any claims which may constitute a lien against the Land, the Timber, or the logs and products manufactured therefrom. Such security shall be in the forms and amounts and delivered to Purchaser at time of and as part of the Contract execution.

a) A performance and payment bond, in form and substance acceptable to Seller, in the amount of five (5%) percent of the total purchase price, issued by an insurance or bonding company acceptable to the Seller; or
b) A check payable to Stewart & Stewart Law Office Inc. PS Trust Account, in the amount of five (5%) percent of the total purchase price, which will be deposited and held in said Trust Account.

The parties recognize the difficulty of adequately ascertaining the amount of actual direct or indirect damages to Seller should Purchaser default in the performance of any of its obligations described herein. If Purchaser defaults in any term of this contract, Seller may recover its actual, incidental and consequential damages by retaining such portion of performance deposit or recover under the terms of the performance and payment bond. Such actual, incidental and consequential damages shall include, without limitation, all default and contract damages recoverable at law, including, Seller's lost profits, replacement labor and equipment to correct the default, and all expenditures and costs, including reasonable attorney's fees and costs incurred by Seller in enforcing its rights and remedies hereunder. The payment and performance bond or performance deposit provided to Seller shall be released upon payment of all monies owed Seller under this contract and after Seller has inspected the Land and required paperwork and acknowledged that Purchaser has satisfactorily complied with all obligations hereunder.

## 6. Utilization Standards

A. Purchaser has the right to remove all logs, parts of logs or slabs which meet the requirements for the lowest sawmill grade according to the standard log scaling rules and contain 20 board feet or more of net volume and have a minimum length of 12 feet.

B. The Purchaser is required by Washington State law and Forest Practice Regulations to leave a minimum of 2 merchantable logs containing 50 or more board feet per log per acre. With the exception of these logs all merchantable logs are to be yarded to the road edge or landing. Any chunks or logs left at completion of logging can be left on the landing or at road edge for the Seller's fire wood supply.

C. Any forest products remaining on the sale area shall be left along the road system or the landing and become the property of the Seller if not removed prior to termination of this contract.

D. Purchaser shall fall all non-merchantable conifer and hardwood trees and place them in the scarified piles.

E. Purchaser shall not manufacture or remove split cedar products or firewood from the Seller's land.

# Timber Sale Contract

## 7. Logging Standards

A. Purchaser shall arrange a pre-harvest meeting with the Seller before any cutting or road building is started.

B. Purchaser shall conduct its operations in a careful and workmanlike manner in accordance with good forestry practices and in order to avoid damage and breakage. The Purchaser shall conduct all business and logging operations in accordance with the rules and laws of the State of Washington.

C. The Purchaser, when clearcutting, shall fall all timber into the sale area whenever possible. The tops and limbs thrown into adjacent areas must be removed concurrently with the logging operations.

D. Only marked or designated timber within the sale area will be cut. Excessive damage to standing or unmarked or undesignated timber shall be paid for at the rate of triple the appreciated value as determined by the Seller.

E. Pollution of water. The Purchaser shall exercise every means to prevent contamination or pollution of the waters of any stream courses, lakes, or ponds as a result of any operation on the sale area.

F. Purchaser shall suspend operations when, because of weather conditions, they would cause excessive damage to the roads or premises upon which the timber is located. Seller has the right to suspend harvest and hauling operations due to weather, fire, or road conditions.

G. Purchaser shall limit shovel trips on shovel roads to minimize soil compaction.

H. Reforestation will be Seller's responsibility.

I. Logging along the west edge will be up against a riparian zone, however there are no other streams of any type located inside the logging boundaries.

J. The entire south sale border of the Sale Area is up against a private property development. This line is a surveyed line and marked with steel T-Posts with a white PVC pipe over the T-Post and flagged with orange ribbon. There is at least one home that is scheduled to start construction prior to the Call for Bids. If felled trees do cross the property line and cause property damage, then Purchaser is required to contact the neighbor and resolve the issue(s). Any trees accidently felled south into the neighbor's property that do not cause property damage will be totally cleared up of all limbs and logging debris. See **Exhibit A** (Map), **Exhibit B** (photo), and **Exhibit F (**survey plat)

## 8. Slash Disposal – Fire Prevention, Control and Equipment

A. During fire season the Purchaser will be required to provide the fire gear called for by the Department of Natural Resources. For fire watch requirements the sale is located in fire zone 655.

B. The term slash, for the purpose of this contract, shall mean all debris created on the sale area and right of way thereto by logging, milling, or other related operations, or by windstorm.

C. Purchaser is required to pile all logging slash during or follow logging.
   a. Pile as high as possible.
   b. Piles need to be 99% free of dirt.
   c. Pull from ground all non-merchantable trees and shrubs, and place on a debris pile.
   d. Compact the pile as much as possible.

e. Don't build piles on top of large old growth stumps.
f. Along the south line, build piles as far north from the property line as possible, and remove enough of the logging slash to make a 200-foot wide non-burnable fire buffer;
g. If the piles meet Sellers specifications, then the Purchaser will not need to burn the piles.
h. If the Purchaser does not follow the above pile construction guidelines, then Seller has right to require the Purchaser to burn the piles the winter following logging to the point of 90% fuel consumption. The Purchaser's satisfactory completion of this obligation shall be secured by the Performance Bond requirements set forth in paragraph 3 above.

D. The Seller reserves the right to waive any of the burning of the site preparation slash piles.

E. Purchaser shall comply with all Department of Natural Resources fire shutdown regulations.

F. In case of a wildfire, the Purchaser agrees to provide sufficient men and equipment at their expense to satisfy the requirements as provided by law that may be imposed upon the Seller and/or the Purchaser.

G. The Purchaser shall reimburse the Seller for all costs and/or liability of whatsoever nature incurred as a result of negligence of the Purchaser on the creation, spreading, or escape of fire.

## 9. Roads

A. Seller hereby grants to Purchaser the non-exclusive right to use all existing roads or rights-of-way on Sellers land if needed for removal of the timber under this contract. Purchaser, at its expense, shall maintain at their own expense any of the Sale Area roads.

B. Purchaser shall maintain all roads so used in the condition of the road on the date on which Purchaser's use commences. Purchaser shall keep the ditches and culverts of any road used free and clear of slides, slash and other debris during the Purchaser's use thereof. Maintenance of Purchaser constructed road is the responsibility of the Purchaser.

C. Seller may close any road whenever Seller reasonably believes closure is necessary to prevent abnormal deterioration thereof or as an environmental protection.

D. All road construction, dirt spurs and logger's choice roads must be approved by Seller. Permanent roads require 100 cubic yards/station of ballast minimum. See attached road specs, **Exhibit E**.

E. Purchaser may, at its expense, construct on Seller land any road which may be necessary for Purchaser's removal of timber with Sellers permission.

F. Any and all improvements placed by Purchaser upon road systems used for logging the sale area become the property without charge to the Seller.

G. All dirt spurs will be scarified before expiration of this contract.

H. Any rock needed for existing roads or Purchaser constructed roads must be acquired and spread at Purchaser's expense.

I. Permanent roads must be left in a condition that will allow 2wd passenger vehicle year around and meet RMAP standards.

# Timber Sale Contract

## 10. Indemnity

A. Purchaser agrees to indemnify Seller against and save and keep Seller harmless from any expense, cost, loss, claim or liability of every character whatsoever arising from or in any way growing out of injury, including injury resulting in death to any person or persons, including Purchaser's employees; or damage, destruction or loss of property of Seller or property of any other party resulting in whole or in part from of arising out of the performance of work under this contract by Purchaser, its employees, agents or contractors.

B. Purchaser agrees to indemnify and hold Seller harmless from all liability in any manner arising out of any violation by Purchaser, or its employees, agents or contractors of the state Forest Practices Act or other laws and regulations relating to operations under this contract.

## 11. Default

In the event either party fail to keep or perform any of its covenants or agreements to be kept or performed by the first party as herein set forth and such default shall continue for a period of ten days or if such failure to perform is not capable of being cured within ten days and a satisfactory remedy has not been initiated within ten days after receipt by the first party of written notice from the other party; then, in any event, the party shall have the right to suspend performance hereunder of cancel this contract. In the event of any such default, the other party shall have all other remedies available at law or in equity. Upon receipt of any such notice of default declared by Seller, any right of the Purchaser to enter the sale area or to cut or remove therefrom any timber, as well as all other rights and privileges hereby granted to the Purchaser shall forthwith terminate.

## 12. Venue

In the event of suit based upon this contract, the prevailing party shall be entitled to recover costs, including reasonable attorney's fees. Venue shall be at the option of Seller in Lewis County, Washington

## 13. Taxes

Purchaser shall pay all forest excise taxes imposed on the harvesting of the timber, plus any B & O taxes, severance taxes and all other taxes of any kind associated with Purchaser's Harvest operations. **Purchaser shall provide Seller with a copy of the filed and detailed return reporting this harvest to the Department of Revenue at the time of filing and will be a condition to the release of the Performance Bond Referenced above.**

## 14. Insurance

Purchaser shall be required to provide Seller with a certificate of insurance evidencing insurance coverage in the amounts stated below:

Compliance/Insurance: Purchaser shall comply with all federal, state and local laws, including the Washington Forest Practices Act, in the logging and removal of said timber, thus assuming any and all liability of any nature which arises for property damage or injuries resulting from said logging operation. Purchaser shall provide a Certificate of Insurance on closing and shall have in force and effect during the term of said timber contract liability insurance naming the Sellers as additional insured parties (logger's broad form B) with limits 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.

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.

Prior to the commencement of any work hereunder by Purchaser or contractor for the Purchaser a certificate of insurance shall be filed with the Seller listed as the insured party. It is understood that the aforesaid insurance is not intended to, and shall not, relieve Purchaser from its liability hereunder.

## 15. Notice

Any notice, request, demand, statement, approval and other communications under this contract shall be in writing, and shall be delivered to the Seller.

## 16. Assignment

This contract shall be binding upon the respective successors and assigns of the parties hereto but it is not assignable without prior written consent of both parties.

## 17. Arbitration

In the event of breach of this contract by either party, the party shall agree on an experienced forestry attorney as arbiter and jointly meet with the arbiter to try to resolve disputes prior to filing litigation. Venue will lie in the courts of Lewis County, Washington, Washington. Prevailing party in any resulting arbitration or litigation shall be entitled to recover reasonable attorney fees, including attorney fees on any appeal, in addition to any other damages or recovery of which that party may be entitled.

## 18. Force Majeure

Neither party hereto shall be liable for any delay or default in performance hereunder due to any cause beyond its control, it agents or contractors, including but not limited to acts of God or the public enemy, acts of the federal or state government, floods, wars, fires, storms, labor disputes, weather conditions or services necessary to the performance of any provision hereof whereby performance hereunder is delayed or prevented. Upon the occurrence of any such event, the party

affected thereby may suspend operations hereunder after giving written notice to the other party within 15 days of such event and the term of this contract will be extended for the amount of time so delayed.

## 19. Permits

Purchaser will be required to obtain any additional County or State permits. Seller will secure a Long Term FPA 5-day notification permit. Purchaser can sign the harvest and timber owner portion at the Bid Opening. Purchaser shall have appropriate warning signs on public roads for truck crossing.

## 20. Access

Reasonable access to and from sale area across Sellers land will be granted. Purchaser is responsible for any new road or landing construction, and post logging road maintenance.

## 21. Termination of Contract

Purchaser shall notify Seller in person or via letter within 10 days of contract completion

Bryon Loucks
150 Jones Road
Centralia, WA 98531

In witness whereof, the parties hereto have caused this instrument to be executed the day and year first above written.

| | |
|---|---|
| Seller(s): Bryon and Donna Loucks | Purchaser: _____ |
| 150 Jones Road | _____ |
| Centralia, WA 98531 | _____ |
| Phone: 360-736-2147 | _____ |
| By: _____ | _____ |
| Fed. Tax ID: 20-1151465 | |
| _____ | _____ |

**Exhibit A**

# B&D Tree Farm – Brockway Parcel

SW1/4, Sec. 27, T14N, R3W

## Timber Sale Map

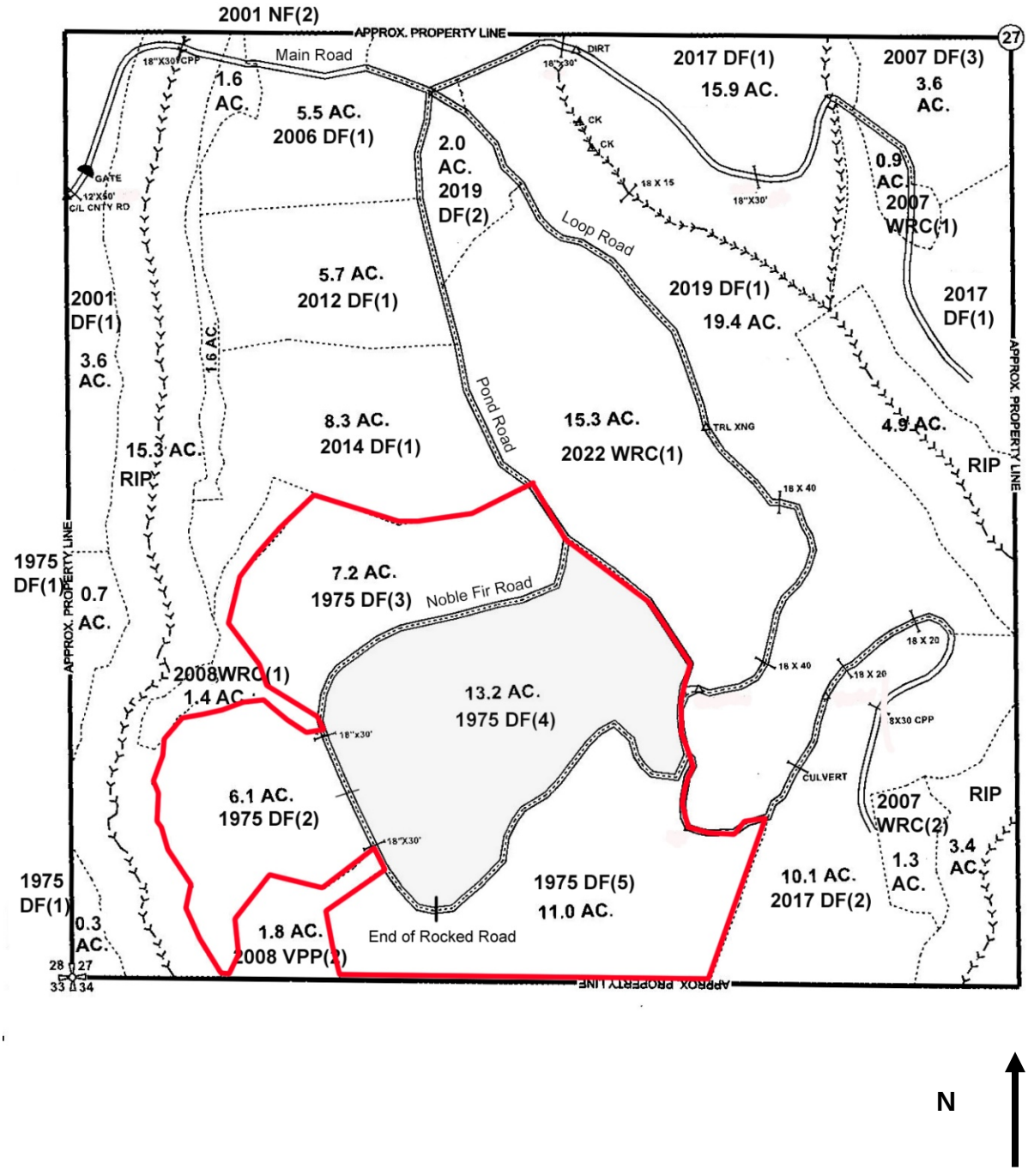
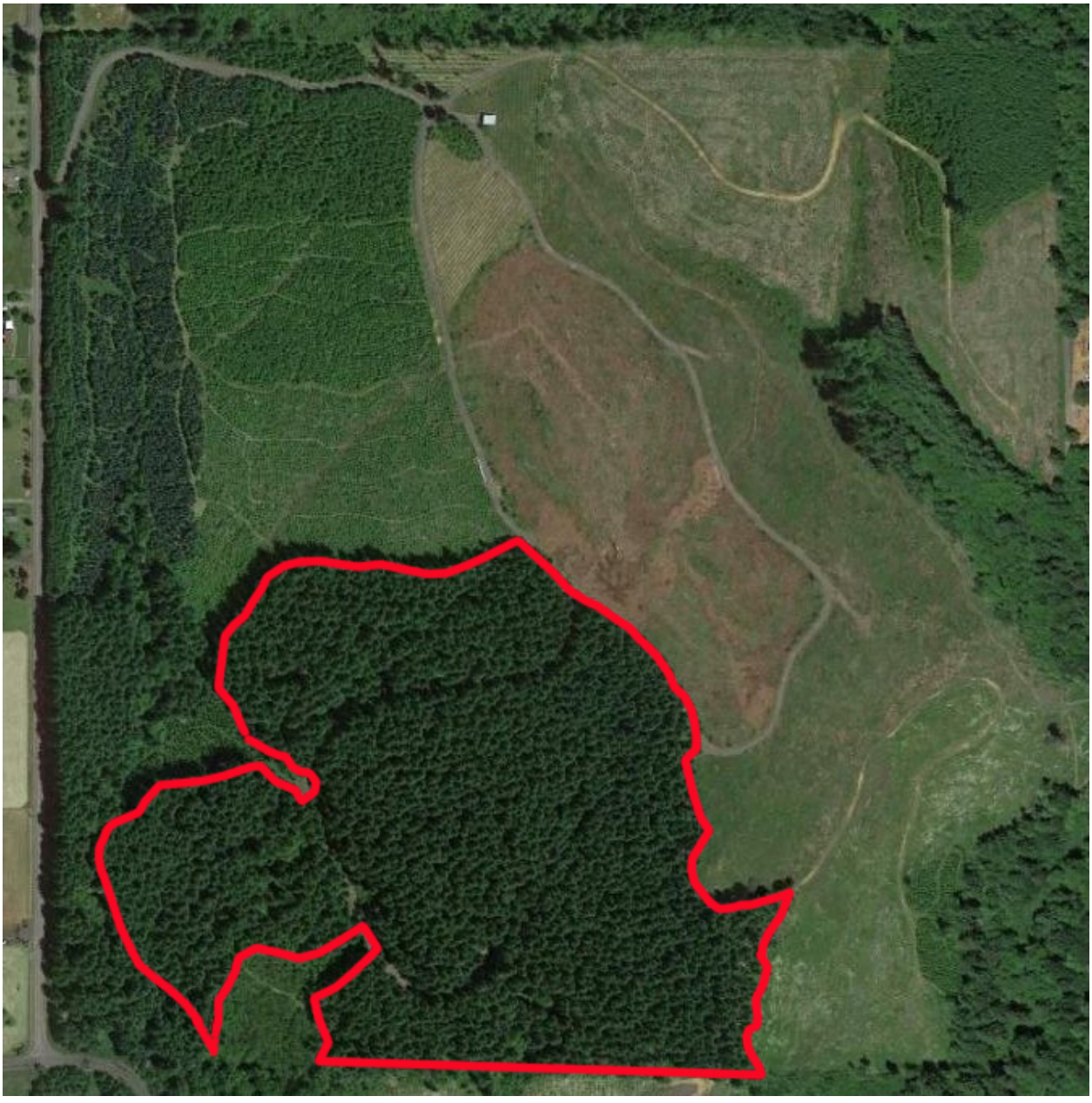


**Exhibit B**

# B&D Tree Farm – Brockway Parcel

SW1/4, Sec. 27, T14N, R3W

Timber Sale Aerial Photo (2021)



# Exhibit C

## Timber Sale Cutting Line Description
## Pink & orange ribbon in the riparian zone
## Orange on all other cutting lines

Starting on the north most point where the Pond Road first meets the standing timber.

- Proceed approx. 700 feet along Pond Rd., in a SE direction, past Noble Fir Rd. and to the Pond & Loop Rd. jct.
- Stay right on Pond Rd. and go approx. 700 feet in a southerly direction along Pond Rd., continue past Pond & Noble Fir Rd. jct. (dirt road), to the end of the rocked surface of the Pond Rd.
- Turn right (south) for approx. 500 feet, along timber edge to jct. of timber & property line.
- Turn right (west) and go approx. 1,000 feet along the south property line to the jct. of the property line and timber. The property line is marked every 100 feet with steel T-Post and white PVC pipe placed over the pipe, and orange ribbon.
- Turn right (northerly) following the timber on the right and a young Ponderosa Pine plantation on the left for approx. 400 feet to the junction with the Noble Fir road. Turn left on Noble Fir Rd. for approx. 50 feet.
- Turn left leaving Noble Fir Rd. going in a south-westerly direction for approx. 800 feet and headed back down to the property line. Timber will be on the right (north) and Ponderosa Pine plantation on the left (south).
- Near the property line turn almost 180˚ and head back north for approx. 700 feet. This is the border with the riparian zone on the left (west), and sale area on the right (east). This line is flagged in the two colors of orange and pink ribbons.
- At the end of the riparian zone the ribbons turn to orange only and vegetation turns to a Cedar plantation on the left (north) and timber sale on the right (south). It is approx. 400 feet to the junction of the cutting line and Noble Fir road again.
- Turn left (north) for 50 feet on Noble Fir Rd.
- Then left again leaving the Noble Fir Rd, following the timber on the right (north) and Cedar plantation on the left (south). This line runs in westerly, then a northerly direction for about 1400 feet to a 9 yr. old Douglas-fir plantation.
- Turn right (east) following the border between the 9-yr. Douglas-fir & timber sale in a NE direction for approx. 600 feet and back to the starting point.

# Exhibit E

## *B&D Tree Farm*

## Timber Sale

## New Road Specifications and Road Maintenance

# New Road

**Specifications**
Sub-grade shall be a minimum of 16 feet wide with a 12-foot running surface. The sub-grade shall be out-sloped or ditched as appropriate, Out-sloping is preferred. The sub-grade shall be free of any woody debris. 6-12 inch crushed basalt rock will be used for the bottom ballast layer of 9-10 inches. A topping of 3 inches of crushed ballast rock will be applied to the upper 2-3 inches, for a total depth of 12 inches of rock. At the end of logging, the new road construction shall be brought back up to rock depth standards, graded, and compacted. If needed, culverts size of 18 inches shall be installed to current WA DNR and WDFW standards.

**Turnouts/Turn-arounds**

a. Turnouts shall be long enough that a loaded and empty truck can safely pass. Turn-arounds shall be deep enough that empty log trucks may turn around without getting off the grade.
b. Turnaround: The end of the rocked portion of the Noble Fir Road was originally intended to serve as a landing for all the Timber Sale area. The plan was to setup on the dirt portion with a turn around and all weather rocked road to haul loads. If the Purchaser follows through with this, then they will need to enlarge the pickup turn around site by removing at least 2 trees & stumps and add additional rock for wet operations at their expense.

**Landings**

*a*. If the purchaser wants more than the one landing prepared at the end of the rocked portion of the Noble Fir road, they can do so with permission from the seller and at their expense. [*It is expected that any logger will be able to clear a few stumps, make a preliminary landing bed and contract with any of the local basalt rock pits for a few loads of rock*]

b. If the purchaser wants to set-up a landing site on any of the rocked roads, they may do so with the follow provisions:
    - If summer logging, then upon completion of logging the road must be cleaned of all logging debris. If necessary, replace the rock base of ballast and topping rock to bring the road back to pre-logging standards. Grading, and compaction of the road will be needed.
    - With Sellers permission and during winter logging, the Purchaser may do the yarding and loading from the rocked road. Follow the new construction and rocking guidelines to repair the location when the setting is completed.

**Rock**
Any additional rock for new construction or maintenance will be at Purchasers expense and will be basalt rock from any of the local rock quarries (no sedimentary or river gravel to be used).

**Cut slopes/Fill slopes**
Cuts less than 2 feet high may be left vertical if the road segment is out-sloped.

# Exhibit E

## Road Maintenance

The Purchaser will be required to perform normal maintenance or repair damage which it caused on all roads, which includes adding rock as needed, grading, shaping, and compaction. Roads will be left in the same shape they were when the sale started. Any rocking done to bring the road condition back to its original condition will be done with 3 inch minus rock.

**Culverts**

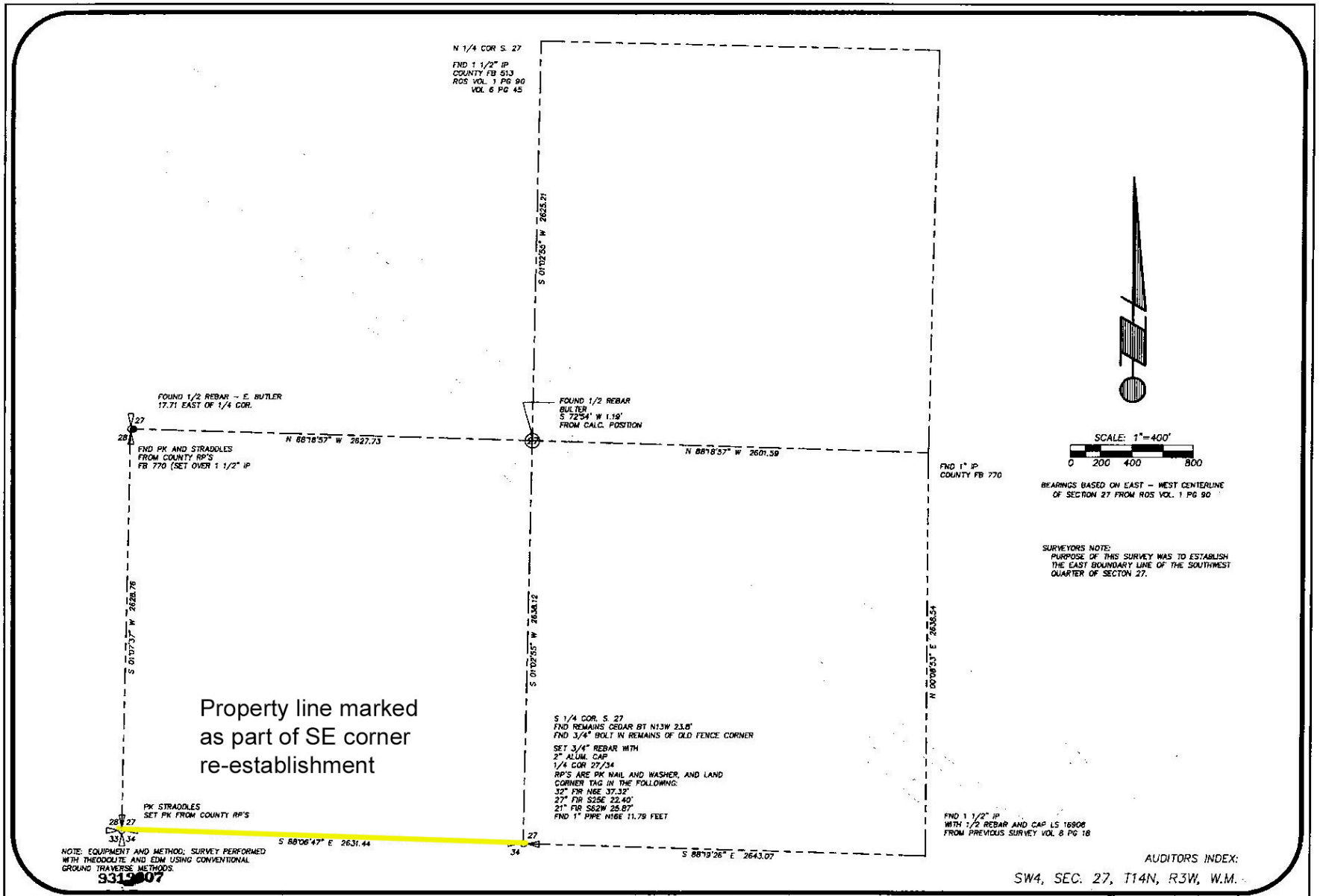
- There is one culvert 18" x 20' on the Main Road shortly after entering the tree farm.
- There are 3 culverts on the Noble Fir road, each 18 inch diameter and 30 feet in length. No additional culverts should be required. These will need to be inspected following logging to insure they are fully functional.

**General Comments on rocking of current roads**

There are three roads the Purchaser will likely use:

- The ¼ mile long Main Road entering the property from Brockway Road is an all-weather road, approximately 18 feet wide and has had well over 700 log truck loads over the past 20 years.
- The end of the entrance road is at a 3-way junction and a storage shed.
    - The road to the left (North Road) is a dirt road that does not access the logging site.
    - The center road (Loop Road) goes past the storage shed and is a rocked road but not suitable for continual wet weather operations.
    - The right road (Pond Road) is rocked to a standard slightly less than an all-season road. The first ¼ mile of this road will be one of the roads that trucks will haul over. It will not be a concern for summer logging, however extreme wet or heavy loads may require additional lifts of 3 inch crushed basalt rock at Purchaser's expense.
- Noble Fir Road is ¼ mile from the shed on the Pond Road, and turns right into the sale area. This road was built about 5 years ago as an all-weather road with rock depth of 12-18 inches. There are three 18-inch culverts on the rocked portion of this road. About 2/3 of this road is rocked with the remaining being a narrow and steeper road.

APPROVED FOR RECORDING
LEWIS COUNTY ENGINEERS
BY _____ DATE 12-15-93




9312007

**AUDITOR'S CERTIFICATE**

FILED FOR RECORD THIS 29th DAY OF Dec. 1993
AT 2:53 P.M. IN BOOK 14 OF Surveys
AT PAGE 11 AT THE REQUEST OF FORESIGHT
SURVEYING, INC.

LEWIS COUNTY AUDITOR

**SURVEYOR'S CERTIFICATE**

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR
UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS
OF THE SURVEY RECORDING ACT AT THE REQUEST OF:

BRYON LOUCKS

Signed: Kenneth L. Frazier P.L.S.

KENNETH L. FRAZIER
STATE OF WASHINGTON
16908
REGISTERED
PROFESSIONAL LAND SURVEYOR

EXPIRES 5-27-94


FORESIGHT SURVEYING, INC.
PROFESSIONAL LAND SURVEYORS
2401 NE KRESKY ROAD
CHEHALIS, WA 98532
Ph (206) 748-4000


RECORD OF SURVEY
FOR
BRYON LOUCKS

| | | |
|---|---|---|
| DRWN BY K. FRAZIER | DATE DEC. 1993 | JOB NO. \DWGS\981 |
| CHKD BY | SCALE 1" = 400' | FB. NO. 2100 ; 2120 |
| | | SHT NO. 1 OF 1 |

Exhibit F