

ECT Pilot 1 Log Sale Contract No. 341-19-57.1 through 341-19-57.6

Table of Contents

SECTION 1000. SIGNATURES OF CONTRACT PARTIES.....	1
SECTION 1010. DEFINITIONS OF TERMS	2
SECTION 1020. SALE OF LOGS.....	3
SECTION 1030. TITLE TO LOGS	3
SECTION 1040. QUALITY AND QUANTITY OF LOGS.....	3
SECTION 1050. EXAMINATION OF CONTRACT	3
SECTION 1110. COMMENCEMENT OF LOG DELIVERIES	3
SECTION 1120. COMPLETION DATE OF CONTRACT	3
SECTION 1230. PAYMENT BOND	4
SECTION 1320. ASSIGNMENT OF CONTRACT.....	4
SECTION 1355. GENERAL INDEMNIFICATION	4
SECTION 1360. SEVERABILITY	4
SECTION 1365. WAIVER	4
SECTION 1370. CHOICE OF LAW AND VENUE	4
SECTION 1380. ENTIRE AGREEMENT; NO MODIFICATION.....	5
SECTION 1510. CAUSES BEYOND CONTROL.....	5
SECTION 1530. EXTENSION OF TIME	5
SECTION 1540. CONTRACT MODIFICATIONS.....	5
SECTION 1660. TAX LIABILITY	5
SECTION 1670. COMPLIANCE WITH TAX LAWS.....	5
SECTION 1720. PAYMENT METHOD AND SCHEDULE	5
SECTION 1740. LOG PRICES AND LOG SORT SPECIFICATIONS	6
SECTION 1750. PAYMENT ADJUSTMENTS	7
SECTION 1760. PAYMENTS AND INTEREST	8
SECTION 2015. LOG ACCOUNTABILITY AND LOG LOAD RECEIPTS - SAWLOGS	9
SECTION 2016. LOG ACCOUNTABILITY AND LOG LOAD RECEIPTS – PULP LOGS.....	9
SECTION 2021. LOG MEASUREMENT.....	9
SECTION 2021. LOG MEASUREMENT – PULP LOGS	10
SECTION 2710. LOG DELIVERY.....	11

STATE OF OREGON



DEPARTMENT OF FORESTRY

Oregon Department of Forestry
State Forests Division
2600 State Street, Building D
Salem, Oregon 97310
LOG SALE CONTRACT

SALE NAME: ECT Pilot 1
CONTRACT NO 341-19-57.1 through 341-19-57.6
ODF DISTRICT: Astoria

Section 1000. Signatures of Contract Parties.

This Contract (the "Contract") is by and between the STATE OF OREGON, acting by and through the State Forester on behalf of the DEPARTMENT OF FORESTRY ("STATE") and _____, ("PURCHASER"). The Contract shall be effective as of the latest date signed below. The parties do hereby agree as follows:

- (1) Signature of STATE means he/she is a duly Authorized Representative of the STATE and is authorized by STATE to make all representations, attestations, and certifications contained in this Contract and all addenda, if any, issued, and to execute this Contract document on behalf of STATE;
- (2) Signature of PURCHASER means he/she is a duly Authorized Representative of the PURCHASER, has been authorized by PURCHASER to make all representations, attestations, and certifications contained in this bid/proposal document and all addenda, if any, issued, and to execute this bid/proposal document on behalf of PURCHASER;
- (3) PURCHASER, acting through its Authorized Representative, has read, understands, and agrees to all Contract instructions, specifications, and terms and conditions contained in this Contract document (including all listed attachments and addenda, if any, issued);
- (4) PURCHASER is bound by and shall comply with all requirements, specifications, and terms and conditions contained in this Contract document (including all listed attachments and addenda, if any, issued);
- (5) PURCHASER shall comply in all respects with the terms of the resulting agreement upon award.

IN WITNESS WHEREOF, the State of Oregon hereby awards the Contract to the above Purchaser for the item(s) contained in the Contract, including all terms, conditions, and specifications. The Parties have affixed their signatures as of the latest date indicated below.

STATE:
State of Oregon, acting by and through the
DEPARTMENT OF FORESTRY

PURCHASER: _____ (SEAL)

Chief, State Forests Division

By: _____
(Signature of Purchaser Authorized Representative)

Date: _____

Printed Name: _____

As its: _____

Date: _____

PART I: SALE OF TIMBER

GENERAL

Section 1010. Definition of Terms.

Authorized Representative – a representative of the PURCHASER authorized to receive any notice or instructions from STATE on behalf of PURCHASER and to take any action required in regard to performance of PURCHASER under this Contract.

Bidder – is a person, business, corporation, or other entity recognized by the STATE that submits a bid to enter into a contract with the STATE to purchase forest products.

Bunk – a bed for logs with a pair of stakes at each end.

Contract – the entire written agreement between the parties, including but not limited to the Notice of Log Sort Sale, Invitation to Bid or Request for Proposal, Instructions to Bidders, specifications, terms, and conditions, change notices, if any, and the accepted bid.

Foreign Material Log – a log containing foreign material as defined in the Official Log Scaling and Grading Rules (as adopted by the Northwest Log Rules Advisory Group).

Log Load Receipt Book – a book issued by the STATE used for log load accountability. In each book there are sequentially numbered multipart pages (tickets). Each page is a four-part form. Each of the four parts, on each page, has the same identifying number. The four parts are:

Woods Receipt

Turned in to the ODF District Office that the timber sale is in.

Trucker Receipt

Retained by the log truck driver.

Load Receipt

Stapled to the log load on the truck before the truck leaves the Timber Sale Area Landing. Stays with the log load until the load is dispersed and processed at the mill.

Scaler Receipt

Stapled to the log load on the truck before the truck leaves the Timber Sale Area Landing. When the load is scaled (measured) the Scaler Receipt is transferred to the Scaling Bureau's printout of the log breakdown of the load. This log breakdown (which shows number of logs, species of logs, grades of logs, and board foot volume), along with the Scaler Receipt is sent to ODF headquarters in Salem.

Major Catastrophes – windstorms, floods, fire, landslides, or other acts of God, which are beyond the control of PURCHASER and in no way connected with negligent acts or omissions of PURCHASER, its officers, employees, agents, or subcontractors.

MBF – thousand board feet.

Pulp – any log (tops only) that does not meet the minimum requirements for saw log, as designated by STATE.

Purchase Price – for each species sold on a log sort basis, "Purchase Price" is defined as the price listed in Section 1740, "Log Prices and Log Sort Specifications."

PURCHASER's Authorized Representatives - the representatives authorized by PURCHASER to receive any notice or instructions from STATE on behalf of PURCHASER and to take any action required in regard to performance of PURCHASER under the Contract.

STATE – the Oregon Department of Forestry, State Forester, or a duly Authorized Representative of the State Forester.

TPSO (Third-Party Scaling Organization) – a scaling organization not affiliated with either the PURCHASER or STATE.

Section 1020. Sale of Logs. Under the terms and conditions of this Contract, STATE sells to PURCHASER, and PURCHASER buys from STATE, that Board of Forestry logs designated and described in Section 1740, "Log Prices and Log Sort Specifications" which for all purposes of this Contract is hereinafter referred to as "logs".

This is a sale of "State Timber" as defined in OAR 629-031-0005 and logs sold under this Contract must not be exported from the United States. PURCHASER must comply with the provisions of the Forest Resources Conservation and Shortage Relief Amendments Act of 1993, which authorizes Oregon and other western states to prohibit the export of unprocessed logs from public lands, and with ORS 526.801 through 526.831 and OAR 629-031-0005 through 629-031-0045, in disposing of logs from this log sale.

Section 1030. Title to Logs. The ownership of and title to the logs shall pass to PURCHASER before the logs are scaled following delivery to PURCHASER.

Section 1040. Quality and Quantity of Logs. STATE makes no guarantee or warranty to PURCHASER as to the quality or quantity of the logs.

Further, STATE makes no representation, warranty, or guarantee of the accuracy of any information either provided by STATE or made available by STATE under the Public Records Law with respect to this Contract. PURCHASER agrees to bear exclusive responsibility for, and to accept all risks associated with, the PURCHASER's computation of its bid for this Contract.

Section 1050. Examination of Contract. PURCHASER acknowledges and agrees that, before submitting a bid, PURCHASER has made a careful examination of the terms and conditions of the Contract. STATE will in no case be responsible for any loss or for any unanticipated costs that may be suffered by PURCHASER as a result of PURCHASER's failure to acquire full Contract information in advance of submitting a bid.

COMMENCEMENT AND COMPLETION OF CONTRACT

Section 1110. Commencement of Log Deliveries. PURCHASER shall not be eligible to receive logs under the Contract until STATE provides written notification to PURCHASER that STATE has received and accepted the following:

- (a) The payment bond required under Section 1230, "Payment Bond"; and
- (b) A fully executed original of the Contract.

Section 1120. Completion Date of Contract.

STATE or its designated agent will deliver all logs sold under this Contract to PURCHASER between **January 15, 2019 and April 30, 2019**

BONDING

Section 1230. Payment Bond. PURCHASER shall furnish a payment bond (or blanket payment bond for multiple Contracts) acceptable to STATE guaranteeing payment for all logs received from STATE. PURCHASER shall keep the payment bond in effect during the term of the Contract, until released by STATE. State shall release payment bond upon thirty (30) calendar days after State has determined Purchaser has fully performed in accordance with the Contract. Payment bonds may be in the form of one or more of the following: surety bonds, cash, cashier's or certified check, money order, assignment of surety, irrevocable letters of credit, or other securities determined acceptable by the State Forester. Surety bonds (including riders) must be written by a surety company authorized to do business in the State of Oregon, on a form provided by STATE. PURCHASER's bond shall be in an amount of 20% of the total bid value (Bid Price per MBF x Appraised Volume), rounded up to the nearest thousand.

GENERAL TERMS AND CONDITIONS

Section 1320. Assignment of Contract. PURCHASER shall not assign, sell, or transfer rights, or delegate responsibilities under this Contract, in whole or in part, without the prior written consent of the STATE. STATE will consent only when assignment is consistent with STATE's fiduciary duties. No such written approval shall relieve PURCHASER of any obligations under this Contract, and any transferee shall be considered the agent of the PURCHASER and bound to perform in accordance with the Contract. PURCHASER shall remain liable as between the original parties to the Contract as if no assignment had occurred. PURCHASER agrees to pay STATE a \$250 administrative fee for processing each assignment. Also, PURCHASER shall pay additional transportation costs, as determined by STATE, if the transferee's delivery location requires a longer haul route than the original haul route for the sort.

Section 1355. General Indemnification. PURCHASER shall indemnify, defend and hold harmless the STATE their officials, agents, and employees ("Indemnified Parties"), from all claims, suits, actions, or liens of any nature resulting from or arising out of the activities of PURCHASER or its subcontractors, agents, or employees under this Contract, including any claim based upon an alleged failure to obtain any necessary Permit, license, or approval, or any claim of liability for premiums, contributions, or taxes payable under any Workers' Compensation, Disability Benefits, Old Age Benefits, including FICA, or tax withholding laws.

Section 1360. Severability. If any provision of this Contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular provision held to be invalid.

Section 1365. Waiver. Failure of STATE to enforce any provision of this Contract shall not constitute a waiver or relinquishment by STATE of the right to such performance in the future, nor of the right to enforce that or any other provision of this Contract.

Section 1370. Choice of Law and Venue. This Contract shall be governed by, construed and enforced in accordance with, the laws of the State of Oregon, without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between State (or any other agency or department of the State of Oregon) and Purchaser that arises from or relates to the Contract shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by the State of Oregon of any form or defense or immunity, whether based on sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the United States Constitution, or otherwise. **PURCHASER, BY EXECUTION OF THE CONTRACT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.**

Section 1380. Entire Agreement; No Modification. This Contract consists of the entire written agreement between the parties, including but not limited to the Notice of Timber Sale, Invitation to Bid or Request for Proposal, Instructions to Bidders, specifications, terms, and conditions, change notices, if any, and the accepted bid. No waiver, consent, modification, or change of terms of this Contract shall bind either party, unless in writing and signed by both parties. Such waiver, consent, modification, or change, if made, shall be effective only for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Contract. PURCHASER, by the signature of its Authorized Representative in Section 1000, "Signatures of Contract Parties," hereby acknowledges that she/he has read this Contract, understands it, and agrees to be bound by its terms and conditions.

CONTRACT CHANGES: EXTENSIONS, MODIFICATIONS, SUSPENSIONS, CANCELLATIONS, DELAYS, AND DEFAULT

Section 1510. Causes Beyond Control. Neither party of this Contract shall be held responsible for delay or default caused by fire, riot, acts of God, sovereign, public enemy, or war which is beyond that party's control. STATE may terminate this Contract upon written notice after determining such delay or default will reasonably prevent successful performance of the Contract.

Section 1530. Extension of Time. Contract extensions and any other conditions subject to the extension that are agreed to by the State must be formalized in writing and signed by Purchaser and State, and attached to this Log Sale and Purchase Contract as an addendum.

Section 1540. Contract Modifications. Modifications of the terms of this Contract must be in writing signed by PURCHASER and STATE to become effective.

COMPLIANCE WITH LAWS AND REGULATIONS

Section 1660. Tax Liability. STATE makes no representations concerning tax liability or consequences arising from this sale of State logs. It is PURCHASER's sole responsibility to determine what tax liability may be incurred as a result of purchasing State logs. PURCHASER shall be responsible for paying all applicable timber harvest or severance taxes and shall indemnify and hold harmless the STATE against any tax claims arising from the purchase of State logs.

Section 1670. Compliance with Tax Laws. By execution of this Contract, the undersigned is authorized to act on behalf of Purchaser and that Purchaser is, to the best of the undersigned's knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by ORS 403.200 to 403.250 (Tax For Emergency Communications), 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 320 (Amusement Device and Transient Lodging Taxes), 321 (Timber and Forestland Tax), 323 (Cigarettes and Tobacco Products Tax), and the elderly rental assistance program under ORS 310.630 to 310.706; and any local taxes administered by the Department of Revenue under ORS 305.620

PAYMENTS

Section 1720. Payment Method and Schedule.

PURCHASER shall make payments to STATE and to STATE's Logging Services Contractor (hereinafter referred to as STATE's Contractor) for logs delivered to PURCHASER, as indicated in Section 1740, "Log Prices and Log Sort Specifications". **Any payments shall include reference to the Log Sale Contract number.**

Payments sent to STATE shall be sent to:

DEPARTMENT OF FORESTRY
UNIT 12
PO BOX 4395
PORTLAND, OR 97208-4395

Payments sent to STATE's Contractor shall be sent to:

* _____
* _____
* _____

PURCHASER shall pay STATE and STATE's Contractor at minimum twice per month. For example: by the tenth (10th) day and twenty-fifth (25th) day of each month. Payments due by the twenty-fifth (25th) shall be for logs delivered and scaled from the first (1st) through the fifteenth (15th) of the month. Payments due by the tenth (10th) shall be for logs delivered and scaled from the sixteenth (16th) through the last day of the preceding month. PURCHASER may give STATE its preferred payment schedule. STATE shall designate payment schedule.

When payments are made to STATE, PURCHASER shall also submit to STATE a summary statement showing payments made to STATE and payments made to STATE's Contractor, compared to log volume and value received by PURCHASER.

Section 1740. Log Prices and Log Sort Specifications. The following price schedule shall be designated as the "Purchase Price" and shall apply to all logs delivered to PURCHASER. Payment shall be for net log scale, unless noted. PURCHASER shall pay STATE and STATE's Contractor based upon net scale on itemized scaling certificate and load tickets for saw logs and based on weight certificates for pulp logs.

If Purchaser provides payment of any kind for mis-sorted species or utility grade logs, then Purchaser shall pay such amounts directly to the State. And if after payment to the State, if the amount should exceed that which is required to be provided in accordance with Section 1740 of the Log Sale Contract, "Log Prices and Log Sort Specifications," then Purchaser must provide remaining amounts owed to Contractor. Note: In most instances, the Contractor may not receive any payment for mis-sorted species or utility grade logs.

Log prices and specifications shall be:

Sort #	Species	Sort Specifications	Estimated Net Volume		Price Per MBF Delivered to Delivery Location	Price Per Ton Delivered to Delivery Location	Delivery Location
			MBF	Tons			
341-19-57.					TOTAL PRICE PER MBF = \$ _____	TOTAL PRICE PER TON = \$	
					PAYMENTS PER MBF:	PAYMENTS PER TON:	
					STATE = \$ _____ Contractor = \$ _____	STATE = \$ _____ Contractor = \$ _____	

NO – BID SPECIES / PRODUCTS: Mis-sort Species\$ 31.50/TON
Foreign Material Log.....\$ 0.00/TON

Contingent Price Adjustment. As provided in Section 1020, "Sale of Logs," it is the policy of the State of Oregon, in accordance with the terms of current federal law and the Constitution and the laws of the State of Oregon, that unprocessed logs shall not be exported from lands owned or managed by the State or any of its political subdivisions or agencies. PURCHASER specifically agrees that Section 1020, "Sale of Logs," is a material term of this Contract and is part of the consideration offered to STATE in return for STATE's performance. In the event that any federal law or state constitutional provision or law or any provision of this Contract concerning export of unprocessed timber is declared invalid by any court or administrative tribunal, PURCHASER agrees to pay to STATE, in addition to the Purchase Price, an incremental amount equal to the difference between the Purchase Price set forth in this section and any higher price obtained by PURCHASER for the exported unprocessed logs.

The default provisions of (*OAR 629-032-0000 through 629-032-0070) (*OAR 141-015-0005 through 141-015-0050) shall not apply to exported unprocessed logs. In the event that logs made available under this Contract are exported in violation of this Contract, PURCHASER shall be in material breach of the Contract. In such event, STATE shall be entitled to cease performance of the Contract, and shall recover, in addition to the Purchase Price and additional increment set out above, a further sum estimated by STATE to compensate for administrative expense and the economic impact of the violation upon the State and its citizens. In no case shall this additional amount be less than \$10,000 per incident.

Section 1750. Payment Adjustments.

If the purchaser desires they may scale log deliveries to check for missorts. Scaling shall be done by a Third Party Scaling Organization and upon request scaling data shall be made available to ODF by the Third Party Scaling Organization. State may approve a sample scale of up to 1 in 10 loads to determine missorts if the sampling procedure is shown to be unbiased.

Logs delivered by STATE's Contractor that do not meet the following log sort specifications as designated in Section 1740 "Log Prices and Log Sort Specifications".

- (1) Are over 1" out of tolerance of scaling diameter;
- (2) Do not meet the preferred log length specifications or multiples or combinations of preferred lengths as described in the supplemental information form; OR
- (3) Do not meet specified grade.

When the missort volume amounts to more than 5% of the total delivered sort volume, as determined by a third party scaling organization, the Purchaser shall notify State in writing prior to contract expiration and may, request a payment reduction.

For the delivery of mis-sorted logs, PURCHASER may request to STATE to reduce the payment. The amount of payment reduction shall be calculated using the following formula:

$$\text{Missort Payment Reduction} = (B \times V) \times (.5)$$

Where: B= Bid rate from Section 1740
V = Missort volume exceeding % threshold

Payment adjustment requests shall be made by PURCHASER in writing and submitted to the Astoria District Office of the Department of Forestry at 92219, Highway 202, Astoria, Oregon 97103.

No payment made shall be evidence of the satisfactory performance of the STATE's Contractor, either wholly or in part, against the claim of STATE to the contrary.

Section 1760. Payments and Interest. Payments to both the STATE and STATE's Contractors required of PURCHASER by this Contract or modifications of this Contract must be received by STATE within the time period stated in Section 1720, "Payment Method and Schedule".

Payments received after the due date stated on the billing terms of this Contract may be subject to an interest charge. The interest rate shall not be less than the established minimum state rate on delinquent accounts. The interest rate applied to overdue payments shall be in accordance with ORS 82.010. ORS 82.010 mandates the collection of interest at the annualized rate of nine (9) percent. Interest shall be calculated from the date of the original billing terms to the date payment is received by the State Forester.

PART II: SPECIFICATIONS

ACCOUNTABILITY

Section 2015. Log Accountability and Log Load Receipts - Sawlogs. PURCHASER shall require the scaler to record the Log Load Receipt number on the scale ticket that is signed by the scaler, attach the Scaler Receipt part to a copy of the scale ticket, and mail the scale ticket with the attached receipt to STATE on the date scaled.

PURCHASER shall not intermingle STATE logs delivered by this Contract with any other logs before log scaling occurs, unless otherwise approved by STATE.

Notice of Transfer of State Timber. Prior to selling, trading, exchanging, or otherwise conveying unprocessed logs sold under this Contract to any other person, PURCHASER must first obtain a certification of the buyer's eligibility to purchase unprocessed State timber and their intent to comply with the terms and conditions contained in OAR 629-031-0005 through 629-031-0045. The certification shall be made in a form and manner prescribed by STATE and shall be forwarded to STATE upon completion of the transaction.

Section 2016. Log Accountability and Log Load Receipts – Pulp Logs. PURCHASER shall require the weigher to sign the machine-printed weight receipt and record the Log Load Receipt number on the weight receipt. The weigher shall mark the delivery location identification on the Scaler Receipt part, attach the weight receipt to it and mail it to the designated Third-Party Scaling Organization (TPSO) weekly.

PURCHASER shall not intermingle STATE logs delivered by this Contract with any other logs before log weighing occurs, unless otherwise approved by STATE.

Notice of Transfer of State Timber. Prior to selling, trading, exchanging, or otherwise conveying unprocessed timber sold under this Contract to any other person, PURCHASER must first obtain a certification of the buyer's eligibility to purchase unprocessed State timber and their intent to comply with the terms and conditions contained in OAR 629-031-0005 through 629-031-0045. The certification shall be made in a form and manner prescribed by STATE and shall be forwarded to STATE upon completion of the transaction.

Section 2021. Log Measurement. Scale by weight is approved as the method used to measure the timber sold by this contract. A conversion factor of **7.5 tons per MBF for Douglas-fir; 8.0 tons per MBF for hemlock; and 8.0 tons per MBF for alder** shall be used for all species when determining the number of net board feet.

Weighing Locations and Rules: All logs from timber sold under this Contract shall be: (1) weighed at a location approved in writing by STATE; (2) processed by a third-party scaling organization that is a party to a current agreement with STATE. Prior to log hauling, PURCHASER shall submit a copy of current weight scale approval certificate(s) from Oregon Department of Agriculture for each approved location.

- (a) All loads shall be weighed prior to unloading any logs using STATE certified and sealed scales.
- (b) Every load shall be weighed for gross weight and tare weight. Average tare weights shall not be used. Unless approved in writing by STATE. The gross weight and truck tare weight for each load shall be machine printed on the weight ticket. The weight ticket shall include STATE Log Load Receipt number. The Log Load Receipt shall be stapled to the weight ticket and mailed to the TPSO of choice.
- (c) Log species shall be identified on both the weight scale receipt and weight ticket.

PURCHASER shall enter into a written agreement with a third-party scaling organization for the processing of logs removed from the Timber Sale Area (the "Scaling Agreement"). PURCHASER shall furnish STATE with a copy of the Scaling Agreement upon request.

If approved weighing stations become unavailable, log hauling shall be immediately suspended until an alternate accountability plan is submitted by PURCHASER and approved by STATE.

All weight certificates shall be processed by the third party weighing organization and converted into MBF using the conversion rates listed above. This volume and log load information shall be transmitted to STATE in a format compatible with STATE's electronic transfer system. Original weight certificates shall be sent to STATE after processing by an approved third party scaling organization.

Accountability Violations - Scaling Ramp Requirement. If PURCHASER violates any of the log accountability requirements of this Contract, STATE may require all logs from timber sold under this Contract to be scaled at a ramp provided by PURCHASER, in a location designated by STATE. All costs associated with this additional scaling requirement shall be paid by PURCHASER.

Cost of Weighing. All costs of weighing and all costs in connection with reports furnished to STATE shall be paid by PURCHASER.

Minimum Products Specifications and Special Scale Information are shown on Exhibit C.

The Scaling Agreement shall provide, and PURCHASER shall require, that the scaling organization furnish copies each week to STATE, of all weight certificates showing tare and net weights, by species and grade, of all logs weighed during the week. Upon request by STATE, PURCHASER shall also require the scaling organization to furnish and attach a weight detail list to each weekly scale certificate showing all STATE loads included on the certificate.

Weighing Instructions. The Scaling Agreement shall authorize STATE to provide instructions to the approved third-party scaling organization for the weighing practices to be used for timber removed from the Timber Sale Area. Instructions shall conform to the terms of this Contract, including special scales as necessary. PURCHASER shall acknowledge and sign such instructions and shall be provided a copy.

Measurement by Weight. STATE requires weighing of logs in lieu of log scaling to measure the timber sold by this Contract. A conversion factor of **7.5 tons per MBF for Douglas-fir; 8.0 tons per MBF for hemlock; and 8.0 tons per MBF for alder** for all logs shall be used for determining the number of net board feet. The scales shall be STATE certified and sealed. The gross weight and the truck tare weight for each load shall be machine printed on the weight receipt. (See Exhibit C for TPSO processing instructions.)

The Scaling Agreement shall include a provision, and PURCHASER shall require, that the third-party scaling organization that is a party to the Scaling Agreement furnish copies of all weight receipts to STATE, on a weekly basis, with summaries for all truck loads delivered during said week.

Section 2025. Log Measurement – Pulp Logs. All pulp logs shall be weighed at a location approved in writing by STATE. PURCHASER shall require the gross weight and the truck tare weight for each load to be machine printed on the weight receipt. PURCHASER shall also require the weigher to sign the weight receipt and record the Log Load Receipt number on the weight receipt. A conversion factor of ten (10) short tons per MBF shall be used for determining the number of board feet. PURCHASER shall furnish copies of all weight receipts to STATE on a weekly basis, with summaries for all truck loads delivered.

PURCHASER shall enter into an agreement with a third-party scaling organization for the processing of the weight receipts.

Unless other arrangements have been made through an agreement between PURCHASER and STATE, PURCHASER shall provide STATE with remote check scaling opportunities for logs weighed under this Contract. The last two (2) loads at each delivery point shall be continuously available for checking. They shall remain available for a minimum of forty-eight (48) hours unless replaced by other STATE loads. They shall be available as originally presented; i.e., if the load was weighed, they shall be presented in bunks.

Weighing Instructions. STATE will provide instructions to the PURCHASER for the practices to be used for Pulp logs delivered to PURCHASER. Instructions will conform to the terms of this Contract, PURCHASER shall acknowledge and sign such instructions and shall be provided a copy.

Minimum Products Specifications and Weight information are shown on Exhibit C to this Contract.

DELIVERY OPERATIONS

Section 2710. Log Delivery. STATE's Contractor will perform all hauling of logs to PURCHASER's designated delivery location. PURCHASER agrees to accept logs from the STATE's Contractor at the regular scheduled hours of the PURCHASER's receiving area, or at least between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. No hauling or delivery of logs shall be allowed on weekends or State-observed legal holidays, unless otherwise approved in writing by STATE.

The PURCHASER may schedule times in which delivery of logs will not be accepted. The PURCHASER shall notify the STATE's Contract Administrator at least five (5) business days before the scheduled interruption or closure occurs. Major catastrophes are the only recognized valid reasons for not giving notice. The duration of the log delivery interruption shall not exceed seven (7) consecutive business days, or seven (7) total business days during the term of this Contract. STATE shall receive one (1) day extension for each day PURCHASER refuses log delivery. If PURCHASER's scheduled delivery interruption exceeds contract requirements, Purchaser will be in breach of Contract and subject to liquidated damages at a rate of \$1,000.00 per each day of breach, unless PURCHASER and the STATE have made a prior agreement in writing.

EXHIBIT C – SAWMILL GRADE (WESTSIDE SCALE)

PROCESSING INSTRUCTIONS -- LOCATION APPROVAL -- BRAND INFORMATION

(1) ORIGINAL REGISTRATION ☐ Date _____
REVISION NUMBER _____ ☐ Date _____
CANCELLATION ☐ Date _____

(2) TO: _____
(Third Party Scaling Organization)

(3) FROM: Astoria (04) Phone (503) 325-5451
(State Forestry District)
Address 92219 Hwy. 202, Astoria, OR 97103

(4) PURCHASER: _____
Mailing Address: _____
Phone Number: _____

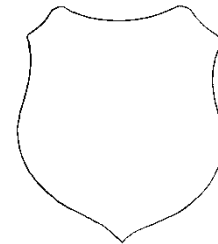
(9) SALE NAME: ECT Pilot 1

COUNTY: Clatsop

(10) STATE CONTRACT NUMBER: 341-19-57.1 through
341-19-57.6

(11) STATE BRAND REGISTRATION NUMBER: _____

(12) STATE BRAND INFORMATION (COMPLETE):



(5) MINIMUM SCALING SPECIFICATIONS	
SPECIES	MINIMUM NET VOLUME
Douglas-fir	10
Western hemlock	10
Hardwoods	10

* Apply minimum volume test to whole logs over 40' Westside

(6) WESTSIDE SCALE: ☐ YES ☒ NO
Use Region 6 actual taper rule. Logs over 40'.

(7) Weight Scale Sample ☐ ☒

(8) APPROVED SCALING LOCATIONS (as shown on the ODF Approved Locations web-site)	Species	Yard	Truck	Weight
				X
				X

(13) PAINT REQUIRED: YES ☒
COLOR: Orange

(14) SPECIAL REQUESTS	(Check applicable)
PEELABLE CULL (all species)	<input type="checkbox"/>
NO DEDUCTIONS ALLOWED FOR MECHANICAL DAMAGE	<input checked="" type="checkbox"/>
ADD-BACK VOLUME - Deductions due to delay	<input type="checkbox"/>
OTHER: <u>"Mule Train" loads require separate load tickets for the truck and trailer.</u>	

(15) REMARKS: _____

Operator's Name (Optional inclusion by District): _____

(16) SIGNATURES:

Purchaser or Authorized Representative _____ Date _____

State Forester Representative _____ Date _____

State Forester Representative PRINT NAME _____

WEIGHING DETAILS:

- Sawlog loads shall be weighed in lieu of scaling.
- One Ton = 2,000 lbs. (Short Ton).
- Pulp loads shall have a **PINK** Log Load Receipt attached.
- Gross weight and truck tare weight for each load shall be machine printed on the weight receipt.
- Weigher shall sign the weight receipt.
- Weigher shall record the Log Load Receipt number on the weight receipt.
- Weigher shall attach the Weight receipt to the Log Load Receipt and mail them weekly to the TPSO processing the Weight receipt.

TPSO PROCESSING INSTRUCTIONS

- Mail to ODF weekly.
-

Notify the District within one hour when branding or painting is inadequate for quick identification, the receipts are missing, not correctly or completely filled out, and/or when logs presented for scaling are impossible to scale accurately.

Distribution (See specific instructions on pg. 2): ORIGINAL: Salem / COPIES: TPSO, Approved Scaling Location, Purchaser, District, Mgmt. Unit

EXHIBIT C – SAWMILL GRADE
INSTRUCTIONS FOR FORM 343-307a (rev. 11/11)

- (1) Check appropriate box. REVISION NUMBER requires comments. CANCELLATION requires logging and hauling to be complete, recall branding hammers, date and sign where indicated, write diagonally across page "CANCEL", and send to TPSO.
- (2) Designate Third Party Scaling Organization (TPSO).

Columbia River Log Scaling & Grading Bureau
P.O. Box 7002, Eugene, OR 97401
Phone: (541) 342-6007 Fax: (541) 342-2631
Email: services@crls.com

Pacific Rim Log Scaling Bureau, Inc.
8288 28th Court North East, Lacey, WA 98516
Phone: (360) 528-8710 Fax: (360) 528-8718
Email: office@prlsb.com

Mountain Western Log Scaling & Grading Bureau
P.O. Box 580, Roseburg, OR 97470
Phone: (541) 673-5571 Fax: (541) 672-6381
Email: info@mwlsqb.com

Yamhill Log Scaling & Grading Bureau
P.O. Box 709, Forest Grove, OR 97116
Phone: (503) 359-4474 Fax: (503) 359-4476
Email: yamhill@attglobal.net

Northwest Log Scalpers, Inc.
5526 NE 122nd Ave, Portland, OR 97230
Phone: (503) 254-0600 Fax: (503) 408-0919
Email: info@nwlogscalpers.com

Pacific Log Scaling & Grading Bureau, Inc.
P.O. Box 23939, Portland, OR 97281
Phone: (503) 684-5599 Fax: (503) 639-4880
Email: PacLogScale@aol.com

- (3) State District office, address and phone.
- (4) Enter Purchaser's business name, address, and phone number as it appears on the Contract.
- (5) Minimum Scaling Specifications.
- (6) Westside – Region 6 actual taper segment scale. Check Yes or No. Special Service Rules on file with TPSO. See: Segment Scaling and Grading of Long Logs -- All Species -- State Forestry Department Scaling Practices (Westside).
- (7) Weight Scale Sample – Check box if sale is to be a Weight Scale Sample. All specifics for handling, scaling and processing will be attached or explained in the Remarks section Item (15).
- (8) Show scaling locations only applicable to TPSO. Location name should appear as it does on the ODF Approved Scaling Location web site: http://www.odf.state.or.us/DIVISIONS/management/asset_management/ScalingLocation.asp Locations with scaling and processing directions specific to their location should be on a separate form. Species should be identified if not capable of receiving "all" species. Check appropriate box for either: yard, truck scale, or weight. Refer to the web site listed above for the locations approval status.
- (9) Enter sale name and county.
- (10) Enter sale Contract number.
- (11) Enter Oregon's State Brand Registry Number **(REQUIRED)**.
- (12) Show brand assigned to timber sale. One brand only. If more than one brand is assigned to the sale: (1) make a separate form for each brand and (2) on each form, explain and show other brand(s) in the Remarks section Item (15).
- (13) Check yes for Paint Required and designate "Orange" for color. Non required removal volumes may sometimes require blue paint.
- (14) Special Requests. These are requests that will be applied to ODF timber sales. All boxes applicable to the timber sales designated in the Exhibit C form must be "marked". If "Other" is indicated, it must contain a description and any necessary comments.
- (15) Use this space to designate any weight conversion factors, per load volumes, weight scale sample instructions or any other explanations to clarify scaling, processing and/or mailing requirements. If additional scaling locations are approved, revise original or current form showing all (old and new) locations. Check REVISION box at top of form and explain under remarks. Route as indicated.
- (16) Require purchaser to sign and date completed form in addition to State Forester Representative, sign and print name on the form.

Salem Distribution Instructions: Original will be mailed to Salem after it is electronically scanned and placed in the Salem transfer drive <\\WPODFILL01\Transfer\ScalingInstructions> or e-mailed directly to scaling@odf.state.or.us. Scaling instructions for each brand should be scanned separately, for each approved TPSO.

EXHIBIT C – PULP SORT

PROCESSING INSTRUCTIONS -- LOCATION APPROVAL -- BRAND INFORMATION

(1) ORIGINAL REGISTRATION ☐ Date _____
REVISION NUMBER _____ ☐ Date _____
CANCELLATION ☐ Date _____

(2) TO: _____
(Approved Pulp Processing Facility)

(3) FROM: Astoria Phone 503-325-5451
(State Forestry District)

(4) Scaling Bureau (TPSO) Processing Weight receipts:

Mailing Address: _____

Phone Number: _____

(6) **STATE Definition of Approved Pulp Sort:**

- Top portion of the tree (tops).
- All logs with a diameter (Big End) greater than 7 inches marked with blue paint.

(7) **PULP FACILITY PROCESSING INSTRUCTIONS:**

- Pulp loads shall be weighed in lieu of scaling.
- One Ton = 2000 lbs (Short Ton).
- Pulp loads shall have a yellow Log Load Receipt attached.
- Gross weight and truck tare weight for each load shall be machine printed on the weight receipt.
- Weigher shall sign the weight receipt.
- Weigher shall record the Log Load Receipt number on the weight receipt.
- Weigher shall attach the Weight receipt to the Log Load Receipt and mail them weekly to the TPSO processing the Weight receipt.

(8) **TPSO PROCESSING INSTRUCTIONS**

- Mail to ODF weekly.

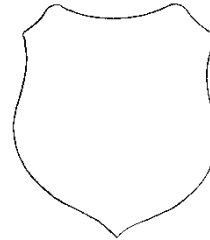
(9) SALE NAME: ECT Pilot 1

COUNTY: Clatsop

(10) STATE CONTRACT NUMBER: 341-19-57.1 through
341-19-57.6

(11) STATE BRAND REGISTRATION NUMBER _____

(12) STATE BRAND INFORMATION: (COMPLETE BELOW)



(13) REMARKS: _____

Operator's Name (Optional inclusion by District):

(14) SIGNATURES:

Purchaser or Authorized Representative Date

State Forester Representative Date

State Forester Representative PRINT NAME

Notify the District within one hour when branding is inadequate for quick identification, the logs are marked with orange paint, the receipts are missing, not correctly or completely filled out, and/or logs do not meet the specifications of the STATE definition of Approved Pulp Sort.

Distribution: ORIGINAL: Salem / COPIES: TPSO, Approved Pulp Processing Location, Purchaser, District, Mgmt. Unit

EXHIBIT C – PULP SORT
INSTRUCTIONS FOR FORM 343-307b (rev. 11/11)

- (1) **Must Complete.** Check appropriate box. REVISION NUMBER requires comments in the Remarks Section (13). CANCELLATION requires logging and hauling to be complete, recall branding hammers, date and sign where indicated, write diagonally across page "CANCEL", and send to TPSO.
- (2) **Must Complete.** Approved Pulp Processing Facility. Write in as written in the Approved Log Delivery Location http://www.odf.state.or.us/DIVISIONS/management/asset_management/ScalingLocation.asp
- (3) **Must Complete.** State Forestry District and District Phone Number.
- (4) **Must Complete.** Purchaser's business name as it appears on the Contract.
- (5) **Must Complete.** Third Party Scaling Organization that will be processing the weight tickets, mailing address, and phone number.

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Email: services@crls.com

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8288 28th Court North East, Lacey, WA 98516
Phone: (360) 528-8710 Fax: (360) 528-8718
Email: office@prlsb.com

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P.O. Box 580, Roseburg, OR 97470
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Email: info@mwlsbg.com

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Email: yamhill@attglobal.net

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5526 NE 122nd Ave, Portland, OR 97230
Phone: (503) 254-0600 Fax: (503) 408-0919
Email: info@nwlogscalpers.com

Pacific Log Scaling & Grading Bureau, Inc.
P.O. Box 23939, Portland, OR 97281
Phone: (503) 684-5599 Fax: (503) 639-4880
Email: PacLogScale@aol.com

- (6) **Must Complete.** Big end log not to exceed 7 inches. Big end of log is not to exceed 2 inches greater than the minimum removal specifications in the contract. Example: Minimum removal specifications 5 inches and 20 board feet, then the Big end of log not to exceed 7 inches. When conifer and hardwood removal specifications are different, use the smaller removal diameter to determine this specification.
- (9) **Must Complete.** Enter sale name and county. If more than one county write in all the counties that the sale is located in.
- (10) **Must Complete.** Enter sale Contract number.
- (11) **Must Complete.** Enter Oregon's State Brand Registry Number **(REQUIRED)**.
- (12) **Must Complete.** Show brand assigned to timber sale. One brand only. If more than one brand is assigned to the sale: (1) make a separate form for each brand and (2) on each form, explain and show other brand(s) in the Remarks section Item (13).
- (13) Use this section to list any special instructions or the reason for any revisions in section item (1).
- (14) **Must Complete.** Purchaser required to sign and date completed form in addition to State Forester Representative, sign and print name on the form.

Salem Distribution Instructions: Original will be mailed to Salem after it is electronically scanned and placed in the Salem transfer drive \\WPODFFILL01\Transfer\ScalingInstructions or e-mailed directly to scaling@odf.state.or.us. Scaling instructions for each brand should be scanned separately, for each approved TPSO.