



200005180043

Kathy Hill, Skagit County Auditor

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RETURN TO:

Woodland Services Inc

DOCUMENT TITLE(S) (or transactions contained herein):

Agreement

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

|| ADDITIONAL REFERENCE NUMBERS ON PAGE ____ OF DOCUMENT.

GRANTOR(S) (Last name, first name and initials):

1. Crown Pacific Ltd partnership

- 2.
- 3.
- 4.

|| ADDITIONAL NAMES ON PAGE ____ OF DOCUMENT.

GRANTEE(S) (Last name, first name and initials):

1. Woodland Services Inc

- 2.
- 3.
- 4.

|| ADDITIONAL NAMES ON PAGE ____ OF DOCUMENT.

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range):

ptn 2,3,4, 9+10 twp 34N Rng 10E Wm

|| ADDITIONAL LEGAL(S) ON PAGE ____ OF DOCUMENT.

ASSESSOR'S PARCEL/TAX I.D. NUMBER:

31005

|| TAX PARCEL NUMBER(S) FOR ADDITIONAL LEGAL(S) ON PAGE ____ OF DOCUMENT.

**WOODLAND SERVICES INC.
STUMPAGE AGREEMENT
RED ROVER**

Brand 910 .

Tract: _____ .

25% Down Stumpage Sale

This Agreement is made and entered into this 30th day of September 1998, by and between **CROWN PACIFIC LIMITED PARTNERSHIP**, a Delaware Limited Partnership and its successors and assigns, with offices in Hamilton, Washington, whose mailing address is P.O. Box 28, Hamilton, WA 98255, hereinafter referred to as Seller, and **Woodland Services Inc.**, a Washington business, whose mailing address is P.O. Box 866, Everett, WA 98206, hereinafter referred to as Purchaser:

(1) **DESCRIPTION**

Seller agrees to sell and Buyer agrees to purchase, on the terms and conditions and for the consideration hereinafter specified, all merchantable timber (herein the "Timber", standing and down, lying within those certain tracts of land described in the attached Exhibit 1 (herein the "Sale Area"), together with the Buyer's right to use the land within the sale are for the term of this Agreement, and including reasonable access to the Sale Area through assignment of access rights, road use agreements, or easements as necessary.

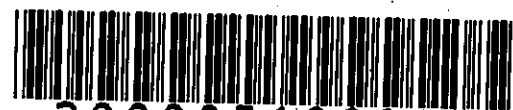
(2) **RIGHTS AND RESPONSIBILITIES**

(a) Purchaser shall have rights of ingress and egress as stated in paragraph 6 (b)

(b) Purchaser shall be conveyed title to merchantable timber within sale area, subject to terms designated in sections 3 and 4 and referenced by Exhibit 2 (Timber Deed).

(c) The rights granted under this Agreement shall become effective on the date this Agreement is signed and shall terminate on September 30, 2003 or on the date of final removal of designated timber as conveyed in this Agreement. On such termination date, all rights and interests of the Purchaser and the title to all timber then standing, lying, or growing shall, if not already titled to Seller, revert to Seller. This termination does not relieve Purchaser from responsibilities for slash abatement and reforestation unless Seller accepts this responsibility in paragraph 6(d) herein. The entire Sale Area will not necessarily be harvested under this Agreement. This Agreement will terminate upon payment of the Remaining Balance to Seller. The expectation is that harvesting of Harvest Units will produce the income to accomplish that objective prior to having harvested the entire Sale Area. Payments towards the Remaining Balance shall be due and owing to the Seller to its Hamilton office based on the volume, species, grade and value of forest products sold from harvest of the Harvest Units.

(d) Seller shall be responsible for obtaining Forest Practices Permits, and any other applicable permits which shall be kept current as necessary for the duration of this contract.



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- (e) Seller shall be responsible for any and all road construction needed to access harvest units.

(3) **PURCHASE PRICE, AND PAYMENT**

The Beginning Estimated Timber Value for the timber transferred from the Seller to the Purchaser as of the effective date of this Agreement shall be \$ 3,660,000.00; subject to any adjustment for actual volume, sorts and grades removed by Purchaser, pursuant to the terms set forth hereafter and those contained in Exhibit 7. The Beginning Estimated Timber Value is to be paid at 25% down (\$915,000.00), upon the execution of this Agreement. When the value of wood products removed equals the 25% down payment, (calculated as volume removed times Rates in Exhibit 7), the balance of the Actual Timber Value is due as volume is removed and will be paid in accordance with the terms and rates in Exhibit 7.

(4) **SECURITY AND GENERAL TERMS OF SALE**

- a) Prior to cutting any of the forest products described in Paragraph (1), Seller may require Purchaser to post an Irrevocable Performance Payment Bond in the amount of at least 10% of the Beginning Estimated Timber Value. The amount of the Performance Payment Bond shall, at all times, be no less than the value of wood products which have been severed from the stump but which have not been paid for by Purchaser. This amount shall be determined by Seller, from volume estimates provided by Purchaser multiplied by rates in Exhibit 7. Seller reserves right to call for additional payment securities if Seller's appraisal of the value of wood products severed but not yet paid for exceeds the value secured. The amount of said payment security may be reviewed periodically. Said Performance Payment Bond must be approved in, writing, as to form and content prior to the release of any wood products covered by the payment security.
- (b) The Performance Bond shall incorporate the terms of this Agreement by reference. Seller reserves the right to retain any payment security for a period of up to 100 days after the last applicable payment has been made by Purchaser.
- (c) Upon Commencement of harvesting, Seller will invoice Purchaser for merchantable volume delivered on a bi-monthly basis, per Exhibit 7, based on individual load tickets summarized in a Net Scale or Weight Summary Certificate. Quantities of forest products sold under this contract shall be measured at a State approved scaling or weighing location. Payment shall be delivered to Seller within 10 days of the date Purchaser receives invoice. If payment is not received by Seller within 10 calendar days of the invoice date, interest on the unpaid balance will be charged at the rate of 1.5% per month.
- (d) Purchaser agrees to mail two copies of all scale or weight tickets directly to Seller on a calendar week basis. These shall be mailed to: Crown Pacific, P.O. Box 28, Hamilton, WA 98255, Attn.: Log Accounting.
- (e) Purchaser agrees to legibly brand all merchantable forest products on one end with the registered branding hammer, provided by Seller, before trucks leave the loading zone in the sale area. Logs left decked overnight shall also be branded. Failure to properly brand each load leaving the sale area is a violation of this Agreement. Purchaser will be charged \$100.00 for each branding hammer not returned to Seller when operations under this Agreement have been completed.



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- (f) Each load shall have a Load Ticket prominently attached to a lower left rear log before the truck leaves the loading zone. Seller will provide serially numbered Load Tickets for Purchaser's use. Failure to have a valid Load Ticket on each load leaving the sale area is a violation of this Agreement.
- (g) A daily load report must be filled out before each truck leaves loading zone. Daily load report must be turned in to Crown Pacific's Hamilton office before 8:00 am next business day.

(5) **FINAL DETERMINATION**

- (a) When Purchaser's operations under this Agreement have been completed, or at the expiration of this Agreement, whichever occurs first, a Final Determination (final reconciliation of accounts) shall be made. As part of this Final Determination, Scale or Weight Tickets shall be used to determine the amount of merchantable timber removed by the Purchaser. In addition, Seller may scale or estimate any merchantable portions of timber within sale area which Purchaser has left standing or which Purchaser has severed but has failed to remove or failed to have weighed or scaled. The value of such merchantable portions shall be computed at rates shown in Exhibit 7. Such computed amounts shall be included in the Final Determination to be paid for by the Purchaser. Final settlement shall be made within fifteen days after such Final Determination by the Purchaser paying Seller the amount by which the total amounts payable to Seller exceed the amounts previously paid.
- b) Concurrent with the Final Determination, Seller may present documentation and cost estimates of any loss, damage, or expense incurred by Seller due to Purchaser's actions, omissions, negligence, or noncompliance with the terms of this Agreement or with the terms of any law, rule, or regulation. All such sums which Seller determines Purchaser should pay shall be deducted from the performance deposit, and the balance of the deposit shall be returned to Purchaser within 15 days after the Final Determination. If the total of such sums exceeds the performance deposit, Purchaser shall remit such expenses to Seller immediately. The failure by Seller to present such documentation and cost estimates or to deduct any amount from the performance deposit is not a waiver of Seller's right to enforce any provision of this Agreement.

(6) **SELLER'S REPRESENTATIONS**

- a) Prior to execution of this Agreement, Purchaser has cruised the timber and inspected the land which is the subject of this Agreement. Seller makes no warranties or representations or covenants as to the condition of any roads or the quantity or value of any timber sold. Seller disclaims all warranties implied by law, including any warranty of MERCHANTABILITY or FITNESS FOR INTENDED PURPOSE OR USE.
- b) Seller agrees to allow Purchaser to use roads which Seller owns or controls and which are necessary for removal of the designated timber. Seller also agrees to allow Purchaser to use applicable, existing road use agreements with third parties under the same terms and conditions available to Seller. Applicable road use charges (if any) are listed in the Road Plan, Exhibit 2 (attached).
- c) Seller agrees to locate boundary lines against foreign ownership where such lines are in common with the timber sale boundary.
- d) Seller will be responsible for slash disposal and reforestation required under the Forest Practices Act.



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- e) Seller may, during periods of high fire danger, require the Purchaser to suspend his operations until, in the sole opinion of Seller, the danger is abated.
- f) Crown disclaims any responsibility for, or liability relating to, regulatory actions by any government agency, including actions pursuant to the Forest Practices Act that may affect the operability of the timber sale. Seller may make claims against Purchaser to recover any and all expenses incurred due to such action by any regulatory agency, including, but not limited to, reasonable attorneys' fees.
- g) No advice by Crown regarding the method or manner of performing shall constitute a representation or warranty that the result of such method or manner will conform to the contract, relieve Purchaser of any risk or obligation under the contract, or create any liability to Crown because of such advice.

(7) TITLE AND DAMAGES

- a) Title to the Stumpage shall pass to buyer upon the execution of this Agreement and delivery of the down payment. The risk of loss to the Stumpage being purchased herein, including, but not limited to, fire, weather damage, mortality, disease, bug infestation, theft, etc., will be retained by Seller, but Seller reserves the right to provide to Buyer substitute stumpage of similar species and value set fourth in Section 3, to fulfill Seller's obligations under this Agreement. Responsibility for Real Estate Excise Tax will be borne by the Seller. Responsibility for Forest Excise Tax will be borne by the Purchaser.
- b) Purchaser shall cut only timber which has been designated for cutting as described in this Agreement. Should Purchaser cut or damage any timber owned by Seller that is not so designated, Purchaser shall be liable for and pay to Seller all damages, both direct and consequential, caused by such cutting or damage. The value of the timber wrongfully cut or damaged shall be computed on the basis of two (2) times the payment rates set forth in paragraph 3 of this Agreement. Theft of forest products by Purchaser or Purchaser's contractors, agents or employees shall be grounds for cancellation of this Agreement and triple payment rates charged on documented or estimated volumes stolen.

(9) PROTECTION OF THE ENVIRONMENT AND ENDANGERED SPECIES

Purchaser agrees to conduct its operations hereunder according to all Federal, State local laws, rules and regulations concerned with environmental protection and control and to strictly comply therewith. Seller will be responsible for all steps necessary to obtain a forest practices permit for the operation covered by this contract. Purchaser specifically agrees to comply with the Forest Practices Permit/Application together with the provisions of the Federal Endangered Species Act, 16 U. S. C. Section 1531 (as amended). Prior to operations, Purchaser shall have the privilege or right to inspect the land subject to this contract for evidence of habitation by the Northern Spotted Owl, the Bald Eagle, the Marbled Murrelet and other such species of fish or wildlife which may from time to time be listed as threatened or endangered under 50 C. F. R. Section 17. Purchaser shall report To Seller the presence of or any evidence of any threatened or endangered species. In the event of a live sighting of any threatened or endangered species, activity will be immediately suspended and shall not resume until Seller has investigated the situation and has determined that the continuation of the planned activity, as modified, if necessary, will not result in harm to the sighted species. under no circumstances will the Purchaser withhold any



information, obtained from whatever source, regarding the existence of a threatened or endangered species on or around Sellers land or forestry operations.

(9) **PURCHASER'S REPRESENTATIONS**

Purchaser agrees, with respect to the cutting and removing of said designated timber, to observe and comply strictly with the following:

- a) Purchaser agrees to comply with all provisions of the Road Plan attached as Exhibit 2 and made a part of This Agreement by reference.
- b) Purchaser shall immediately satisfy any lien or encumbrance which is filed or threatened to be filed against any property of Seller as a result of operations under this contract, and Purchaser shall save Seller harmless from all resulting loss and expense, including attorneys' fees.
- c) Purchaser acknowledges that it is responsible for all risk of loss by theft, fire or any other cause to any of its equipment or the equipment of its contractors or employees. Purchaser hereby specifically releases Seller from liability for any loss or damage, and agrees to save Seller harmless from any claim for loss or damage to any such equipment.
- d) Purchaser shall comply with all Federal, State and local laws, ordinances and regulations, including the Washington State Forest Practices Act, in logging, road maintenance and protection of water, soil and adjacent land and tree growth. Purchaser may be required to co-sign the Forest Practices Application.
- e) Purchaser shall comply with all laws of the State of Washington with respect to fires, and protect Seller from and indemnify Seller against any and all expenses of protecting Seller's lands or timber against fire, and the suppression of any fire or fires caused in and upon said lands by Purchaser, his contractors, agents or employees.
- f) All necessary care shall be taken by the Purchaser to prevent fuel, oil, grease, toxic or other harmful materials from entering the waters of any reservoir, lake, stream course, wetland or pond as a result of any operation of Purchaser. Refuse resulting from Purchaser's use, servicing and repair of equipment, as well as equipment used in operations shall be removed from Seller's property prior to completion of operations under this Agreement.
- g) Purchaser, its contractors, agents and employees shall observe all applicable rules, regulations, Executive Orders, ordinances and laws relation to Social Security, unemployment insurance, worker's compensation, release of hazardous materials or oil spills, equal employment opportunity and Occupational Safety and Health. Purchaser agrees that it shall indemnify and hold Seller harmless from any claims, including attorneys' fees, arising from Purchaser's failure to adhere to this section.
- h) Purchaser shall not invade reforested areas except with the prior written consent of Seller.
- i) Purchaser shall preserve and protect any identified legal land subdivision survey corners and witness objects. If such are destroyed or disturbed, Purchaser shall have them reestablished at its own expense by a licensed land surveyor.
- j) Any cutting, removal, or damage of forest products by Purchaser or Purchaser's delegate or agent, 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 as set forth in Paragraph 3 and result in termination of this contract.



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(10) TAXES

Purchaser shall pay the Forest Excise Tax in quarterly installments to the Department of Revenue, State of Washington. In addition, Purchaser shall provide Seller with a summary of quarterly volumes by species on which Forest Excise Tax was paid.

(11) INDEMNIFICATION AND INSURANCE

The Purchaser shall indemnify and hold Seller harmless from any claim, suits, losses or expenses, including attorneys' fees, suffered by Seller arising out of injury to any person, including Seller's or Purchaser's employees, or damage to any property, if the injury or damage is caused in whole or in part by Purchaser or any of Purchaser's employees, contractors, or agents, while engaged in performance of this Agreement. Purchaser agrees to carry and maintain in full force and effect at all times during the period of this Agreement, comprehensive liability insurance, including contractual insurance and automobile insurance, in a form satisfactory to Seller. The minimum limit for personal injury is \$1,000,000.00 per claim and \$1,000,000.00 per occurrence, and for property damage is \$500,000.00. These policies shall expressly name Crown Pacific as an additional insured. In addition, Purchaser shall maintain Worker's Compensation insurance and shall require its contractor(s) to maintain Worker's Compensation insurance in amounts and forms required by law. Purchaser agrees to furnish copies of these insurance policies (including endorsements) to Seller on the date this Agreement is signed. Purchaser further agrees to instruct its insurance carrier(s) to notify Seller 15 days in advance of any policy cancellation or modification.

(12) DEFAULT

The strict and literal performance by the Purchaser of each term herein contained is of the essence of this Agreement. Should the Purchaser default in any respect, Seller may, at its option, cancel this Agreement by notice in writing to the Purchaser. In such event, all rights of the Purchaser to any harvesting of timber, timber products or improvements shall terminate immediately.

(13) ASSIGNMENT

No assignment of this Agreement by Purchaser shall be valid or effective for any purpose without Seller's written consent. Seller has the right to assign this Agreement at any time without Purchaser's approval. In the event of such an assignment by Seller, Seller's obligations under this Agreement shall terminate.

(14) CONTINGENCIES

- a) Neither Purchaser nor Seller shall be liable for any delay in performance or failure to perform if such failure or delay is caused by any occurrence or contingency beyond the control of the affected party, or by good faith compliance with any applicable governmental law, ordinance, regulation or court order.
- b) If requested, Seller agrees to grant time extensions on a day-for-day replacement basis if the delivery of logs is not possible due to circumstances cited in the first part of this paragraph.



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(15) NO OTHER AGREEMENTS

There are no other agreements between Seller and Purchaser relating to the subject matter of this Agreement.

(16) INTERPRETATION

This Agreement is governed by and to be interpreted under the laws of the State of Washington.

(17) SEVERABILITY

In the event that any statement in or section of this contract should be found to be invalid, the balance of the contract shall nonetheless remain in force.

IN WITNESS THEREOF the parties hereto have executed this Agreement the day and year first above written.

Woodland Services Inc.

(PURCHASER)

By *William W. W. W.*
Title *President*

CROWN PACIFIC

(SELLER)

By *Russ Paul*
Title *Land + Timber Manager*

Attachments: Exhibit 1 - Legal Description
 Exhibit 2 - Timber Deed
 Exhibit 3 - Road Plan
 Exhibit 5 - Insurance
 Exhibit 6 - Fire Equipment
 Exhibit 7 - Rates and Specifications



EXHIBIT 3

GENERAL ROAD MAINTENANCE SPECIFICATIONS

A) Cuts and Fills

- 1) Maintain slope lines as constructed. Remove slides from the ditches and roadway. Remove overhanging material from cut slopes.
- 2) Material from slides or other sources requiring removal shall not be deposited in locations where it will erode into streams or water courses.
- 3) Undesirable slide materials and debris shall not be mixed into the road surface material.

B) Surface

- 1) The road surface in the contract area shall be kept in a drivable condition at all times during the term of this agreement. All logging debris shall be removed and any significant surface damage designated by Crown's representative repaired.

C) Drainage

- 1) Inspect and clean culverts regularly, with additional inspection during storms and periods of high runoff. This must be done even during periods of inactivity while this Agreement is in effect.
- 2) Headwalls, outfalls, and other drainage structures must be protected and maintained as constructed.
- 3) Keep silt-bearing surface runoff from getting into live streams.
- 4) Ditches in contract area shall be kept clear of logging debris and open from any blockages
- 5) Clear ditches and drainage channels of all logging slash and debris within 25 feet of culvert inlets and within five feet of outlets

D) Structures

- 1) Repair any bridges, culverts, fences, gates or other road structures damaged by operations associated with this Agreement.

E) Termination of Use or End of Season

- 1) Do maintenance work to minimize damage from the elements. Maintenance such as blading to insure correct runoff, ditch and culvert cleaning, and building water bars shall be specified by Crown's representative.

F) Landings

- 1) Pile all landing slash so piles are burnable and debris after burning will not be prone to slide.

G) Cleanup

- 1) Remove all lines blocks, scraps, and garbage generated from operations associated with this Agreement from Crown lands.

H) Snow Plowing

- 1) Snowplowing for access to the harvest unit covered by this agreement shall not be considered as maintenance and shall be paid for at mutually agreed upon rates.
- 2) Snowplowing shall be performed at the direction of Crown's representative, if snowplowing is done without authorization, its cost will be the sole responsibility of the contractor.
- 3) Snowplowing will be performed with the following specifications:
 - a) Plow no closer to the road surface than one inch in order to avoid damaging surfacing material.
 - b) Snow berms must have "holes" plowed through them in order to allow melt water to get away from the running surface of the road.



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EXHIBIT 5
INSURANCE CERTIFICATE

This is to certify that _____

(Name of Insured)

of _____, has a policy or policies of
(Address of Insured)

insurance with the undersigned insurance company insuring against the following risks in amounts not less than shown below for each such risk within the United States and naming Crown Pacific ("Crown") as additional insureds thereunder:

- | | | |
|---|---|-----------------------------|
| () 1. Automobile Bodily |) | \$1,000,000 each person |
| Injury Liability |) | \$1,000,000 each occurrence |
| () 2. Automobile Property |) | |
| Damage Liability |) | \$500,000 each occurrence |
| () 3. General Bodily |) | \$1,000,000 each person |
| Injury Liability |) | \$1,000,000 each occurrence |
| () 4. General Broad Form |) | |
| Property Damage |) | \$500,000 each occurrence |
| () 5. Contractual Indemnity Liability wherein the insured shall pay for all damage to Crown's property resulting directly or indirectly from the negligent act or omission of Insured or its agent hereunder, and shall reimburse Crown for all costs reasonably incurred for fighting fire resulting directly or indirectly from the act or omissions of Insured or its agent hereunder whether negligent or otherwise and shall indemnify and hold harmless Crown against all claims or liabilities asserted by third persons resulting directly or indirectly from the acts or omissions hereunder, negligent or otherwise. | | |

This Certificate is to be delivered, and the undersigned insurance company agrees to give fifteen days advance written notice of any cancellation of or reduction of the limits of the insurance shown above, to Crown Pacific, P. O. Box 28, Hamilton, WA 98255, Attention: Documents.

Name of Insurance Carrier _____

Expiration Date of Policy (Policies) _____

Name and Address of Agent _____

Date Issued

Authorized Signature

Name of Agreement referenced by this Exhibit: _____



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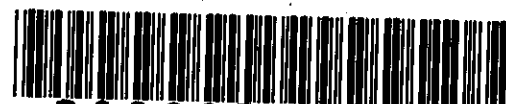
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LOGGING
FIRE REGULATIONS

The following fire prevention and suppression measures will be observed in addition to those already included, in the regular contract form.

Tank Truck Requirements

- A. Truck
 - 1. A serviceable truck will be provided of sufficient size to carry the required load. The truck must, upon inspection, start easily, be equipped with sound brakes, tires and headlights in working order.
- B. Tank
 - 1. The tank will have a capacity of not less than 1000 gallons.
 - 2. The fill port will be at least six inches in diameter.
- C. Pump
 - 1. The pump will be capable of producing 300 p.s.i. and discharge 20 gallons per minute using a 1/4 inch nozzle tip.
 - 2. The pump will be equipped with an adjustable pressure relief valve.
 - 3. The pumping system will be equipped with a serviceable pressure gauge.
- D. Hose
 - 1. The truck will be equipped with 800 feet of 1-1/2 inch and 700' of 1 inch cotton jacket hose. The hose will be of sufficient quality and condition to withstand a minimum of 350 pounds working pressure.
 - 2. The truck will carry 16 feet of 1-1/2" suction hose equipped with a strainer. The hose can be in either short lengths or one continuous length of a size necessary for the maximum performance of the pump. The couplings will be I.P.T. screw fittings.
 - 3. The truck will carry 6-1/4 turn adapters necessary for the connection of hose to valves and fittings.
- E. Nozzle
 - 1. The truck will be equipped with at least two nozzles with 1" or 1-1/2" intake and combination straight-stream/fog/shut-off or adjustable straight-stream/shut-off tips.
- F. Plumbing (in order listed)
 - 1. A permanent suction line will run from tank to pump. This line will be equipped with a shut-off valve, within easy access, capable of shutting off the flow from the tank.
 - 2. Inserted in this line, between shut-off valve and pump, will be a "T" equipped with a shut-off gate valve and male hose nipple of a size capable of fitting the suction hose.
 - 3. On the discharge side of the pump will be the pressure relief valve. In addition a discharge line will run to both sides of the truck with a 1-1/2 inch gate valve on each side equipped with a 1/4 turn adapter.
 - 4. A permanent tank filling line will be plumbed in off of the discharge line.
 - 5. All valves will be in good working order and tagged or painted as to function.
- G. Hose Storage
 - 1. Provisions will be in good working order and tagged or painted as to function.
- H. Tools
 - 1. The truck shall be equipped with a firebox containing 2 axes, 3 adze hoes, and 3 shovels along with the required hose, nozzles, and fittings noted above. The truck shall also, carry 2 - 5 gallon backpack firecans, full and in working order.
 - 2. Each piece of equipment operating on the job shall be equipped with an approved exhaust system, a fire extinguisher, and a shovel.



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BRAND 910

RED ROVER

30-Sep-98

RATE PER UNIT	UNIT	PRODUCT	SPECIES	MINIMUM TREE SPEC	MIN. PIECE SIZE	MINIMUM NET SCALE	COMMENTS
\$300.00	MBF (NET)	SAWLOGS	DOUGLAS FIR	8" DBH	16' 5" 10BF	33&1/3 %	REQUIRE REMOVAL
\$22.00	TON	CHIP-N-SAW	DOUGLAS FIR	8" DBH	16' 5" 10BF	33&1/3 %	REQUIRE REMOVAL
\$200.00	MBF (NET)	SAWLOGS	HEM FIR AND TRUE FIR	8" DBH	16' 5" 10BF	33&1/3 %	REQUIRE REMOVAL
\$8.00	TON	CHIP-N-SAW	HEM FIR AND TRUE FIR	8" DBH	16' 5" 10BF	33&1/3 %	REQUIRE REMOVAL
\$600.00	MBF (NET)	SAWLOGS	RED CEDAR	8" DBH	16' 5" 10BF	33&1/3 %	REQUIRE REMOVAL
\$100.00	MBF (NET)	SAWLOGS	HARDWOODS	8" DBH	16' 5" 10BF	33&1/3 %	REQUIRE REMOVAL
\$2.00	NET UTILITY	UTILITY	HARDWOODS	N.A.	N.A.	N.A.	NOT REQUIRED TO BE REMOVED
\$2.00	NET UTILITY	UTILITY	CONIFER UTILITY	N.A.	N.A.	N.A.	NOT REQUIRED TO BE REMOVED
ESTIMATED VOLUME TOTAL 12000 M.B.F.							

Note: It is understood by both the Purchaser and the Seller that during the term of this contract it may be necessary to establish a stumpage rate on a per ton basis. It is further understood that conversion factors by species will be determined by sample scaling the first five loads per species then applying a 1 in ten sample per species.

UTILIZATION STANDARDS. Utilization standards for trees and minimum piece size"s are listed above. To meet minimum tree specifications, trees must equal to or exceed tree diameters listed and contain at least one piece meeting all the above listed specifications, with the exception of timber in areas designated to be left. Purchaser shall present for scaling or weighing all pieces that meet minimum piece standards listed above. Maximum log length will be 40 feet plus trim. Maximum stump height for all species shall be 12 inches or one third the stump diameter.

Woodland Services Inc.

William J. Brown, Owner

Crown Pacific

Don Paul



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EXHIBIT 2

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FORM OF BARGAIN AND SALE DEED

BARGAIN AND SALE TIMBER DEED

GRANTOR, CROWN PACIFIC LIMITED PARTNERSHIP ("Seller"), a Delaware limited partnership, of P.O. Box 28, Hamilton, WA 98255, for and in consideration of \$3,660,000.00 bargains, sells and conveys to WOODLAND SERVICES, INC. ("Buyer"), a Washington Corporation of P.O. Box 866, Everett, WA 98206, all merchantable timber located on the following described real property situated in Skagit and Snohomish Counties, state of Washington, subject without limitation to the following:

Portions of Section 2, 3, 4, 9 and 10 of Township 34N, Range 10E, and portions of Sections 22 and 27, Township 33N, Range 9E, consisting only of ownership now owned by Crown Pacific.

The terms and provisions of that certain Timber Purchase and Sale Agreement between Seller and Buyer, effective the 30th day of September, 1998, including without limitation the reversionary rights to timber described therein. Copies of said Timber Purchase and Sale Agreement are located at the offices of Seller and Buyer, at the addresses indicated above.

DATED, the 30th day of September, 1998

SELLER:

CROWN PACIFIC LIMITED
PARTNERSHIP

By Russ Paul

BUYER:

WOODLAND SERVICES, INC

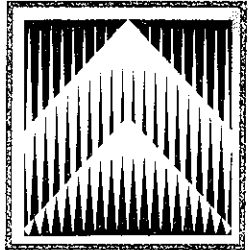
By William Andrew Deegan



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Kathy Hill, Skagit County Auditor

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Crown Pacific

November 12, 1999

Mr. Bill Knudson
Woodland Services
PO Box 866
Everett, WA 98206

Re: L-2 Stumpage Sale

Dear Bill,

This letter is intended to clarify clause #1 of the amendment to the original Red Rover contract. The amendment was dated January 21, 1999.

The L-2 unit, which is a part of the Red Rover stumpage agreement, has presented some problems for Crown Pacific. Specifically, the road construction and right of way negotiations have delayed your ability to harvest timber from this unit for this year.

This letter is designed to modify the requirement to pay interest on the unpaid balance of the original agreement should harvest of the L-2 unit not be completed by the second anniversary of the original agreement, September 30, 2000.

The modification of this clause will have the effect of no interest being charged on any payments for the L-2 unit not received prior to September 30, 2000 due to delays caused by Crown Pacific.

Should you have any questions regarding this situation, please contact me.

Sincerely,

Russ Paul
Land & Timber Manager
Hamilton Division

RP:jlc



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AMENDMENT TO RED ROVER STUMPAGE AGREEMENT

This amendment to the stumpage agreement known as Red Rover (Brand 910) is made and entered into as of January 21, 1999, by and between Crown Pacific Limited Partnership, a Delaware limited partnership ("Seller"), and Woodland Services Inc., a Washington business ("Buyer").

Recitals:

A. Seller and Buyer are parties to that certain Stumpage Agreement dated as of September 30, 1998 ("Original Agreement"). Pursuant to the original agreement, the Seller has sold and the Buyer as purchased, timber located in Skagit and Snohomish Counties with 25% of the value down and the remainder to be paid as volume is removed.

B. The purchase price ("The Beginning Estimated Timber Value") of this sale is \$3,600,000, with a payment of \$915,000 as the 25% down being made on September 30, 1998.

Agreements:

1) It is hereby agreed should Woodland Services fail to perform it's obligations in a prudent and timely fashion prior to the second anniversary of the Original Agreement, an interest rate of six percent (6%) per year may be charged on the unpaid balance. The unpaid balance is herein defined as the Beginning Estimated Timber Value (\$3,600,000) less the 25% down payment (\$915,000) less any additional payments received prior to the second anniversary of the Original Agreement (September 30, 2000). Interest will be calculated monthly and is payable on each successive anniversary date of the Original Agreement.

2) This amendment shall have no other effect upon the Original Agreement than as stated in Number 1 above. The unamended portion of the Original Agreement will remain in full force and effect.


CROWN PACIFIC LTD PARTNERSHIP


WOODLAND SERVICES INC.



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