



200112210013

Skagit County Auditor

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After Recording Return To:
Crown Pacific
P.O. Box 28
Hamilton, WA 98255

**STUMPAGE SALE AND DELIVERY AGREEMENT AND RELATED
ACCESSORIES**

GRANTOR: Crown Pacific Limited Partnership, a Delaware Limited Partnership

GRANTEE: Northwest Hardwoods, a Division of the Weyerhaeuser Company, a
Washington Corporation

SHORT LEGAL: Ptn. Sec. 5, Twp. 34N, Rng. 9 E, W.M. and Other Crown Pacific
Parcels, all located in Skagit County, Washington.

ASSESSOR'S PROPERTY TAX PARCEL: R 340905-1-001-0003

44399

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

DEC 21 2001

Amount Paid \$ 72828.00
Skagit County Treasurer
By: *JP* Deputy

STUMPAGE SALE AND DELIVERY AGREEMENT

DATED: December 20, 2001

PARTIES: CROWN PACIFIC LIMITED PARTNERSHIP ("Seller")
HAMILTON TREE FARM
P.O. BOX 28
HAMILTON, WA 98255

AND

NORTHWEST HARDWOOD
A DIVISION OF THE WEYERHAEUSER COMPANY ("Buyer")
P.O. BOX 7
ARLINGTON, WA 98223

RECITAL:

Buyer wishes to purchase from Seller standing timber (the "Stumpage") of the species and size and of the volume designated below located on the property legally described in the attached Exhibit A (the "Property"), which by this reference is made a part hereof. Additionally, Buyer wishes to have Seller, as Buyer's agent, harvest the Stumpage and deliver the same in accordance with the Harvest-Delivery Schedule.

NOW, THEREFORE, to accomplish the intents and purposes of the parties, the parties hereby agree as follows:

1. **Stumpage Purchased.** Buyer hereby purchases from Seller the stumpage consisting of approximately 20,000 MBF of standing merchantable Red Alder timber with a minimum top size diameter of 6 inches, and a minimum length of 10 feet, standing on the Property (the "Stumpage")

2. **Harvest and Delivery.** Buyer further engages Seller and Seller agrees to act as Buyer's agent in the harvest and delivery of the Stumpage in accordance with the harvest and delivery schedule set forth in the attached Exhibit B, which by this reference is made a part hereof ("Harvest-Delivery Schedule").



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3. **Purchase Price.** The total of the price to be paid for the delivered Stumpage purchased herein by Buyer, harvested and delivered to Buyer by Seller is mutually agreed by the parties to equal Four Million Seven Hundred Sixty Thousand Dollars (\$4,760,000). Saw logs delivered under this agreement will have the per MBF Value agreed to by Both Parties, and outlined in "Exhibit C" (Contract Log Price Schedule) of this contract. The estimated Composite Contract Per M Rate is apportioned \$238/MBF for Stumpage and \$212/MBF for Harvest and Delivery.

4. **Payment of Purchase Price.**

4.1 **Down Payment.** Upon execution of this Agreement and delivery of title to the Stumpage to Buyer, Buyer will pay to the Seller a nonrefundable cash down payment equal to 25% of the value of the stumpage receivable of this Contract in the amount of One Million One Hundred Ninety Thousand Dollars (\$1,190,000) ("Down Payment"). The Down Payment will be amortized by applying above stumpage rate (\$238/mbf) against delivered volume until Down Payment is repaid equal to delivery of 5 MMBF. The Down Payment to be completed no later than one year from starting date of this agreement. Outstanding balance of Down Payment after one year will be assessed charge of 1% per month until total repayment.

4.2 **Balance of Purchase Price.** The remaining balance of the volume, 15 MMBF, will be paid per "Exhibit C" on as-delivered basis allowing \$212/mbf for harvest and delivery costs. "Exhibit C" prices are subject to quarterly reviews.

4.3 **Payment Bond.** A payment bond in the amount of One Million One Hundred Ninety Thousand Dollars (\$1,190,000) will be required to be maintained until completion of the agreement.

5. **Term.** This Agreement shall become effective on the date is executed and shall terminate on the earlier of: (1) December 31, 2004; or (2) the date Buyer has received the total volume of Stumpage contracted for herein ("Termination Date").

6. **Title and Risk of Loss.** Title to the Stumpage shall pass to Buyer upon 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 deliver to Buyer substitute stumpage of similar species and quality set forth in Section 1 to fulfill Seller's obligations under this Agreement. Responsibility for Real Estate Excise Tax and Forest Excise Tax will remain with the Seller. Title shall be secured for the Buyer in the form of a Bargain and Sale Timber Deed "Exhibit D" with all rights reverting to the Seller once the terms of this agreement have been completed.



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7. **Remedies of Buyer in the Event of Seller's Non-Performance.** In the event Seller fails to deliver to Buyer the Stumpage in the volumes and at the time and place required in accordance with the Harvest-Delivery Schedule("Exhibit B"), Buyer will provide written notice to Seller specifying in detail the Seller's breach of this Agreement. If Seller fails to remedy its failure within thirty (30) days of receipt of the default notice from Buyer, then Buyer and/or its agents or assigns, will have the right to come on the Property and harvest and deliver the Stumpage pursuant to this Agreement, in which case the amount due Seller, if any, will be reduced to the Stumpage Per M Rate for the volume of timber harvested by Buyer. In the event that Buyer is unable to harvest the Stumpage at the Stumpage Per M Rate because of delivery costs in excess of that estimated in this agreement, the Stumpage Per M Rate shall be set based upon actual costs. In addition, the Termination Date set forth the in the prior Section 5 will be extended by an amount of time sufficient for Buyer to exercise the remedy provided in the prior sentence.

8. **Remedies of Seller in the Event of Buyer's Refusal to Take Delivery or Non-Payment.** If Buyer, for any reason, refuses to take delivery of the Stumpage volume or any of the Stumpage volume in accordance with Harvest-Delivery Schedule, and any amount of the Purchase Price remains unpaid as of the Termination Date of this Agreement, the balance of the Purchase Price will be immediately due and payable to Seller, to be calculated at the contract stumpage rate only for undelivered contract volume. Buyer acknowledges that this Agreement is a take-or-pay agreement.

9. **Retained Security Interest.** As security for Buyer's payment of the Deferred Purchase Price, Seller will retain a security interest in the Stumpage sold herein, and Buyer will execute any and all agreements, in addition to this Agreement, required by Seller to retain its security interest in the Stumpage, including, but not limited to, any UCC filings, security agreement, timber mortgages, timber trust deeds, etc.

10. **Payment and Scaling.** Buyer will pay Seller for merchantable volume delivered under Buyer's normal payment schedule, based on individual load tickets summarized in a scale or weight summary certificate in a form acceptable to Seller. Quantities sold under this Agreement will be measured at scaling locations by mutual agreement of the parties. Scaling shall be in Scribner Decimal C net scale, westside, as per USFS Region 6 Handbook. If payment is not received by Seller within ten (10) business days of the normal payment date, interest on the unpaid balance will be charged at the rate of 1.0% per month. Seller has the right at any time to check scale loads. Should the check scale differ from Buyer's scale by more than five percent (5%), the parties agree to have a certified scaling bureau rescale or check scale, as applicable, the disputed loads, and their decision will be binding on the parties.

11. **Warranty.** Seller warrants it has marketable title to the Stumpage to be sold under this Agreement. Seller and Purchaser agree to hold each other harmless for any liens, claims, or encumbrances arising from their respective actions under it.

12. General Provisions.

12.1 Force Majeure. No party shall be liable or responsible to any other party for delays in the performance of the terms and conditions of this Agreement, other than the payment of money when due, as a result of a cause or causes beyond its reasonable control, including, but not limited to, Acts of God, weather conditions making performance extremely impracticable, fire, flood, labor problems, and governmental orders or actions. The party whose performance is delayed shall recommence any excused delay in performance as soon as practicable after cessation of the event force majeure. In the event Buyer's performance is delayed by more than ninety (90) days due to any event of force majeure, then Seller may terminate this Agreement upon not less than thirty (30) days prior written notice to Buyer. In the event Seller's performance is delayed by more than ninety (90) days due to any event of force majeure, then time for performance by Seller shall be extended for the number of days of delay in Seller's ability to harvest and deliver the Stumpage, or Buyer may terminate this Agreement upon not less than thirty (30) days prior written notice to Seller.

12.2 Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

12.3 Assignment. Buyer shall be entitled to assign its rights and obligations under this Agreement only upon obtaining Seller's prior written consent. Such consent will not be unreasonably withheld.

12.4 Notices. Notices under this Agreement shall be in writing and shall be effective when actually delivered or two business days after being deposited in the United States Mails, certified, return receipt requested, directed to the other party at the address set forth below, or to such other address as the party may indicate by written notice to the other party:

If to Seller: Crown Pacific Limited Partnership
Hamilton Tree Farm
P. O. Box 28
Hamilton, WA. 98255

If to Buyer: Northwest Hardwoods,
A Division of the Weyerhaeuser Company
P.O. Box 7
Arlington, WA 98223

12.5 Waiver. Failure of either party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself



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12.6 Amendment. This Agreement may not be modified or amended except by the written agreement of the parties.

12.7 Attorneys' Fees. If a suit, action, or other proceeding of any nature whatsoever, (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Agreement or to interpret or enforce any rights hereunder, the prevailing party shall be entitled to recover its attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

12.8 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12.9 Brokerage Commissions. Each party represents and warrants to the other that it has neither used nor consulted with any real estate broker or similar person or entity in connection with the transactions contemplated by this Agreement and each party (the "Indemnitor") agrees to indemnify and hold harmless the other party from and against any claims by any such person or entity for brokerage or similar commissions or fees arising by reason of action taken by the Indemnitor.

12.10 Integration. This Agreement contains the entire agreement and understanding of the parties with respect to the purchase and sale of Stumpage located on the Property and supersedes all prior and contemporaneous agreements between them with respect to such purchase and sale.



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12.11 Construction and Interpretation. The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Agreement. This use in this Agreement of the words "including", "such as", and words of similar import following any general statement, term, or matter shall not be construed to limit such statement, term, or matter in any manner, whether or not language of non-limitation (such as "without limitation" or "but not limited to") is used in connection therewith, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the scope of the general statement, term, or matter. All provisions of this Agreement have been negotiated at arms length and this Agreement shall not be construed for or against any part by reason of the authorship or alleged authorship of any provision thereof.

12.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

NORTHWEST HARDWOODS, A
DIVISION OF THE WEYERHAEUSER
COMPANY
(PURCHASER)

By: [Signature]

Title: EVP

CROWN PACIFIC LTD. PARTNERSHIP
(SELLER)

By: [Signature]

Title: Land + Timber mgr

Attachments: Exhibit "A" - Stumpage Area Designation
Exhibit "B" - Harvest and Delivery Schedule
Exhibit "C" - Contract Price Schedule
Exhibit "D" - Bargain and Sale Timber Deed



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STATE OF WASHINGTON)
) ss
County of KING)

The foregoing instrument was acknowledged before me this 20th day of December, 2001 by Russell Paul, who is the Timberland Mgr of Crown Pacific Limited Partnership, on behalf of the Partnership.

Barbara Regula

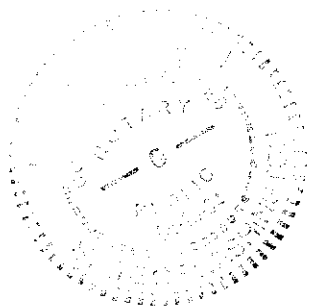
Notary Public for Northwest Hardwoods
My Commission Expires: 5/19/2004

STATE OF WASHINGTON)
) ss
County of KING)

The foregoing instrument was acknowledged before me this 20th day of December, 2001 by William Corbin, who is the Executive VP of Northwest Hardwood, on behalf of the Buyer.

Barbara Regula

Notary Public for Northwest Hardwoods
My Commission Expires: 5/19/2004



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EXHIBIT A

STUMPAGE SALE and DELIVERY AGREEMENT

NORTHWEST HARDWOODS

<u>HARVEST UNIT</u>	<u>TAX PARCEL #s</u>	<u>SECTIONS</u>	<u>TOWNSHIP</u>	<u>RANGE</u>	<u>COUNTY</u>
Finney Swing	1-001-0003 1-001-0002	5,6	34N	09E	SKAGIT
Enduro	1-001-0000	31	35N	09E	SKAGIT
Dewey Tower	1-001-0011 1-001-0012 4-001-0011	17,20	35N	08E	SKAGIT
Talus	1-001-0000	5	34N	10E	SKAGIT
Powee	1-001-0009	2	35N	05E	SKAGIT
2 Mile Hdw	1-002-0001 1-001-0001	23,24	36N	06E	SKAGIT
300 Down	3-001-0009	22	36N	06E	SKAGIT

It is understood by both parties that, with the written consent of both parties, this exhibit can be altered to include more or delete from Harvest Units on this list in order to comply with the volume and terms of this contract.



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EXHIBIT B

HARVEST AND DELIVERY SCHEDULE

STUMPAGE SALE and DELIVERY AGREEMENT

NORTHWEST HARDWOOD

ANNUAL DELIVERY VOLUME
DELIVERY START DATE
CONTRACT TERMINATION

6,667 mbf
January 2, 2002
December 31, 2004

Seller will endeavor to deliver approximately 555mbf per month of Red Alder Sawlogs to Buyer's receiving facility fob truck Sedro-Woolley or fob truck Arlington.



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EXHIBIT C

CONTRACT LOG PRICE SCHEDULE

STUMPAGE SALE and DELIVERY AGREEMENT

NORTHWEST HARDWOOD

The Down Payment volume of 5MMBF under this agreement shall be amortized on stumpage rate of \$238/mbf from delivered volume with allowance of \$212/mbf for harvest and delivery costs. Upon completion of Down Payment volume, the remaining volume shall be paid based on the following prices, subject to quarterly review.

DIAMETER	PRICE BY NWH QUALITY SORT (\$/MBF)		
	HIGH	MEDIUM	LOW
12" +	\$525.00	\$425.00	\$125.00
10" TO 11"	\$500.00	\$400.00	\$125.00
9"	\$450.00	\$350.00	\$125.00
8"	\$400.00	\$300.00	\$125.00
6" TO 7"	\$250.00	\$125.00	\$125.00

MINIMUM LOG LENGTHS(plus trim)

9" +	20 FEET
8"	26 FEET
6" TO 7"	30 FEET

Log lengths not meeting minimum length standards listed above, deduct \$25 from the listed log prices.

Prices set forth in this agreement are fob truck Sedro-Woolley, Washington or fob truck Arlington, Washington.



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EXHIBIT D

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 \$4,760,000 bargains, sells and conveys to NORTHWEST HARDWOODS, ("Buyer"), a Division of the Weyerhaeuser Company, a Washington Corporation of P. O. Box 7, Arlington, WA. 98223, all merchantable Red Alder timber located on the following described real property situated in Skagit County, State of Washington, subject without limitation to the following:

See Schedule A attached

The terms and provisions of that certain Stumpage and Delivery Agreement between Seller and Buyer, effective the 31st day of December, 2001, including without limitation the reversionary rights to Red Alder timber described therein. Copies of said Stumpage and Delivery Agreement are located at the offices of Seller and Buyer, at the addresses indicated above.

DATED, the 20th day of December, 2001

SELLER:

CROWN PACIFIC LIMITED

PARTNERSHIP

By: Russell Paul

Its: Land + Timber mgt



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STATE OF WASHINGTON)
) ss
County of KING)

The foregoing instrument was acknowledged before me this 20th day of December, 2001 by Russell Paul, who is the Timber + Land Mgr of Crown Pacific Limited Partnership, on behalf of the Partnership.

Barbara Faguhn

Notary Public for Northwest Hardwoods
My Commission Expires: 5/19/2004

STATE OF _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2001 by _____, who is the _____ of Northwest Hardwood, on behalf of the Buyer.

Notary Public for _____
My Commission Expires: _____



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SCHEDULE A

Real Property

Section 5 T34N R09E:

All

EXCEPT road rights of way

AND EXCEPT that portion conveyed to Skagit County

By instrument recorded under Auditor's File No.

475026, records of Skagit County, Washington

Section 17 T35N R08E:

The Southeast Quarter

Section 20 T35N R08E:

The North Half of the Northeast Quarter; the

Southeast Quarter of the Southeast Quarter

Section 21 T35N R08E:

The Northeast Quarter; the North Half of the

Northwest Quarter; the Southwest Quarter of

The Southwest Quarter

Section 22 T35N R08E:

All

EXCEPT that portion of the Southeast Quarter,

Lying Southerly of the centerline of Finney

Creek

Section 23 T35N R08E:

The Northwest Quarter; the Northwest Quarter of

The Northeast Quarter; the South Half of the

Northeast Quarter; the Southeast Quarter

EXCEPT that portion thereof conveyed to Skagit

County for the Concrete Sauk Valley Road by

Deeds recorded June 25, 1952, under Auditor's

File Nos. 476827 and 476828, records of Skagit

County, Washington

AND EXCEPT that portion of Government Lots 1 and

2 lying Easterly of said Sauk Valley Road

Section 27 T35N R08E:

All

EXCEPT road rights of way

Section 28 T35N R08E:



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All

EXCEPT the Southwest Quarter of the Northwest Quarter

Section 19 T35N R09E:

The Southeast Quarter of the Southwest Quarter;
The East Half of the Northwest Quarter of the
Southeast Quarter; the Southwest Quarter of the
Southeast Quarter; East Half of the Southeast
Quarter; West Half of the Northwest Quarter of
The Southeast Quarter; and that portion of the
Southeast Quarter of the Northeast Quarter,
Described as follows:

Beginning at a point 21.4 feet North and 1016.2 feet West of the East Quarter corner of said Section 19; thence North 88 degrees 47 feet 44 inches West 306.8 feet along the south line of The Southeast Quarter of the Northeast Quarter of said Section 19 to the center East 1/16th Corner of said Section 19; thence Northerly along the West line of the Southeast Quarter of the Northeast Quarter of Section 19, 567.8 feet, more or less, to the South edge of the Sauk Valley county road right of way; thence North 65 degrees East 89.9 feet along the South edge of said right of way to a point 15 feet East of the centerline of a spur road; thence South 13 degrees East 428 feet; thence South 40 degrees East 153 feet; thence South 21 degrees 30 feet East 83.7 feet to the point of beginning.

EXCEPT the following described parcel:

Beginning at a point on the Northeast corner of said East Half of the Southeast Quarter; thence Southerly 330 feet along the East boundary of said Section 19; thence Westerly 264 feet on a line parallel with the North boundary of said Section 19; thence Northerly 330 feet on a line Parallel with East boundary of said Section 19; Thence Easterly 264 feet along the North boundary of said East Half of the Southeast Quarter to the point of beginning.

AND EXCEPT ROAD RIGHTS OF WAY



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Section 31 T35N R09E:

All

EXCEPT road rights of way

Section 32 T35N R09E:

All

EXCEPT road rights of way

AND EXCEPT that portion conveyed to Skagit County

By instrument recorded May 12, 1952, under

Auditor's File No. 475026, records of Skagit

County, Washington

Section 12 T36N R05E:

Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and
10; the Northeast Quarter; the Northwest Quarter
of the Northwest Quarter; the West Half of the
Southwest Quarter; the East Half of the Southeast
Quarter

EXCEPT the North 242 fee of Government Log 2

AND EXCEPT road rights of way



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