

STATE OF IDAHO TIMBER SALE CONTRACT
«Sale_», «Sale_Name»

Sale Name: «Sale_Name»

Sale Number: «Sale_»

THIS CONTRACT is entered into this «Sale_Day» day of «Sale_Month», 2025 by and between the State of Idaho, acting through the State Board of Land Commissioners, hereinafter referred to as the State, and «Purchaser_Name», of «Purchaser_Corp_Address», «Purchaser_Corp_City», «Purchaser_Corp_State» «Purchaser_Corp_Zip», hereinafter referred to as the Purchaser.

On the «Sale_Day» day of «Sale_Month», 2025 pursuant to due notice and hearing and in full compliance with Idaho Code, Title 58, Chapter 4, and amendments thereto, the State offered for sale at public auction to the highest bidder the timber herein described and the Purchaser above named made the highest bid in the estimated sum of \$«Net_Stumpage_Value» (net stumpage value).

The Purchaser has had the opportunity to inspect the forest products and sale area and enters into this contract in reliance on the Purchaser's own examination and not by reason of any representation by the State. The State does not warrant the merchantability, condition, quantity, quality, or grade of forest products. The products are conveyed "as is".

In consideration of and subject to the mutual covenants and promises herein contained, the State hereby agrees to sell, and the Purchaser hereby agrees to purchase, the following timber:

<u>Species</u>	<u>Price/Ton</u>	<u>Estimated Weight</u>
Mixed Sawlogs	\$«Price_Per_Ton»	«Ton» tons
TOTAL:		«Ton» tons

standing or being on the following described land:

<u>Subdivision</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
«Subdivision»	«Section»	«Township»	«Range»

Sale is divided into the following units:

<u>Unit No.</u>	<u>Stumpage Value</u>
1	\$«Unit_1_Value»
2	\$«Unit_2_Value»
3	\$«Unit_3_Value»
4	\$«Unit_4_Value»
5	\$«Unit_5_Value»

Total:	\$«Gross_Stumpage_Value»
Less Development Credit:	\$«Development_Credit»
Net Stumpage Value:	\$«Net_Stumpage_Value»

A map representing the sale boundary, cutting units, and other sale information is attached hereto as exhibit A and incorporated herein by reference.

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FOREST PROTECTIVE DISTRICT: «Fire_District»
SALE ACREAGE: «Acres» acres
EXPIRATION DATE: «Expiration_Date»

It is further agreed between the parties as follows:

1. INITIAL DEPOSIT: The Purchaser has heretofore deposited \$«Initial_Deposit» with the State as required by Idaho Code Section 58-411. This initial deposit shall be retained by the State as a cash reserve for the duration of the contract until all contractual obligations are satisfied; the Purchaser shall not be entitled to any interest earned thereon. The State, at its discretion, may apply all or a portion of said deposit as final payment for forest products removed and/or other contractual obligations. Any balance remaining upon completion of the contract shall be refunded to the Purchaser.
2. PERFORMANCE BOND: Upon execution of this contract, the Purchaser shall file with the State a bond in the principal sum of \$«Bond_Amount» in favor of the State. The bond shall be in a form acceptable to the State, conditioned upon the Purchaser's good faith compliance with all laws and rules of the State of Idaho applicable to the purchase, ownership, cutting and/or removal of timber on state lands, all provisions of this contract, and all terms and conditions imposed by the State. Upon failure of the Purchaser to maintain a bond in full force at all times during the life of this contract, the State shall have the right to cancel this contract. If a letter of credit is submitted in lieu of a bond, a substitute bond, a new credit, or an extension of the expiration date of the existing credit must be received by the State 30 days before the expiration of the credit; failure to provide this replacement 30 days prior to the expiration of the credit shall constitute a breach of this contract and shall be grounds for the State to present said credit for payment.

The State will consider, at its sole discretion, a reduction in the performance bond for a sale during the original contract period if all of the following conditions are met:

1. A minimum of 1/2 the estimated sell value of the sale has been removed, billed, and paid for.
2. All development work is complete and all development credits have been credited, including any development work associated with contract modifications.
3. All contractual obligations are currently being met.
4. Accounts are current on all State sales under contract with the Purchaser.

If all of the above circumstances are met, the performance bond can be reduced from 15 percent to 10 percent of the original sale value (rounding up to the next \$100).

The State will also consider a performance bond reduction at any time during the life of the contract in situations where all volume has been removed and minor amounts of road maintenance, slash piling, or other miscellaneous work remain to be completed, but cannot be accomplished in a timely manner because of weather. In such cases, the bond can be reduced to an amount double the value of the outstanding work as estimated by the State.

3. GUARANTEE OF PAYMENT: Prior to cutting of any forest products, the Purchaser agrees to guarantee the payment for such products to be cut and/or removed by making a non-interest earning cash deposit, or filing a payment bond in a form acceptable to the State. The amount of such cash deposit or payment bond, exclusive of the initial deposit, shall be determined by the State and shall be at least equal to the estimated value of the amount of forest products to be harvested during the next 90 day period as estimated in writing by the Purchaser, except a cash deposit may be made in an amount equal to the entire value of the timber to be harvested from a cutting unit to be included in a cutting permit. The State reserves the right to call for additional cash deposits or increase of the payment bond if the State's appraisal of the products to be cut and/or removed exceeds the Purchaser's written estimate.
4. STUMPAGE AND INTEREST PAYMENTS: A stumpage summary of quantities hauled during the prior month and a statement of account shall be prepared by the State and forwarded to the Purchaser monthly. The statement shall include interest computed from the date of sale to the date of the billing at the rate of 6.00 percent per annum, and other charges as provided for in this contract. The Purchaser agrees to make prompt and timely payments within 30 days from the end of the billing period, or such payment shall be considered delinquent. Upon delinquency, all monies owed under the delinquent or current billings will be due and payable immediately. Prior to removal from the sale area, payment must be received for any forest products purchased on a lump sum basis.

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5. **ELECTRONIC REMITTANCE REQUIREMENTS:** Pursuant to Idaho Code Section 67-2026, contract payments of \$100,000.00 or greater must be paid by electronic funds transfer (EFT) as outlined in the Idaho State Treasurer's Electronic Remittance Guide. The Purchaser may, at his option, make payments less than \$100,000.00 by EFT. The Purchaser shall return a copy of the monthly invoice or billing letter to the Coeur d'Alene Forest Management Bureau 5 business days prior to making the EFT payment. Differences between the invoice amount and the EFT payment amount must be pre-approved by the State and specified on the return invoice. Failure by the Purchaser to make payment by EFT, when required, may result in penalties by the Idaho State Treasurer's Office.
6. **DELINQUENT PAYMENTS:** For each delinquent payment, the Purchaser shall pay the State a \$10.00 late charge plus interest at the rate of «Interest_Rate» percent per annum commencing from the end of the previous billing period. In addition to the delinquent payment late charge and interest, the State may recover the monies due utilizing the payment and/or performance bond.
7. **LOGGING AND OPERATION PLAN:** Prior to the commencement of any logging or road construction activities, the Purchaser shall file with the State an acceptable written logging and operation plan for that season of operations. This plan shall include: the area by legal subdivision(s) or cutting unit(s) upon which the Purchaser desires to operate; an estimate of the 90 day production schedule; size and type of equipment; name(s) of Purchaser representative(s) and of logging or company contractor(s); road construction schedule (if applicable); and the destination and approximate daily quantities of all forest products to be removed. Any change in destination, quantity, or hauling schedule shall require 3 days prior written notification to the State.

Any change or deviation from this plan which increases the 90 day production schedule shall be submitted in writing to the State, prior to the increase in production.

8. **CUTTING PERMITS:** No forest products shall be cut under this contract until a cutting permit has been issued by the State. Thirty days written notice shall be given to the State describing by legal subdivision(s) or cutting unit(s) the area upon which the Purchaser desires to cut.

The current logging and operation plan must be approved by the State before a cutting permit will be issued by the State. The State may, at its discretion, require all forest products as designated under this contract on each cutting permit to be cut and weighed before a subsequent cutting permit is issued. In the event the Purchaser violates or breaches any term of this contract, the State may deny issuance of additional cutting permits until corrective action specified by the State is completed. The Purchaser shall give the State (Forester-in-charge) at least 3 business days written notice before cutting operations commence on any permitted area. Such notice shall be required prior to the initial operations and any subsequent operations following an operation shut down.

9. **DEVELOPMENT CREDITS:** The recovery of development credits shall be allowed on all forest products that are billed at the rate of 75 percent of each load value, until a total of «Development_Credit» has been recovered by the Purchaser.
10. **FIRE SUPPRESSION:** The Purchaser shall pay fire suppression fees in the amount of \$0.021 per ton. Fire suppression fees shall be billed monthly.
11. **DAMAGES ASSESSED FOR UNAUTHORIZED CUTTING:** If a forest product not authorized for removal is cut, destroyed or damaged by the Purchaser, his agents, employees or subcontractors, and the forest product contains merchantable material, the Purchaser shall pay the State as damages a sum equal to twice the contract price, based on a scaling or measurement of said forest products by the State, plus the actual cost of scaling or measurement.
12. **DAMAGES ASSESSED FOR UNAUTHORIZED ACTIVITY:** If the Purchaser, his agents, employees, or subcontractors conduct any operation(s) during a period when he has been notified in writing by the State (Forester-in-charge) not to conduct such operation(s), the Purchaser will be assessed damages of \$1,000.00 for each day the operation(s) continues. Subsequent or continued violation shall constitute authorization to terminate the contract.
13. **FOREST PRODUCT MEASUREMENT PROCEDURES AND ACCOUNTABILITY:**
 - a. The value of products removed from the sale area shall be based on Weight Measurement unless otherwise agreed. Products shall be weighed on scales at locations agreed to by the Purchaser and State. Scales must be currently certified by the State in which weighed. Scales must have a current inspection tag or seal posted which shows the date of the most recent test by the State weights and measures agency.

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- b. No load shall be presented for weighing that weighs more than the certified capacity of the scales in use. Each load shall be weighed as a single unit with the gross and tare weights stamped and recorded by an automatic recording device on the scales. In addition to the gross weight and tare weight of the load, Purchaser shall record the sale name, load ticket number and date and time weighed on each weight slip. The weight ticket shall be attached to the load ticket, and placed in the location(s) designated by the State. If loads are hauled by a truck with pup to a destination where the scale length will not handle both units, each unit will be ticketed and treated as a separate load.
 - c. The Purchaser shall maintain load accountability from the Sale Area to point of weighing. In so doing, the load of products shall remain intact while in transit. Products accidentally lost in transit shall be promptly identified by load ticket number and sale designation. Purchaser shall, within 48 hours, load out such lost products and present them for weighing or make other arrangements acceptable to the State (Forester-in-Charge).
 - d. In the event of weight scale equipment breakdown or suspension of use for other reasons, hauling will be suspended until the Purchaser and the State agree to an alternate weighing location. If a load is unloaded at a destination without being weighed, the load will be valued at the highest load value to date for the sale. If no previous weights exist, the load will be valued at the maximum legal haul weight for the truck. An additional charge of \$500.00 will be added for each such load.
 - e. The Purchaser shall give the State at least 3 business days written notice prior to removing forest products from the sale area. The notice shall include the destination and approximate daily quantity of all forest products to be removed. Such notice shall be required prior to the initial hauling of forest products and subsequent hauling following an operation shutdown, or any time a change in destination, quantity, or hauling schedule occurs.
 - f. Forest products severed from the stump from May 15th to September 30th must be removed from the sale area and weighed within 30 days. Forest products severed from the stump from October 1st to May 14th must be removed from the sale area and weighed within 45 days. Unless there are circumstances beyond the Purchaser's control, as documented by the State (Forester-in-charge), forest products not removed within the above time limits shall be hauled separately and paid for at 1.5 times the contract per ton stumpage rate for the actual weight delivered.
 - g. Title to the forest products purchased hereunder shall pass upon receipt of payment for quantities removed.
 - h. All merchantable material, as defined under utilization specifications of this contract, which is not utilized, shall be subject to double the contract stumpage prices as damages, plus the actual cost of scaling or measuring this material. Defects in merchantable material caused by negligence of the Purchaser shall not be allowed as a deduction when weighing material from this sale.
 - i. High value forest products found in low value sort loads and manufactured logs containing more than one type of forest product (sawlogs, cedar products, pulp) may be scaled to maximize the quantity of the highest value product or products.
 - j. Load ticket usage and penalties for non-compliance shall be in accordance with written Instructions For Using Load Tickets which are attached hereto as exhibit B and incorporated herein by reference. Lost load weight slips will be treated as a lost load ticket.
 - k. Measurement or scaling accomplished by the State shall be for the purpose of data collection and payment to the State for forest products harvested under the terms of this contract.
 - l. Some loads removed from the sale area may be sample scaled to determine actual pound per board foot conversion factors and for other data collection needs.
14. **CUTTING LIMITATIONS:** The advertised quantity of forest products to be removed from the sale area is an approximation of the sale quantity. The sale shall not be terminated when the advertised quantity is reached; it shall be completed in accordance with the prescription designed for the sale area. Conversely, no additional forest products shall be made available if the quantity removed is less than the advertised quantity. The State retains the right to adjust the harvest prescription for purposes of protecting the site after notifying the Purchaser, documenting the justification, and receiving Land Board approval.
15. **BREACH OF CONTRACT:** In the event the Purchaser violates or breaches any terms of this contract, the State shall have the right to suspend operations of the Purchaser hereunder by order of the (Forester-in-charge) followed by written

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notice within 5 working days. If such breach is not remedied within 30 days after such written notice, the State may terminate this contract, and the Purchaser shall have no further rights. Upon such termination, the State shall enter a forfeiture of the contract and all monies paid by Purchaser hereunder may be forfeited upon order of the State and action may be taken to recover damages from the Purchaser and surety or sureties.

16. SECURITY AGREEMENT: The State (secured party) hereby retains a security interest in the forest products sold to the Purchaser (debtor) under this contract and any subsequent modifications of this contract. The collateral shall consist of all forest products, including timber cut or to be cut, as described at the location identified in this contract or any addendum attached hereto. Rights, liabilities, and breach of contract by the Purchaser shall be determined in accordance with this contract. Signature of the parties to this contract shall constitute express approval of this security agreement.
17. CONTRACT PERIOD AND EXTENSION: All forest products purchased hereunder shall be cut and removed from the described premises prior to «Expiration_Date», unless an extension is granted by the State as provided by Idaho Code 58-413, and State Board of Land Commissioners policy. Additional interest shall be computed from the date of sale to the date of billing at the rate per annum as determined by the State Board of Land Commissioners. At the end of the period or the last extension thereof, all forest products remaining upon said premises shall be the property of the State, and Purchaser's right to go upon said lands for the purpose of cutting and/or transporting any forest products shall terminate.
18. ASSIGNMENTS: This contract shall not be assigned without prior written approval of the State. Such approval shall not be unreasonably withheld.
19. CANCELLATION: No cancellation, termination, or forfeiture under any provision of this contract shall relieve the Purchaser or its surety or sureties from liability to pay all costs and assessments due or payable under this contract at the time of such cancellation, termination or breach of contract.
20. RESPONSIBILITY:
 - a. The Purchaser shall not be considered an agent of the State in any manner whatsoever. The Purchaser agrees to conduct its activities upon the premises so as not to endanger any person thereon and in accordance with Idaho Minimum Safety Standards and Practices for Logging.
 - b. The Purchaser shall assume the liability for any damages, including damages caused by fire, or injury which results from the logging operation, and shall indemnify, save harmless and defend regardless of the outcome the State of Idaho, its officers, agents, and employees from the expenses of and against all suits, actions, claims, or costs and expenses and attorney fees that may be incurred because of any injuries or damages received or sustained by any person, persons, or property on account of the operations, neglect, or misconduct of the Purchaser, his employees, contractors, subcontractors, agents, or guests; or from any claims or amounts arising or recovered under the Workers' Compensation Act or any other law, ordinance, order or decree.
 - c. The Purchaser shall obtain and retain in force for the duration of this contract a Commercial General Liability Insurance policy, and an Automobile Liability Insurance policy covering owned, non-owned and hired autos. Said policies shall be written by an insurance company authorized to do business in the State of Idaho. The general liability policy shall be endorsed to include the Department, its agents, officials, employees and the State of Idaho as additional insureds and shall stipulate that the insurance afforded by the Purchaser shall be primary insurance. The insurance policies shall protect the Purchaser and the State from claims for damages for bodily injury, including accidental death, as well as for claims for property damages, including damages caused by fire from equipment, which may arise from operations under this contract whether such operations be by the Purchaser, the Purchaser's employees, contractors, subcontractors, agents, or guests. Each policy shall provide for a limit of not less than \$1,000,000 combined single limit per occurrence and not less than \$2,000,000 in the aggregate.
 - d. The Purchaser shall carry Workers' Compensation Insurance as required by Idaho Code covering employees of the Purchaser.
 - e. Upon execution of this contract, the Purchaser shall furnish a copy of insurance policies and insurance certificates showing proof to the State of current coverage. All insurance policies and certificates must be signed copies. The Purchaser will keep in force all required insurance until termination of this contract.

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- f. The Purchaser shall be required to give the State 30 days' written notice prior to expiration or material change of any or all insurance policies and immediate written notice upon cancellation of any or all policies.

21. ROADS:

- a. Any roads constructed on state land for removal of forest products described herein shall be constructed on such locations and to such standards as specified in this contract. All merchantable forest products within the right-of-way shall be felled prior to earth moving operations. No forest products or stumps shall be buried in a road fill.
- b. The State hereby reserves right of ingress and egress on such roads for the purpose of management and removal of resources from other state lands, so long as the exercise of such reserved rights does not materially interfere with operations of the Purchaser under this contract. The State may assign all or portions of such reserved rights to other users of state resources provided that the State shall require assignees to contribute a reasonable amount of money, service, or materials for the improvement and maintenance of such roads.
- c. All roads constructed, improved and maintained on state land by the Purchaser herein shall, at the termination of this contract, revert to the State in their improved condition.
- d. Improvement work performed by the Purchaser relating to roads will be inspected by the State (Forester-in-charge) upon completion, and acceptance will be given when it is determined improvements comply with contract specifications.
- e. This contract shall not be cancelled until road requirements are satisfied. Roads shall not be used when logging operations will cause undue damage or necessitate excessive maintenance.

22. APPOINTMENT OF REPRESENTATIVES: The State shall, each year or at such time as logging operations commence, designate a Forester-in-charge of sale administration. Purchaser shall designate an individual, in writing, who shall be responsible for proper compliance with all contract provisions which apply to the logging operation and who will be available on the sale area at all reasonable times for consultation with the Forester-in-charge.

23. PREWORK CONFERENCE: The Purchaser shall arrange with the State (Forester-in-charge) to review this contract and to examine the sale area before beginning any operation. A written plan of operation shall be developed and agreed upon between the State and the Purchaser before beginning any operations.

24. STRUCTURES: Any logging camp or other structure temporarily erected on state land in conjunction with this sale must have the prior approval of the State, and the Purchaser shall abide by all terms of a permit issued therefore by the State.

25. EQUIPMENT AND WASTE MATERIALS: All equipment shall be removed from State land prior to sale cancellation. Waste materials from logging operations such as crankcase oil, filters, grease, and all containers, machine parts, wire rope and other matter foreign to the natural woodland environment, shall be removed from State land and disposed of at the end of each day's operation. Any wastes remaining shall be removed by the State at the expense of the Purchaser.

26. COMPLIANCE WITH FEDERAL LAW, RULES AND REGULATIONS OF THE STATE BOARD OF LAND COMMISSIONERS, AND IDAHO CODE: The Purchaser shall comply with all laws and regulations of the United States, and all state laws and rules including without limitation the following:

- a. The Idaho Forestry Act, Idaho Code, Title 38, Chapter 1.
- b. The Idaho Forest Practices Act, Idaho Code, Title 38, Chapter 13.
- c. The Idaho Stream Channel Alteration Act, Idaho Code, Title 42, Chapter 38.
- d. The Standard Log Scaling Law, Idaho Code, Title 38, Chapter 12.
- e. Transportation of Forest Products, Idaho Code Sections 18-4628, 18-4628A, 18-4629, and 18-4630.
- f. Log Export Prohibition, Title 16 U.S. Code Sec. 620: Conservation (2004) and Title 50, Appendix 2406 i. The export of raw logs to a foreign country shall be prohibited from all Idaho State public lands. Substitution of State logs for private logs going to export is also prohibited. Violation of this prohibition shall be a contract violation and

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subject to penalties of triple the gross stumpage value and suspension from bidding on future state sales for up to 3 years

27. CATASTROPHIC DAMAGE: Should an unforeseen catastrophic occurrence materially change the value of forest products removed or significantly increase logging cost for this sale, the Purchaser may make a written request to the State for a contract modification which would make allowances for these conditions.
28. CIVIL RIGHTS: The Purchaser shall not discriminate against any person on the basis of such person's race, creed, color, sex, national origin or handicap.
29. INTERPRETATION: The paragraph or section headings are provided solely for the convenience of reference and are not intended to alter, limit or define the intent of the parties as expressed by the remainder of the text.

DRAFT

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IN WITNESS WHEREOF, The parties hereto have caused these Presents to be duly signed and executed the day and year first above written.

STATE OF IDAHO acting through the
STATE BOARD OF LAND COMMISSIONERS

Idaho Department of Lands Representative

Print Name

Title

As the Purchaser or the Purchaser's Representative, my signature certifies and declares under penalty of perjury that I am duly authorized to sign this timber sale contract and that I have knowledge of the facts and terms set forth in this instrument.

«Purchaser_Name»
Purchaser

Purchaser Signature

Print Name

Title

Purchaser Signature

Print Name

Title