

TIMBER REIMBURSEMENT

FIRST AMENDMENT TO AGREEMENT #492-O1711

THIS FIRST AMENDMENT to that Reimbursement Agreement #492-O1711 made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and RJJ Resource Management Corp, a corporation duly qualified to conduct business in the State of California, whose principal place of business is 1411 Harbour Way South, Third Floor, Richmond, California 94804, (hereinafter referred to as "PURCHASER");

RECITALS

WHEREAS, PURCHASER has agreed to purchase felled timber and reimburse COUNTY for the timber pursuant to Agreement #492-O1711, dated May 26, 2017, incorporated herein and made by reference a part hereof (hereinafter referred to as "Agreement");

WHEREAS, the parties hereto desire to amend the Agreement to extend the expiration date of December 31, 2017 for three (3) additional years, amending **ARTICLE II, TERM**;

WHEREAS, the parties hereto desire to amend the Agreement to increase the reimbursement rate for ponderosa pine, sugar pine, Jeffrey pine, and white fir timber logs, amending **ARTICLE III, REIMBURSEMENT**;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants hereinafter contained, COUNTY and PURCHASER mutually agree to amend the terms of the Agreement in this First Amendment to Agreement #492-O1711, as follows:

- I. All references to Department of Transportation throughout the Agreement shall read Community Development Services, Department of Transportation.
- II. **ARTICLE II, TERM, of the Agreement is amended to read as follows:**

ARTICLE II

TERM: This Agreement shall become effective upon final execution by both parties hereto and shall expire on December 31, 2020.

- III. **ARTICLE III, REIMBURSEMENT, of the Agreement is amended to read as follows:**

ARTICLE III

REIMBURSEMENT: PURCHASER agrees to reimburse COUNTY for the timber logs delivered to the log yard at the rates and descriptions provided below. For trip tickets received from the 1st through the 15th of the month, PURCHASER shall

make payments by the 25th of the same month. For trip tickets received from the 16th through the last day of the month, PURCHASER shall make payments by the 10th of the following month. Each payment shall include a list of the trip tickets being paid. County's Tree Mortality Project consultant will review the trip tickets to ensure they are correct.

Payments shall be mailed to COUNTY at the following address:

County of El Dorado
Community Development Services
Department of Transportation
2441 Headington Road
Placerville, California 95667
Attn.: Stephanie Lisius
Administrative Technician

For the period beginning May 26, 2017, the effective date of the Agreement and continuing through one day before the effective date of the First Amendment to the Agreement, reimbursement of the timber logs shall be as follows:

*Species	MBF (1,000 Board Feet)	Scaling End Diameter Inside Bark	Scaling Lengths	Rate (\$/MBF)
PP/SP/JP/WF		8"+	26', 33', 36', 38'10"	\$325
R Logs: Reject Logs		8"+	26', 33', 36', 38'10"	\$200
R1Logs: Logs with Sweep/Pistol Butts		8"+	Any length	\$-25
R2 Logs: All logs over 38'		8"+	Over 38' will scale at 38'	\$325
R4 Logs: Logs less than 13'		8"+	Less than 13'	Not Reimbursable
R5 Logs: Logs with beetle worm holes		8"+	26', 33', 36', 38'10" with beetle worm holes	\$275
R6 Logs: Logs that must be trimmed to scaling length		8"+	Varies	\$-25
R7 Logs: Off species logs (Not PP, SP, JP, DF, WF, IC)		8"+	26', 33', 36', 38'10"	\$200
R8 Logs: Short logs outside of the contract		8"+	19'6"	\$275
R9 Logs: Blue stain logs		8"+	26', 33', 36', 38'10"	\$325

*PP: Ponderosa Pine, SP: Sugar Pine, JP: Jeffrey Pine, DF: Douglas Fir, WF: White Fir, IC: Incense Cedar

For the period beginning with the effective date of this First Amendment to the Agreement and continuing through the remaining term of the Agreement, reimbursement of the timber logs shall be as follows:

*Species MBF (1,000 Board Feet)	Scaling End Diameter Inside Bark	Scaling Lengths	Rate (\$/MBF)
PP/SP/JP/WF	8"+	26', 33', 36', 38'10"	\$375
R Logs: Reject Logs	8"+	26', 33', 36', 38'10"	\$200
R1Logs: Logs with Sweep/Pistol Butts	8"+	Any length	\$-25
R2 Logs: All logs over 38'	8"+	Over 38' will scale at 38'	\$325
R4 Logs: Logs less than 13'	8"+	Less than 13'	Not Reimbursable
R5 Logs: Logs with beetle worm holes	8"+	26', 33', 36', 38'10" with beetle worm holes	\$275
R6 Logs: Logs that must be trimmed to scaling length	8"+	Varies	\$-25
R7 Logs: Off species logs (Not PP, SP, JP, DF, WF, IC)	8"+	26', 33', 36', 38'10"	\$200
R8 Logs: Short logs outside of the contract	8"+	19'6"	\$275
R9 Logs: Blue stain logs	8"+	26', 33', 36', 38'10"	\$325

*PP: Ponderosa Pine, SP: Sugar Pine, JP: Jeffrey Pine, DF: Douglas Fir, WF: White Fir, IC: Incense Cedar

Descriptions and Requirements:

1. More than 75% of the volume of each truck must contain logs that are scaled to be 38'10".
2. R: Reject logs – If more than 25% of any one log is damaged (other than beetle worm holes), then the log will be called a reject log and reimbursed at a rate of \$200/MBF.
3. R2: Logs over maximum length of 38'10" will be scaled at 38'10". More than an average of six (6) logs over in length in twenty (20) truck loads, the R2 logs will have a \$25/MBF deduction.
4. R6: There is a \$25/MBF deduction for logs that must be pencil trimmed to the specified scaling lengths due to the re-handling of logs at the log yard.
5. R7: Off species logs will be accepted to specified scaling lengths at \$200/MBF. Hardwood will not be accepted.

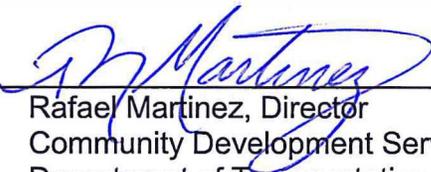
Except as herein amended, all other parts and sections of Agreement #492-O1711 shall remain unchanged and in full force and effect.

Requesting Contract Administrator Concurrence:

By: 
John Kahling, P.E.
Deputy Director, Engineering
Headington Engineering Division
Community Development Services
Department of Transportation

Dated: 11/01/17

Requesting Department Concurrence:

By: 
Rafael Martinez, Director
Community Development Services
Department of Transportation

Dated: 11/1/17

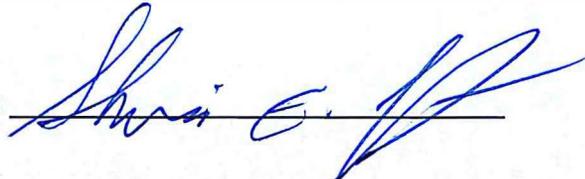
Purchasing Agent Concurrence:

By: 
Terri Knowlton
Purchasing Agent
Chief Administrative Office

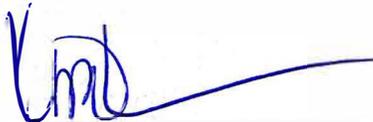
Dated: 11/3/17

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Agreement #492-O1711 on the dates indicated below.

-- COUNTY OF EL DORADO --

By:  Dated: 12/12/2017
Board of Supervisors
"County"

Attest:
James S. Mitrison
Clerk of the Board of Supervisors

By:  Dated: 12/12/2017
Deputy Clerk

-- RJJ RESOURCE MANAGEMENT CORP --

By:  Dated: 10/24/17
Ruihong Lyu
Chief Executive Officer
"Consultant"

By:  Dated: 10/24/17
Kaiting Jin
Secretary