

IMPLEMENTATION AGREEMENT

SIMPSON TIMBER COMPANY

NORTHERN SPOTTED OWL

HABITAT CONSERVATION PLAN

OUTLINE OF IMPLEMENTATION AGREEMENT

	<u>Page</u>
I. RECITALS.....	1
A. LISTING.....	1
B. HABITAT CONSERVATION PLAN.....	1
C. INCORPORATION OF HCP.....	2
D. LEGAL REQUIREMENTS.....	2
E. COOPERATIVE EFFORT.....	2
F. PURPOSES.....	3
G. TERMS USED.....	3
II. TERM.....	3
A. STATED TERM.....	3
III. OBLIGATIONS OF THE PARTIES.....	4
A. MINIMIZATION, MONITORING, RECORDKEEPING AND REPORTING OF THE IMPACTS OF INCIDENTAL TAKE WITHIN THE PLAN AREA.....	4
1. SIMPSON.....	4
a. Surveying and Nest Site Protection Requirements.....	4
b. Recordkeeping and Reporting of Incidental Take.....	6
c. Additional Monitoring and Research.....	7
2. THE SERVICE.....	8
a. Assistance to Simpson.....	8
b. Review of Reports.....	8
B. MITIGATION OF IMPACTS OF INCIDENTAL TAKE: ESTABLISHMENT AND MONITORING OF SET ASIDES AND SPECIAL MANAGEMENT AREA AND RESOURCE MANAGEMENT MEASURES.....	8
1. SIMPSON.....	9
a. Set Asides.....	9
b. Special Management Area.....	10
c. Retention of Resource Values.....	12
d. Compliance with HCP Resource Management Measures.....	12

2.	THE SERVICE.....	12
	a. Assistance to Simpson.....	12
	b. Review of Set Aside and Special Management Area Requirements	13
C.	ANNUAL REPORTING REQUIREMENTS.....	13
1.	SIMPSON.....	13
	a. Annual Reports.....	13
2.	THE SERVICE.....	15
	a. Review of Annual Reports.....	15
D.	CONTINGENCY PLAN.....	16
1.	SIMPSON.....	16
	a. Development of Contingency Plan.....	16
	b. Revisions to Plan.....	16
	c. Activation of Contingency Plan.....	16
2.	THE SERVICE.....	17
	a. Assistance to Simpson.....	17
	b. Revisions to Plan.....	17
E.	Review of Owl Displacement Levels.....	17
F.	TEN YEAR HCP REVIEW.....	17
G.	TRAINING PROGRAM.....	18
1.	SIMPSON.....	18
2.	THE SERVICE.....	18
H.	FUNDING OF HCP.....	18
1.	SIMPSON.....	18
	a. Monetary Obligation.....	18
	b. Annual Review of Monitoring and Research Budgets	19
2.	THE SERVICE.....	19
	a. Annual Review of Budgets and Staffing Levels.....	19
	b. Budget Requests.....	19

IV.	ISSUANCE OF PERMIT.....	19
A.	FINDINGS.....	19
1.	INCIDENTAL TAKE.....	20
2.	MINIMIZE AND MITIGATE.....	20
3.	ADEQUATE FUNDING.....	20
4.	NO LIKELY JEOPARDY.....	20
5.	OTHER MEASURES.....	20
B.	ISSUANCE AND MONITORING.....	21
V.	REMEDIES AND ENFORCEMENT.....	21
A.	REMEDIES IN GENERAL.....	21
1.	NO MONETARY DAMAGES.....	21
a.	Retain Liability.....	22
b.	Landowner Liability.....	22
2.	INJUNCTIVE AND TEMPORARY RELIEF.....	22
B.	THE PERMIT.....	22
1.	PERMIT SUSPENSION, REVOCATION OR TERMINATION..	22
a.	Suspension.....	22
b.	Reinstatement.....	23
c.	Revocation or Termination.....	24
C.	LIMITATIONS ON EXTENT OF ENFORCEMENT.....	24
1.	NO FURTHER MITIGATION IN PLAN AREA.....	24
2.	PRIVATE PROPERTY RIGHTS AND LEGAL AUTHORITIES UNAFFECTED.....	25
VI.	MISCELLANEOUS PROVISIONS.....	26
A.	AMENDMENTS.....	26
1.	AMENDMENTS TO IMPLEMENTATION AGREEMENT.....	26
2.	AMENDMENTS TO HCP.....	26

B.	NO PARTNERSHIP.....	26
C.	SUCCESSORS AND ASSIGNS.....	27
D.	NOTICE.....	27
E.	ENTIRE AGREEMENT.....	27
F.	ATTORNEYS' FEES.....	28
G.	ELECTED OFFICIALS NOT TO BENEFIT.....	28
H.	AVAILABILITY OF FUNDS.....	28
I.	DUPLICATE ORIGINALS.....	28
J.	THIRD PARTY BENEFICIARIES.....	29

LIST OF EXHIBITS

EXHIBIT A	DESCRIPTION OF SET-ASIDES
EXHIBIT B	SPECIAL MANAGEMENT AREA - LEGAL DESCRIPTIONS
EXHIBIT C	STAFFING AND FUNDING

IMPLEMENTATION AGREEMENT
SIMPSON TIMBER COMPANY
NORTHERN SPOTTED OWL
HABITAT CONSERVATION PLAN

THIS AGREEMENT is made and entered into as of the 17th day of September, 1992, by and between the United States Fish and Wildlife Service (Service) and the Simpson Timber Company and its subsidiaries, Arcata Redwood Company and Simpson Redwood Company (Simpson).

For and in consideration of the mutual covenants and conditions contained herein, the Parties hereto do hereby agree as follows:

I.

RECITALS

This Agreement is entered into with regard to the following facts:

A. LISTING

The Northern Spotted Owl (Strix occidentalis caurina), (Spotted Owl), was listed as a threatened species in a final rulemaking published by the Service in the Federal Register on June 26, 1990, pursuant to the provisions of the Endangered Species Act, 16 U.S.C. §§ 1531, et seq., as amended (ESA).

B. HABITAT CONSERVATION PLAN

Pursuant to the provisions of Section 10(a)(1)(B) of the ESA, Simpson has prepared a Habitat Conservation Plan (HCP) and has on the 19th day of December, 1991, submitted it to the Service with a request that the Service issue a Permit (Permit) to allow Spotted Owls to be incidentally taken, as that term is defined in the ESA, within the Plan area, as that term is defined in the HCP. It also proposes a

program of conservation for the Spotted Owl and its habitat within the Plan area. The HCP is the product of lengthy study and negotiations and represents coordination of private interests with those of conservation interests in cooperation with the Federal government.

C. INCORPORATION OF HCP.

The HCP and each of its terms are intended to be, and by this reference are, incorporated herein. In the event of any direct contradiction between the terms of this Agreement and the HCP, the terms of this Agreement shall control. In all other cases, the terms of this Agreement and the terms of the HCP shall be interpreted to be supplementary to each other.

D. LEGAL REQUIREMENTS.

In order to fulfill the requirements which will allow the Service to issue the Permit, the HCP provides measures that are intended to assure that any take occurring within the Plan Area will be incidental; that the impacts of the take will, to the maximum extent practicable be minimized and mitigated; that adequate funding for the HCP will be provided; and that the take will not appreciably reduce the likelihood of the survival and recovery of the Spotted Owl in the wild.

E. COOPERATIVE EFFORT.

In order that each of the legal requirements as set forth in Paragraph D. hereof are fulfilled, both Parties to this Agreement must perform certain specific tasks. The HCP thus describes a cooperative program of conservation for the Spotted Owl.

F. PURPOSES.

The purposes of this Agreement are:

1. To assure the implementation of each of the terms of the HCP;
and,
2. To contractually bind both Parties to fulfill and faithfully perform the obligations, responsibilities and tasks assigned to it pursuant to the terms of the HCP; and,
3. To provide remedies and recourse should either Party fail to perform its obligations, responsibilities and tasks as set forth in this Agreement.

G. TERMS USED.

Terms defined and utilized in the HCP and the ESA shall have the same meaning when utilized in this Agreement, except as specifically noted.

II.

TERM

A. STATED TERM.

This Agreement shall become effective on the date that the Service issues the Permit requested in the HCP and shall remain in full force and effect for a period of thirty years or until termination of the Permit whichever occurs sooner.

III.

OBLIGATIONS OF THE PARTIES

A. MINIMIZATION, MONITORING, RECORDKEEPING AND REPORTING OF THE IMPACTS OF INCIDENTAL TAKE WITHIN THE PLAN AREA.

In order to minimize and monitor the impacts of incidental take within the Plan Area, Simpson and the Service agree that they shall undertake the following tasks, responsibilities and obligations:

1. SIMPSON

a. Surveying and Nest Site Protection Requirements.

- (1) Shall survey each area within which timber harvesting is planned. If no Spotted Owls respond, Simpson shall revisit the area up to a maximum of three times or until a Spotted Owl responds, whichever occurs first.
- (2) Shall look for evidence of Spotted Owls and spot call at strategic locations during the layout of each harvest area and immediately prior to harvest.
- (3) Shall, prior to harvest of those stands which are scheduled to be harvested between March 1 and August 31 (the nesting season) but were surveyed pursuant to (1) above before March 1 of the year in which the harvest is scheduled:
 - (A) Survey the stand and a 1,000 foot buffer surrounding the stand and;
 - (B) If no Spotted Owls respond, revisit the area up to a maximum of three times or until a Spotted

Owl responds, whichever occurs first, during the nesting season preceding the harvest.

(C) If a Spotted Owl responds during the surveys conducted between March 1st and August 31st, using a qualified biologist, attempt to:

(i) Determine the Owl's pair status and reproductive status and;

(ii) Locate its nest site if the Owl demonstrates nesting behavior.

(4) Shall, if a Spotted Owl nest is discovered pursuant to III.A.1.(a)(3)(C):

(A) Mark the nest tree;

(B) Postpone timber falling or yarding within a 0.25-mile radius until the nest fails naturally or the young have left the nest; and,

(C) Postpone timber falling or yarding within 500 feet of an occupied nest site or primary activity center and maintain connectivity to continuous habitat until the nest fails naturally or the young are fully capable of avoiding harvest activities.

(5) Shall, if an area which is harvested outside of the nesting season (March 1st through August 31st) has not been surveyed during the nesting season of the same calendar year, report the displacement of a pair of Spotted Owls in the next annual report.

b. Recordkeeping and Reporting of Incidental Take.

During the duration of this permit, shall:

- (1) Maintain records of pre-harvest Owl surveys and actual instances of take on standardized forms. Simpson shall designate a resource manager or wildlife biologist to review these forms, compile reports and maintain the files. Simpson shall upon request make such forms available to the Service, the California Department of Fish and Game, and the California Department of Forestry and Fire Protection.
- (2) Notify the Service in writing of any of the following events occurring on the property covered by this permit:
 - (A) Any direct harm to a Spotted Owl on Simpson property;
 - (B) Any catastrophic event that destroys Spotted Owl sites or habitat; or
 - (C) Any unexpected shift in the number or distribution of known Spotted Owl sites.
- (3) Shall notify the Service in writing within three working days of the accidental death or injury of a Spotted Owl or of the finding of any dead or injured specimens of this species during timber harvest activities which are subject to the Permit. Notification must include the date, time and location of the incident or of the finding of a dead or injured Spotted Owl, and any other pertinent information on the circumstances surrounding the incident or discovery. The Service contacts for this information are Mr. Gail Kobetich or Mr. Wayne White of the Sacramento Field Office

(916/978-4866). Any such dead or injured Spotted Owls must be reported to the Service's Law Enforcement Division (916/978-4861), and shall subsequently be turned over as soon as possible to a game warden or biologist of the California Department of Fish and Game for care or analysis.

c. Additional Monitoring and Research

- (1) Shall continue to gather additional data on Spotted Owl behavior and habitat needs as provided in the HCP at pages 195-196. In general, this program shall include (i) surveying for Spotted Owls annually and banding where appropriate, (ii) monitoring a minimum of fifty (50) Northern Spotted Owl pairs annually (including those monitored pursuant to III.B.1.a.(2) and III.B.1.b(1) below) to determine reproductive success in monitored nests and comparing the success to regional averages; (iii) studying nest site characteristics to quantify the vegetative and habitat mosaic characteristics of Spotted Owl habitat in order to refine Simpson's nesting mosaic model and to document the extent to which second-growth forests in the coastal redwood zone are able to sustain a breeding population of Spotted Owls; and (iv) quantifying the abundance and distribution of key prey species among stands of different ages and cover types.
- (2) Shall update its GIS data base regularly to include the most current information on the location of Spotted Owl

sites and habitat on the property covered by this permit. Simpson shall attempt to refine its habitat forecasting model as additional data on Owl habitat characteristics become available.

2. THE SERVICE

a. Assistance to Simpson

Shall cooperate with and provide technical assistance to Simpson as appropriate in conjunction with the Agency's review and monitoring of Simpson's timber harvest planning and Spotted Owl surveys.

b. Review of Reports

Shall review, as soon as possible, all reports of incidental take and unanticipated impacts to Spotted Owls and, consistent with the ESA and the terms of the HCP, inform Simpson of any measures required to address such unanticipated impacts.

B. MITIGATION OF IMPACTS OF INCIDENTAL TAKE: ESTABLISHMENT AND MONITORING OF SET ASIDES AND SPECIAL MANAGEMENT AREA AND RESOURCE MANAGEMENT MEASURES.

As mitigation for the impacts of incidental take under the Permit, Simpson and the Service agree that they shall undertake and fulfill the following responsibilities and obligations.

1. SIMPSON

a. Set Asides

Shall set aside those 39 areas described in the HCP at pages 196-201 totalling 13,252 acres. Except as provided in (1) below, no timber harvesting will be allowed in the "set asides." Geographical descriptions, including setting numbers assigned by Simpson, and detailed maps of each set aside are attached as Exhibit A to this Agreement.

- (1) Simpson may construct and maintain access roads in set-asides if planned and conducted in accordance with state and federal requirements, except within 500 feet of a Spotted Owl occupied nest site or primary activity center between March 1st and August 31st until the nest fails naturally or the young are fully capable of avoiding road construction and maintenance activities.
- (2) Simpson shall monitor the set-asides to determine occupancy by Spotted Owls, as follows:
 - (A) Simpson shall conduct annual site visits to set-asides during the March 1 to May 15 nesting season during the term of the permit.
 - (B) Simpson shall spot call for Spotted Owls at strategic locations to ensure complete coverage of each set-aside.
 - (C) If no responses are elicited during the initial site visit, Simpson shall revisit the area and

repeat spot calling up to a maximum of three times or until a Spotted Owl responds, whichever occurs first.

(D) If a Spotted Owl responds to spot calling, a Simpson biologist shall attempt to determine if it is banded, paired or nesting.

(E) If a Spotted Owl identified in (D) above demonstrates nesting behavior, Simpson shall attempt to locate the nest.

(F) Simpson shall revisit any site where nesting behavior has been identified pursuant to (E) above in an attempt to determine reproductive success.

b. Special Management Area

Simpson shall establish a 36,500-acre "Special Management Area" in the Upper Mad River subarea including parts of the "Wiggins" and "Hunter/Bliss" ranches. Simpson shall not take Spotted Owls in the Special Management Area. Within those portions of the Special Management Area which are not designated set-asides in the HCP, Simpson may carry on any activity which does not result in a take. Except as provided in III.B.1.a(1), no timber harvesting shall be allowed in set-asides within the Special Management Area. Simpson shall maintain the Special Management Area for the first ten years of the permit term. Legal descriptions for

the Special Management Area are set forth in Exhibit B attached to this Agreement.

(1) Simpson shall monitor the Special Management Area to determine occupancy by Northern Spotted Owls, as follows:

- (A) Each year during the period that the Special Management Area is maintained, Simpson shall conduct site visits during the March 1 to May 15 nesting season.
- (B) Simpson shall spot call for Northern Spotted Owls at strategic locations to ensure complete coverage of the Special Management Area.
- (C) If no responses are elicited during the initial site visit, Simpson shall revisit the area and repeat spot calling up to a maximum of three times or until a Spotted Owl responds, whichever occurs first.
- (D) If a Spotted Owl responds to spot calling, a Simpson biologist shall attempt to determine if it is banded, paired or nesting.
- (E) If a Spotted Owl identified in (D) above demonstrates nesting behavior, Simpson shall attempt to locate the nest.
- (F) Simpson shall revisit any site where nesting behavior has been identified pursuant to (E)

above in an attempt to determine reproductive success.

c. Retention of Resource Values

Shall, where feasible, when planning timber harvests, retain resource values that would provide a core for future Spotted Owl habitat as described in the HCP at pages 193-194. Simpson shall identify in its timber harvesting plans site-specific measures to obtain this goal.

d. Compliance with HCP Resource Management Measures

Shall, where feasible,, comply with all "Overall Resource Management" measures specified in the HCP, pages 194-195, to the extent those measures are stricter than the Forest Practice Rules. Those Overall Resource Management measures include the retention of: 50 to 70 percent canopy and 50 percent ground cover along Class I and large Class II streams; 30 to 50 percent canopy and 50 percent ground cover along small Class II streams; and a variety of tree sizes and species within Watercourse and Lake Protection zones.

2. THE SERVICE

a. Assistance to Simpson

Shall cooperate with, and provide technical assistance to Simpson in the establishment and maintenance of the set-asides identified in the HCP and the Special Management Area.

b. Review of Set-Aside and Special Management Area Requirements

Shall review Simpson's compliance with the habitat conservation, survey, and monitoring requirements applicable to the set-asides and Special Management Area.

C. ANNUAL REPORTING REQUIREMENTS

1. SIMPSON

a. Annual Reports

Shall, on or before December 15, 1993, and thereafter on or before December 15th of each year the Permit remains in effect, prepare and submit to the Service an annual report covering the preceding twelve (12) month period starting on September 1 and ending on August 31, that contains the following:

- (1) A summary of information recorded on the forms described in III.A.1.b, including pre-harvest Owl surveys and actual instances of Owl take over the preceding year;
- (2) The Spotted Owl nest sites harvested;
- (3) The instances where harvesting within one-half (1/2) mile of nest sites reduces Northern Spotted Owl habitat below the thresholds established in the HCP (see pages 186-187);
- (4) Actual instances of Owl displacement over the preceding year and any inadvertent harm or injury to individual Owls that may have occurred;

- (5) A determination of the amount of habitat lost around Spotted Owl sites identified in (2) or (3) for the radii of influence identified in the HCP at page 202;
- (6) A comparison of estimated levels of Spotted Owl displacement for the past year and previous years with post-harvest Owl occupancy and reproduction in sites which were harvested or were within one-half (1/2) mile of harvested areas, along with a discussion of the range of reasons for the occupancy or lack thereof;
- (7) An estimate of levels of Spotted Owl displacement for the upcoming year;
- (8) An estimate of the current number of Spotted Owl sites and the amount of Spotted Owl habitat on Simpson property and any significant changes from the previous year;
- (9) An ocular estimate of the number of snags and residual trees before and after each harvest where, during the preceding year, the associated timber harvesting plan has been approved as complete by the California Department of Forestry and any site preparation for regeneration has been completed;
- (10) The results of the nest and set-aside monitoring efforts;
- (11) An assessment of the efficacy of the conservation measures to date, including an evaluation of

reproductive success with respect to those thresholds described in III.D.1.c.;

- (12) Specific budgets for implementing the monitoring and research requirements of the HCP during the upcoming year;
- (13) A report of Simpson's acquisitions of land or timber rights within Humboldt, Mendocino and Del Norte Counties and Simpson's sales of land or timber rights within the Plan area; and
- (14) A list of any corrective measures or other changes that may be necessary to improve the efficacy of the Plan.

2. THE SERVICE

a. Review of Annual Reports

Shall review, as soon as possible, each annual report submitted by Simpson under III.C.1.a. and shall notify Simpson of any deficiencies in the report or in permit compliance, specifying what additional information or actions are required to correct those deficiencies.

D. CONTINGENCY PLAN

1. SIMPSON

a. Development of Contingency Plan

Shall work directly with the Service to develop a contingency plan that identifies specific actions Simpson will take in the event of unforeseen occurrences or if the reproductive success rates fall below thresholds established pursuant to l.c. below.

b. Revisions to Plan

Shall, at the direction of the Service, revise the contingency plan as appropriate over the permit period.

c. Activation of Contingency Plan

Shall follow the contingency plan required or propose other corrective measures for the review and approval of the Service if an annual report as provided in III.C.1.a. indicates that the reproductive success rate of a sample of the Spotted Owl population on Simpson's property has fallen significantly (P is less than or equal to .05) below the rate of the Willow Creek study area for three consecutive years. If research on the Willow Creek study area is discontinued prior to expiration of this permit, Simpson shall develop a new threshold for corrective action using the Special Management Area as a regional index or shall develop an alternative which is acceptable to the Service.

2. THE SERVICE

a. Assistance to Simpson

Shall cooperate and provide technical assistance to Simpson in the development, and, if necessary, implementation of the Contingency Plan provided under III.D.1.

b. Revisions to Plan

Shall, after consultation with Simpson, direct Simpson to incorporate into the Plan such revisions as may be necessary to ensure that the conservation goals of the HCP are met.

E. REVIEW OF OWL DISPLACEMENT LEVELS

Simpson and the Service jointly shall undertake a review of the adequacy of existing measures to minimize and mitigate the impacts of taking if, within five (5) years after the effective date of the permit, the sum of the numbers reported pursuant to III.C.1.a(2) and (3) exceeds two-thirds (2/3) of the HCP's total estimate of take for the ten (10) year period following the effective date of the permit (50 Spotted Owl pairs (see HCP pages 184-188)).

F. TEN YEAR HCP REVIEW

At the end of ten (10) years from the effective date of the Permit, Simpson, in conjunction with the Service, shall conduct a comprehensive review of the HCP, including: (1) a comparison of actual and estimated levels of Spotted Owl displacement; (2) a comparison of actual and estimated distribution of Spotted Owl habitat; (3) a reevaluation of the biological basis for the

conservation strategy based on the data collected through the research program and other sources; (4) a detailed analysis of the efficacy of and continued need for the set-asides and of the long-term viability of the Owl population on Simpson's property; and (5) an estimate of annual Spotted Owl displacement for subsequent portions of the permit period. The timing and need for future comprehensive reviews will be determined during this process.

G. TRAINING PROGRAM

1. SIMPSON

Shall institute a training program for its forestry staff, engineers, and other Simpson personnel likely to encounter Spotted Owls, as well as timber falling contractors, in order to train employees and contractors in survey and monitoring protocols, familiarize them with the details of the HCP, and encourage their involvement in data collection and implementation of conditions set forth in the permit.

2. THE SERVICE

Shall cooperate with and provide technical assistance to Simpson as appropriate in carrying out the training program outlined in G.1. above.

H. FUNDING OF THE HCP

1. SIMPSON

a. Monetary Obligation.

Shall provide funding for the monitoring, research, reporting and all other requirements of the HCP and shall

maintain staffing at the levels necessary to implement the HCP as described in attached Exhibit C.

b. Annual Review of Monitoring and Research Budgets.

Shall, as a part of each annual report identified in III.C.1 above, provide the Service with a specific budget for implementing the monitoring and research requirements of the HCP during the upcoming year.

2. THE SERVICE

a. Annual Review of Budgets and Staffing Levels.

Shall, as part of its review under III.C.2., of the annual reports submitted by Simpson, review the budgets and staffing levels for monitoring and research planned for the upcoming year pursuant to 50 C.F.R. § 17.32(b)(3).

b. Budget Requests.

Shall include in its budget request adequate funding to allow it to fully perform the obligations and tasks assigned to it pursuant to the terms hereof, including, but not limited to, the review of the Annual Reports and the Contingency Plan submitted by Simpson, as well as cooperate with and provide technical assistance to Simpson.

IV.

ISSUANCE OF THE PERMIT

A. FINDINGS

Upon finding, after opportunity for public comment, with respect to the Permit application and the HCP that:

1. INCIDENTAL TAKE.

Any permitted taking of the Spotted Owl will be incidental to the carrying out of otherwise lawful activities; and,

2. MINIMIZE AND MITIGATE.

The HCP and this Implementation Agreement will, to the maximum extent practicable, minimize and mitigate the impacts of such incidental taking; and,

3. ADEQUATE FUNDING.

The funding sources identified and provided for herein will ensure that adequate funding for the HCP will be provided; and

4. NO LIKELY JEOPARDY.

Any permitted taking of the Spotted Owl will not appreciably reduce the likelihood of the survival and recovery of the species in the wild; and,

5. OTHER MEASURES.

Any other measures set forth in the HCP and required by the Service as being necessary or appropriate for the purposes of the HCP (including any measures determined by the parties to be necessary to deal with unforeseen circumstances) will be fulfilled; the Service shall issue a Permit to Simpson. Such Permit shall be issued concurrently with the execution of this

Agreement by the Service and Simpson, and it is specifically agreed that this Agreement shall not become effective nor binding upon either Party hereto until and unless the Permit has been issued.

B. ISSUANCE AND MONITORING.

After issuance of the Permit, the Service shall monitor the implementation thereof, including each of the terms of this Agreement and the HCP, including, but not limited to the management, maintenance and monitoring of the Special Management Area and the set asides in order to assure compliance with the Permit, the HCP and this Agreement. In addition, the Service shall, to the maximum extent possible ensure the availability of its staff to cooperate with and provide technical and research assistance to Simpson.

V.

REMEDIES AND ENFORCEMENT

A. REMEDIES IN GENERAL.

Except as set forth hereinafter, both Parties hereto shall have all of the remedies available in equity (including specific performance and injunctive relief) and at law to enforce the terms of this Agreement and the Permit and to seek remedies and compensation for any breach hereof, consistent with and subject to the following:

1. NO MONETARY DAMAGES.

Neither party shall be liable in damages to the other party or other person for any breach of this Agreement, any performance

or failure to perform a mandatory or discretionary obligation imposed by this Agreement or any other cause of action arising from this Agreement. Notwithstanding the foregoing:

a. Retain Liability.

Each party shall retain whatever liability it would possess for its present and future acts or failure to act without existence of this Agreement.

b. Land Owner Liability.

Simpson shall retain whatever liability it possesses as an owner of interests in land.

2. INJUNCTIVE AND TEMPORARY RELIEF.

The parties acknowledge that injunctive and temporary relief may be appropriate in certain instances involving a breach of this Agreement.

B. THE PERMIT.

1. PERMIT SUSPENSION, REVOCATION OR TERMINATION.

a. Suspension.

In the event of any significant violation or breach of the Permit or this Agreement, the Service may suspend the Permit; however, except where the Service determines that emergency action is necessary to protect the Spotted Owl, it will not suspend the Permit without first:

- (1) Requesting Simpson to take appropriate remedial, enforcement or management actions; and
- (2) Providing Simpson notice in writing of the facts or conduct which may warrant the suspension and an

opportunity for Simpson to demonstrate or achieve compliance with the ESA, regulations issued thereunder, the Permit and this Agreement.

b. Reinstatement.

In the event the Permit is suspended, as soon as possible, but no later than ten (10) working days after any suspension, the Service shall consult with Simpson concerning actions to be taken to effectively redress the violation or breach that necessitated the suspension. At the conclusion of any such consultation, the Service shall make a determination of the actions necessary to effectively redress the violation or breach. In making this determination the Service shall consider the requirements of the ESA, regulations issued thereunder, the conservation needs of the Spotted Owl, the terms of the Permit and of this Agreement and any comments or recommendations received during the consultations. As soon as possible, but not later than thirty (30) days after the conclusion of the consultations, the Service shall transmit to Simpson written notice of the actions necessary to effectively redress the violation or breach. Upon full performance of the necessary actions specified by the Service in its written notice, the Service shall immediately reinstate the Permit. It is the intent of the Parties hereto that in the event of any suspension of the Permit both Parties shall act expeditiously to cooperate to

rescind any suspension to carry out the objective of this Agreement.

c. Revocation or Termination.

(1) The Service agrees that it will revoke or terminate the Permit for violation of the Permit or breach of this Agreement only if the Service determines that:

(A) Such violation cannot be effectively redressed by other remedies or enforcement action; and

(B) Revocation or termination is required to fulfill a responsibility of the Service under the ESA or regulations issued thereunder.

(2) The Service agrees that it will not revoke or terminate the Permit without first:

(A) Requesting Simpson to take appropriate remedial action; and

(B) Providing Simpson notice in writing of the facts or conduct which may warrant the revocation or termination and a reasonable opportunity (but not less than sixty (60) days) to demonstrate or achieve compliance with the ESA, regulations issued thereunder, the Permit and this Agreement.

C. LIMITATIONS AND EXTENT OF ENFORCEABILITY.

1. NO FURTHER MITIGATION IN PLAN AREA.

It is acknowledged that the purpose of this Agreement is to set forth the obligations and rights of the Parties hereto with respect to the HCP and to provide for the conservation of the

Spotted Owl and the mitigation and compensatory measures required in connection with incidental taking of the Spotted Owl in the course of otherwise lawful activities within the Plan Area. Accordingly, except as otherwise required by law and/or provided under the terms of the HCP, including unforeseen circumstances such as those that activate the contingency plan, no further mitigation or compensation will be required by the Service.

2. PRIVATE PROPERTY RIGHTS AND LEGAL AUTHORITIES UNAFFECTED.

Except as otherwise specifically provided in this Agreement, nothing herein contained shall be deemed to restrict the rights of Simpson to manage the use of and exercise all of the incidents of land ownership over those lands and interests in lands constituting the Plan Area subject to such other limitations as may apply to such rights under the Constitution and laws of the United States and the State of California. Furthermore, nothing herein contained is intended to limit the authority or responsibility of the United States government to invoke the penalties or otherwise fulfill its responsibilities under the ESA.

VI.

MISCELLANEOUS PROVISIONS

A. AMENDMENTS.

1. AMENDMENTS TO THE IMPLEMENTATION AGREEMENT.

Except as otherwise set forth herein, this Agreement may be amended only with the written consent of both Parties hereto.

2. AMENDMENTS TO THE HCP.

Material changes to the HCP proposed by Simpson, including any request to modify the HCP to include lands or interests in lands acquired by Simpson outside of Humboldt, Del Norte and Mendocino Counties after the effective date of the permit, shall be processed by the Service as an amendment to the Permit in accordance with the ESA and permit regulations at 50 C.F.R. Parts 13 and 17 and shall be subject to appropriate environmental review. It is understood between the Parties that commercial timber lands acquired by Simpson after the effective date of the Permit within Humboldt, Del Norte and Mendocino Counties and areas within those counties in which Simpson acquires timber harvesting rights after the effective date of the Permit shall be subject to the Permit and HCP on acquisition.

B. NO PARTNERSHIP.

Except as otherwise expressly set forth herein, neither this Agreement nor the HCP shall make or be deemed to make either party to this Agreement the agent for or the partner of any other party.

C. SUCCESSORS AND ASSIGNS.

This Agreement and each of its covenants and conditions shall be binding on and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

D. NOTICE.

Any notice permitted or required by this Agreement shall be delivered personally to the persons set forth below or shall be deemed given five (5) days after deposit in the United States mail, certified and postage prepaid, return receipt requested and addressed as follows or at such other address as either Party may from time to time specify to the other Party in writing:

Simpson Timber Company
Foster Road and Alliance Road
P.O. Box 1169
Arcata, California 95521

Simpson Timber Company
1201 Third Avenue
Seattle, Washington 98101-3045

United States Fish and Wildlife Service
911 NE 11th Avenue
Portland, Oregon 97232-4181

United States Fish and Wildlife Service
2800 Cottage Way, Room 1803
Sacramento, California 95825

E. ENTIRE AGREEMENT.

This Agreement supersedes any and all other Agreements, either oral or in writing between the Parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements among them with respect to said matters, and each Party acknowledges that no representation, inducement, promise or agreement, oral or

otherwise, has been made by the other party or anyone acting on behalf of the other party is not embodied herein.

F. ATTORNEYS' FEES

If any action at law or equity, including any action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, each Party to the litigation shall bear its own attorneys' fees and costs provided that attorneys' fees and costs recoverable against the United States shall be governed by applicable Federal law.

G. ELECTED OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress shall be entitled to any share or part of this Agreement, or to any benefit that may arise from it.

H. AVAILABILITY OF FUNDS

Implementation of this Agreement by the Service shall be subject to the availability of appropriated funds.

I. DUPLICATE ORIGINALS.

This Agreement may be executed in any number of duplicate originals. A complete original of this Agreement shall be maintained in the official records of both of the Parties hereto.

J. THIRD PARTY BENEFICIARIES

Without limiting the applicability of the rights granted to the public pursuant to the provisions of 16 U.S.C. § 1540(g), this Agreement shall not create the public or any member thereof as a third party beneficiary hereof, nor shall it authorize anyone not a Party to this Agreement to maintain a suit for personal injuries or property damages pursuant to the provisions of this Agreement. The duties, obligations and responsibilities of the Parties to this Agreement with respect to third parties shall remain as imposed by general law.

THIS AGREEMENT HAS BEEN EXECUTED ON THE DAY SET BY EACH SIGNATURE ATTACHED HERETO AND SHALL BECOME EFFECTIVE ON THE DAY AND YEAR FIRST ABOVE WRITTEN.

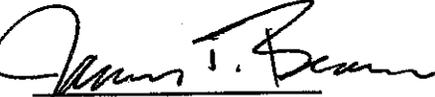
DATE: 9/15/92

SIMPSON TIMBER COMPANY

BY: 

DATE: 9/17/92

ARCATA REDWOOD COMPANY

BY: 

DATE: 9/17/92

SIMPSON REDWOOD COMPANY

BY: 

DATE: 9/17/92

U.S. FISH AND WILDLIFE SERVICE

BY: 

EXHIBIT A
Description of Set-Asides

The 39 set-asides described in the HCP on pages 196-201 are located in forest stands whose boundaries correspond to natural features (e.g., ridges and watercourses) and man-made features (e.g., roads). Each set-aside, therefore, has a complex shape and its location, shape, and size cannot be precisely described without the use of a map.

The "legal descriptions" for the set-asides provided in this exhibit contain brief geographical descriptions and Simpson setting numbers. (Each set-aside encompasses one or more settings.) The geographical description only provides a general idea as to the location of a set-aside. Simpson setting numbers are linked to maps (which are maintained on Simpson's Geographical Information System and have been provided to the U.S. Fish & Wildlife Service) which show the exact location, shape, and size of each set-aside as it existed on April 15, 1992.

IN TOWNSHIP 3 NORTH, RANGE 1 WEST, HUMBOLDT MERIDIAN:

Salmon Creek

- Section 9: That portion of the South Half of the Northeast Quarter as identified by Simpson setting #300902
- Section 10: That portion of the West Half as identified by Simpson setting #301006.

EBF

- Section 11: That portion of the Northeast Quarter of the Northeast Quarter as identified by Simpson setting #301202.
- Section 12: That portion of the North Half of the Northwest Quarter as identified by Simpson setting #301202.

Walsh

- Section 13: That portion of the Southwest Quarter as identified by Simpson setting #301312.
- Section 14: That portion of the South Half of the Southeast Quarter as identified by Simpson setting #301402.

IN TOWNSHIP 3 NORTH, RANGE 1 EAST, HUMBOLDT MERIDIAN:

McCloud Creek

- Section 6: That portion of the Southeast Quarter as identified by Simpson setting #310603.
- Section 7: That portion of the Northeast Quarter of the Northeast Quarter as identified by Simpson setting #310603.

IN TOWNSHIP 3 NORTH, RANGE 4 EAST, HUMBOLDT MERIDIAN:

Bug Creek

- Section 4: That portion of the Southeast Quarter of the Southwest Quarter, as identified by Simpson setting #340901.
- Section 9: Those portions of the East Half of the Northwest Quarter and the Northeast Quarter, as identified by Simpson setting #340901.

Humbug Creek

Section 7: Those portions of the Southeast Quarter of the Northwest Quarter, the Southwest Quarter of the Northeast Quarter, and the West Half of the Southeast Quarter, as identified by Simpson setting #340701.

Little Deer Creek

Section 13: That portion of the Southwest Quarter, as identified by Simpson settings #341301 & #342301.
Section 14: That portion of the Southeast Quarter of the Southeast Quarter, as identified by Simpson setting #342301.
Section 22: That portion of the Northeast Quarter of Southeast Quarter, as identified by Simpson setting #342302.
Section 23: That portion of the North Half, as identified by Simpson settings #342301 & #342302.

IN TOWNSHIP 4 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

Boulder Creek

Section 3: That portion of the West Half as identified by Simpson setting #430402.
Section 4: All of Section 4 as identified by Simpson settings #430401 & #430402.
Section 5: The West Half and that portion of the Southeast Quarter of the Southwest Quarter which lies East of Maple Creek Road, as identified by Simpson settings #430402 & #430801.
Section 8: That portion of the North Half and that portion of the Southeast Quarter which lies East of Maple Creek Road, as identified by Simpson setting #430801.
Section 9: The North Half as identified by Simpson settings #430801 & #430401.
Section 10: The Northwest Quarter, and that portion of the West Half of the Northeast Quarter, as identified by Simpson settings #430401 & #430402.

IN TOWNSHIP 4 NORTH, RANGE 4 EAST, HUMBOLDT MERIDIAN:

Roddiscraft/Powerline

Section 3: The West Half of the Southwest Quarter, as identified by Simpson setting #440908.
Section 4: The East Half of the Southeast Quarter, as identified by Simpson setting #440908.
Section 9: That portion of the Northeast Quarter, as identified by Simpson setting #440908.
Section 10: The Southwest Quarter of the Northwest Quarter, as identified by Simpson setting #440908.

IN TOWNSHIP 5 NORTH, RANGE 1 EAST, HUMBOLDT MERIDIAN:

Puter Creek

Section 1: Those portions of the East Half of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter, as identified by Simpson setting #510109.
Section 12: Those portions of the Northeast Quarter of the Northwest Quarter and the Northwest Quarter of the Northeast Quarter, as identified by Simpson setting #510109.

IN TOWNSHIP 5 NORTH, RANGE 2 EAST, HUMBOLDT MERIDIAN:

4230

Section 5: Those portions of the South Half of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter, as identified by Simpson setting #520506.

4076

Section 10: Those portions of the North Half of the Northwest Quarter and the West Half the Northeast Quarter, as identified by Simpson settings #521001 & #521003.

Section 11: That portion of the Northwest Quarter, as identified by Simpson settings #521104 & #521105.

6007

Section 15: That portion of the South Half of the Southeast Quarter, as identified by Simpson setting #522203.

5700

Section 16: That portion of the Northwest Quarter, as identified by Simpson setting #521601.

Black Dog Creek

Section 17: That portion of the Northwest Quarter of the Northwest Quarter, as identified by Simpson setting #521801.

Section 18: The North Half of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter, as identified by Simpson setting #521801.

Devil's Creek

Section 22: Those portions of the Northeast Quarter, as identified by Simpson setting #522203.

Section 23: That portion of the Northeast Quarter of the Northeast Quarter, as identified by Simpson setting #522303.

Section 24: That portion of the Northwest Quarter of the Northwest Quarter, as identified by Simpson setting #522303.

4850

Section 25: Those portions of the South Half of the Southeast Quarter and the East Half of the Northeast Quarter, as identified by Simpson setting #522506.

Section 26: That portion of the South Half of the South Half, as identified by Simpson settings #522607 & #522708.

No Name Creek

Section 27: That portion of the South Half, as identified by Simpson settings #522708 & #522709.

Section 33: The Southeast Quarter of the Northeast Quarter, as identified by Simpson setting #523401.

Section 34: The South Half of the Northwest Quarter; the Northeast Quarter; the Northeast Quarter of the Southwest Quarter; and the North Half of the Southeast Quarter, as identified by Simpson setting #523401.

IN TOWNSHIP 5 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

Canyon Creek

- Section 5: That portion of the West Half of the Southwest Quarter, as identified by Simpson setting #530501.
- Section 6: That portion of the East Half of the Southeast Quarter, as identified by Simpson setting #530501.
- Section 8: That portion of the Northeast Quarter of the Northeast Quarter, as identified by Simpson setting #530501.

4850

- Section 19: That portion of the South Half, as identified by Simpson settings #531907 & #531908.
- Section 20: That portion of the West Half of the West Half, as identified by Simpson setting #531907.
- Section 29: The West Half of the Northwest Quarter; the Northeast Quarter of the Northwest Quarter; and the Northwest Quarter of the Northeast Quarter, as identified by Simpson setting #531907.
- Section 30: The Northwest Quarter of the Northeast Quarter; and the East Half of the Northeast Quarter, as identified by Simpson setting #531907.
- Section 30: That portion of the Northwest Quarter of the Northwest Quarter, as identified by Simpson setting #531908.

IN TOWNSHIP 6 NORTH, RANGE 2 EAST, HUMBOLDT MERIDIAN:

Mule Creek

- Section 2: That portion of the West Half of the Northwest Quarter, as identified by Simpson setting #620201.
- Section 3: That portion of the East Half, as identified by Simpson setting #620201.
- Section 3: That portion of the Southwest Quarter, as identified by Simpson setting #620315.

Poverty Creek

- Section 15: That portion of the West Half of the Northeast Quarter, as identified by Simpson setting #621504.
- Section 15: Those portions of the Southwest Quarter and the West Half of the Southeast Quarter, as identified by Simpson setting #621513.
- Section 22: That portion of the Northwest Quarter of the Northeast Quarter, as identified by Simpson setting #621513.

Camp Bauer

- Section 22: That portion of the South Half, as identified by Simpson settings #622203 & #622207.
- Section 27: That portion of the Northwest Quarter of the Northeast Quarter, as identified by Simpson setting #622207.

Bald Mt. Creek

- Section 23: That portion of the North Half of the Northeast Quarter, as identified by Simpson setting #622301.

SF Bald Mt.

- Section 24: That portion of the Southeast Quarter, as identified by Simpson setting #622403.

Cal Barrel

- Section 27: That portion of the Southeast Quarter of the Southeast Quarter, as identified by Simpson settings #622711 & #623501.
- Section 34: That portion of the North Half of the Northeast Quarter, as identified by Simpson settings #622711 & #623501.
- Section 35: That portion of the West Half of the Northwest Quarter, as identified by Simpson setting #623501.

IN TOWNSHIP 6 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

Old 299

- Section 7: Those portions of the South Half of the Northeast Quarter and the North Half of the Southeast Quarter, as identified by Simpson setting #630704.

Lupton Creek

- Section 15: That portion of the Northwest Quarter of the Southwest Quarter, as identified by Simpson setting #631602.
- Section 16: That portion of the North Half, as identified by Simpson setting #631602.

IN TOWNSHIP 7 NORTH, RANGE 2 EAST, HUMBOLDT MERIDIAN:

Wiregrass

- Section 12: Those portions of the East Half, and the Northeast Quarter of the Southwest Quarter, as identified by Simpson setting #721201.

Mule Creek

- Section 35: That portion of the South Half, as identified by Simpson setting #723508.

IN TOWNSHIP 7 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

Redwood Creek

- Section 6: Those portions of the East Half of the West Half, and the West Half of the Northeast Quarter, as identified by Simpson setting #730601.

Fawn Prairie

- Section 30: That portion of the Southwest Quarter, as identified by Simpson setting #733004.
- Section 31: That portion of the Northwest Quarter of the Northeast Quarter, as identified by Simpson setting #733004.

IN TOWNSHIP 8 NORTH, RANGE 2 EAST, HUMBOLDT MERIDIAN:

Dolly Varden

- Section 35: That portion of the East Half of the East Half, as identified by Simpson settings #823605 & #823609.
- Section 36: Those portions of the Northwest Quarter and the Southwest Quarter of the Northeast Quarter, as identified by Simpson settings #823605, #823607 & #823609.

IN TOWNSHIP 9 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

Upper Tully Creek

Section 15: That portion of the North Half, as identified by Simpson setting #931502.

IN TOWNSHIP 10 NORTH, RANGE 2 EAST, HUMBOLDT MERIDIAN:

H131

Section 25: That portion of the Southwest Quarter, as identified by Simpson setting #1022502.

IN TOWNSHIP 10 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

Williams Ridge

Section 32: Those portions of the Northwest Quarter and the West Half of the Northeast Quarter, as identified by Simpson setting #1033210.

IN TOWNSHIP 11 NORTH, RANGE 2 EAST, HUMBOLDT MERIDIAN:

T300

Section 14: That portion of the Southeast Quarter, as identified by Simpson setting #1421408.

Mettah Creek

Section 25: That portion of the Southeast Quarter of the Southwest Quarter, as identified by Simpson setting #1122512.

Section 25: That portion of the Southwest Quarter of the Southeast Quarter, as identified by Simpson setting #1122513.

Section 36: That portion of the North Half of the Northwest Quarter, as identified by Simpson settings #1122512 & #1123601.

IN TOWNSHIP 12 NORTH, RANGE 2 EAST, HUMBOLDT MERIDIAN:

Blue Creek Cabin

Section 15: Those portions of the South Half of the Northwest Quarter, the West Half, and the Southwest Quarter, as identified by Simpson settings #1221501, #1221503, #1221505, #1221506 & #1221511.

IN TOWNSHIP 12 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

Bear Creek

Section 19: Those portions of the Northwest Quarter, and the West Half of the Northeast Quarter, as identified by Simpson settings #1231901 & #1231908.

IN TOWNSHIP 13 NORTH, RANGE 2 EAST, HUMBOLDT MERIDIAN:

Starwein Ridge

Section 21: All of Section 21, as identified by Simpson setting #1322101.

Section 28: The Northwest Quarter; and the North Half of the Northeast Quarter, as identified by Simpson setting #1322101.

EXHIBIT B

Special Management Area

LEGAL DESCRIPTIONS

Hunter/Bliss Ranch

The real property in the State of California, County of Humboldt, described as follows:

(IN THE FOLLOWING DESCRIPTION THE SECTIONS ARE GIVEN AFTER THE DESIGNATION OF THE TOWNSHIP AND RANGE IN WHICH THEY LIE AND THE PORTIONS OF EACH SECTION FOLLOW THE SECTION NUMBER.)

TOWNSHIP 3 NORTH, RANGE 3 EAST,
HUMBOLDT BASE AND MERIDIAN

SECTION 1:

The Southwest Quarter of the Southwest Quarter;
The East Half of the Southwest Quarter;
The Southeast Quarter and
The North Half.

EXCEPTING THEREFROM that portion of the Southwest Quarter of the Southwest Quarter of said Section 1, which lies Westerly of Wilson Creek, as said Creek existed on July 2, 1929.

SECTION 11:

The Southeast Quarter of the Northeast Quarter and
The East Half of the Southeast Quarter.

EXCEPTING THEREFROM that portion thereof, which lies Westerly of Wilson Creek, as said Creek existed on July 2, 1929.

SECTION 12:

ENTIRE

EXCEPTING THEREFROM the Northwest Quarter of the Northwest Quarter of Section 12, that portion thereof which lies Westerly of Wilson Creek, as said Creek existed on March 20, 1947, being the date of the deed from Robert Hunter to Clifton C. Wilson and recorded March 21, 1947, under Recorder's File No. 2749.

ALSO EXCEPTING THEREFROM, The East Half of the Southwest Quarter of the Southeast Quarter and The Southeast Quarter of the Northwest Quarter of the Southeast Quarter and That portion of the East Half of the Southeast Quarter of said Section 12, which lies southerly of the Existing County Road, as said County Road existed on July 1, 1959, being the date of the deed from L. C. Bliss, Jr., and Dorothy M. Bliss, his wife, to Simpson Redwood Company, a Washington corporation, and recorded August 6, 1959, in Book 547 of Official Records at page 232 under Recorder's File No. 12964.

SECTION 13:

The North Half of the Northeast Quarter and
The North Half of the Northwest Quarter.

EXCEPTING THEREFROM, The Northeast Quarter of the Northwest Quarter of the Northeast Quarter of said Section 13.

SECTION 14:

The Northeast Quarter of the Northeast Quarter.

TOWNSHIP 3 NORTH. RANGE 4 EAST.
HUMBOLDT BASE AND MERIDIAN

SECTION 4:

The West Half.

EXCEPTING THEREFROM that portion thereof described as follows:

BEGINNING at the Southwest corner of the Northwest Quarter of Section 4; and running thence North on the Section line to the Northwest corner of the South Half of the Southwest Quarter of Section 33, Township 4 North, Range 4 East, Humboldt Meridian;

thence Easterly approximately 800 feet to the center of a creek tributary to Bug Creek, as said Creek existed in January, 1950, being the date of the deed from Robert Hunter and wife to Peter H. Peterson, and recorded January 20, 1950, under Recorder's File No. 666;

thence running southerly down the center of said creek to its intersection with the South line of the Northwest Quarter of Section 4;

and thence West to the place of beginning.

SECTION 5:

The Southeast Quarter of the Southwest Quarter and
The Southeast Quarter.

SECTION 6:

The Southeast Quarter of the Southwest Quarter;
The South Half of the Southeast Quarter and
Lots 3, 4, 5, 6 and 7.

SECTION 7:

The West Half of the Southeast Quarter;
The Northeast Quarter;
The East Half of the West Half and
Lots 1, 2, 3 and 4.

EXCEPTING THEREFROM, that portion thereof described as follows:

COMMENCING at the Southwest corner of Southeast Quarter of
Northwest Quarter of Section 7;
and running thence North 418 feet;
thence East 418 feet;
thence South 418 feet;
and thence West 418 feet to the point of beginning.

ALSO EXCEPTING THEREFROM, those portions of Lots 3 and 4 and The West
Half of the East Half of the Southwest Quarter of said Section 7, which
lies Southerly of the existing County Road crossing said lands, as said
County Road existed on July 1, 1959, being the date of the deed from L. C.
Bliss, Jr., and Dorothy M. Bliss, his wife, to Simpson Redwood Company, a
Washington corporation, and recorded August 6, 1959, in Book 547 of
Official Records at page 232, under Recorder's File No. 12964, Humboldt
County Records.

SECTION 8:

The North Half of the Southwest Quarter and
The North Half.

EXCEPTING THEREFROM The Southwest Quarter of the Northwest Quarter of
said Section 8, all the coal and other minerals, together with the right to
prospect for, mine and remove the same pursuant to the provisions and

limitations of the Act of December 29, 1916 (39 Stat. 862), being the same as excepted and reserved in the Patent, issued by The United States of America to Charles O. Johnson, dated June 29, 1926, and recorded August 20, 1926, in Book 23 of Patents at page 100 under Recorder's File No. 3259, Humboldt County Records.

SECTION 9:

The North Half;
The East Half of the Southeast Quarter;
The West Half of the Southeast Quarter and
The Northeast Quarter of the Southwest Quarter.

EXCEPTING THEREFROM the following described portions thereof:

FIRST: All portions of said subdivision that lie on the Southwesterly side of a line parallel with the right bank of Mad River and distant 500 feet therefrom are excepted.

SECOND: Of the portion remaining, all that part which lies on the Westerly side of a line parallel with the left bank of Bug Creek and distant 500 feet therefrom is also excepted.

The said distance of 500 feet is to be taken to the left of Bug Creek and to the right of Mad River, and is horizontal measurement from the nearest point of high water banks of Bug Creek and Mad River, respectively.

SECTION 10: ENTIRE

SECTION 11:

ENTIRE

EXCEPTING THEREFROM the West Half of the Northeast Quarter and The Southeast Quarter of the Northwest Quarter of said Section 11, all the coal and other minerals, together with the right to prospect for, mine and remove the same pursuant to the provisions and limitations of the Act of December 29, 1916 (39 Stat. 862), being the same as excepted and reserved in the Patent, issued by the United States of America to Charles O. Johnson, dated June 29, 1926, and recorded August 20, 1926, in Book 23 of Patents at page 100, under Recorder's File No. 3259, Humboldt County Records.

SECTION 12:

The Northwest Quarter of the Northeast Quarter;
The South Half of the Northeast Quarter;
The Northwest Quarter and
The South Half.

EXCEPTING THEREFROM The Southwest Quarter of the Southwest Quarter of said Section 12, all the coal and other minerals, together with the right to prospect for, mine and remove the same, being the same as excepted and reserved in the Patent issued by the United States of America to Edward A. Baxter, dated November 17, 1923, and recorded December 12, 1923, in Book 23 of Patents at page 363 under Recorder's File No. 4625 Humboldt County Records.

SECTION 13:

ENTIRE

EXCEPTING THEREFROM The Northwest Quarter of the Northeast Quarter; The East Half of the Northeast Quarter and The Northeast Quarter of the Southeast Quarter of said Section 13, all the coal and other minerals, together with the right to prospect for, mine and remove the same, being the same as excepted and reserved in the Patent issued by The United States of America to Edward A. Baxter, dated November 17, 1923, and recorded December 12, 1923, in Book 23 of Patents at page 363 under Recorder's File No. 4625, Humboldt County Records.

ALSO EXCEPTING THEREFROM The Southeast Quarter of the Southeast Quarter, all coal and other minerals as excepted and reserved in the patent to Emmett E. Lewis, recorded January 6, 1925, in Book 23 of Patents at page 426.

SECTION 14: ENTIRE

SECTION 15:

The Northwest Quarter;
The East Half of the Southwest Quarter and
The East Half.

EXCEPTING THEREFROM The Southwest Quarter of the Northwest Quarter and The East Half of the Southwest Quarter of said Section 15, all the coal

and other minerals, together with the right to prospect for, mine and remove the same, being the same as excepted and reserved in the Patent issued by the United States of America to Edward A. Baxter, dated November 17, 1923, and recorded December 12, 1923, in Book 23 of Patents at page 363 under Recorder's File No. 4625, Humboldt County Records.

SECTION 16:

The North Half of the Northeast Quarter.

EXCEPTING that portion thereof which lies on the Southwest side of a line parallel with the right bank of Mad River and distant 500 feet therefrom. The said distance of 500 feet is to be taken to the right of Mad River and is horizontal measurements from the nearest point of the high water bank of said river.

SECTION 16:

The Southeast Quarter of the Northeast Quarter;
The East Half of the Southeast Quarter and
The Southwest Quarter of the Southeast Quarter.

EXCEPTING THEREFROM, one-sixteenth of all coal, oil, gas and other mineral deposits contained in said land, as provided by an Act of the Legislature, approved May 21, 1921 (Chapter 303, Statutes of California, 1921), being the same as Reserved in the Patent issued by The State of California to H. A. Baldwin, dated August 4, 1924, and recorded August 21, 1924, in Book 23 of Patents at page 409 under Recorder's File No. 3384, Humboldt County Records.

SECTION 22:

The East Half of the Northeast Quarter and
The East Half of the Southeast Quarter.

SECTION 23:

ENTIRE

EXCEPTING THEREFROM The North Half of the Southwest Quarter and The Northwest Quarter of the Southeast Quarter of said Section 23, all the coal and other minerals, together with the right to prospect for, mine and

remove the same, being the same as excepted and reserved in the Patent issued by The United States of America to Edward A. Baxter, dated November 17, 1923, and recorded December 12, 1923, in Book 23 of Patents at page 363, under Recorder's File No. 4625, Humboldt County Records.

SECTION 24:

ENTIRE

EXCEPTING THEREFROM The East Half of the Northeast Quarter, the Southwest Quarter of the Northeast Quarter, and the Southeast Quarter of the Northwest Quarter, all coal and other minerals as excepted and reserved in the patent to Emmett E. Lewis, recorded January 6, 1925, in Book 23 of Patents at page 426.

SECTION 25:

The Northwest Quarter of the Southwest Quarter;
The East Half of the Southwest Quarter;
The Northwest Quarter and
The East Half.

SECTION 26:

The North Half;
The Northeast Quarter of the Southwest quarter;
The Northwest Quarter of the Southeast Quarter and
The East Half of the Southeast Quarter.

SECTION 27:

The East Half of the Northeast Quarter.

SECTION 36:

The East Half.

EXCEPTING THEREFROM, that portion thereof lying on the Westerly side of Mad River.

TOWNSHIP 4 NORTH, RANGE 4 EAST.
HUMBOLDT BASE AND MERIDIAN

SECTION 33:

The South Half of the Southwest Quarter.

EXCEPTING THEREFROM, that portion thereof described as follows:

BEGINNING at the Southwest corner of the Northwest Quarter of Section 4;

and running North on Section line to the Northwest corner of the South Half of the Southwest Quarter of Section 33;

thence East approximately 800 feet to the center of a Creek tributary to Bug Creek, as said creek existed in January 1950, being the date of the deed from Robert Hunter and wife to Peter H. Peterson, and recorded January 20, 1950, under Recorder's File No. 666;

thence running southerly down the center of said creek to its intersection with the south line of the Northwest Quarter of Section 4;

and thence West to the place of beginning.

TOWNSHIP 2 NORTH, RANGE 5 EAST.
HUMBOLDT BASE AND MERIDIAN

SECTION 4:

The South Half of the Northwest Quarter;
The West Half of the Southwest Quarter and
Lot 3.

SECTION 5:

The Southeast Quarter of the Southeast Quarter;
The West Half of the Southeast Quarter;
The North Half of the Southwest Quarter of the Northeast Quarter;
The West Half of the Southwest Quarter of the Southwest Quarter of
The Northeast Quarter;
The Southeast Quarter of the Southwest Quarter;
The Southwest Quarter of the Northwest Quarter and
Lots 2, 3 and 4.

The Northeast Quarter of the Northeast Quarter of the Southeast Quarter
and The East Half of the Northwest Quarter of the Northeast Quarter of the
Southeast Quarter.

A non-exclusive right of way over a strip of land 30 feet in width, the centerline of which is described as follows:

BEGINNING at a point located 2026.15 feet west and 274.41 feet north of the original government quarter corner between Sections 4 and 5 of said township and range;

and running thence North 6 degrees west 270 feet;

thence North 61 degrees west 210 feet;

and thence North 38 degrees west 19.36 feet, more or less, to the north line of the East Half of the Southwest Quarter of the Southwest Quarter of the Northeast Quarter of said Section 5, being the same as excepted in the deed from Simpson Redwood Company, a Washington corporation, to Ellis O. Stapp and wife, dated March 3, 1961, and recorded March 31, 1961, in Book 629 of Official Records at page 488 under Recorder's File No. 5348.

A non-exclusive right of way over a strip of land 30 feet in width, the centerline of which is described as follows:

BEGINNING at a point located 2026.15 feet west and 274.41 feet north of the original government quarter corner between Sections 4 and 5 of said township and range;

and running thence South 35 degrees east 335 feet, more or less, to the quarter section line running east and west through the center of said Section 5, being the same as excepted in deed from Simpson Redwood Company, a Washington corporation, to Ellis O. Stapp and wife, dated March 3, 1961, and recorded March 31, 1961, in Book 629 of Official Records at page 488 under Recorder's File No. 5348.

SECTION 6:

The South Half of the Northeast Quarter;
The Southeast Quarter of the Northwest Quarter and
Lots 1, 2, 3, 4 and 5.

SECTION 8: The North Half.

SECTION 16:

ENTIRE.

EXCEPTING THEREFROM, that portion thereof which lies Southwesterly of Mad River.

TOWNSHIP 3 NORTH, RANGE 5 EAST,
HUMBOLDT BASE AND MERIDIAN

SECTION 18:

The East Half of the Southwest Quarter and
The West Half of the Southeast Quarter.

EXCEPTING THEREFROM all coal and other minerals as excepted and reserved in the patent to Emmett E. Lewis recorded May 25, 1938, in Book 24 of Patents at page 402.

SECTION 19:

ENTIRE.

EXCEPTING THEREFROM, The Southeast Quarter of the Southeast Quarter of said Section 19, all the coal and other minerals in said land, together with the right to prospect for, mine and remove the same pursuant to the provisions and limitations of the Act of December 29, 1916, (39 Stat. 862), being the same as excepted and reserved in the Patent issued by The United States of America to James Singleton, dated July 14, 1926, and recorded November 10, 1926, in Book 24 of Patents at page 118, under Recorder's File No. 4483, Humboldt County Records.

ALSO EXCEPTING THEREFROM, Lots 2 and 3; The Northeast Quarter of the Southwest Quarter; The North Half of the Southeast Quarter; The Southwest Quarter of the Northeast Quarter; The East Half of the Northwest Quarter and The Northeast Quarter of the Northeast Quarter of said Section 19, all the coal and other minerals in said land, together with the right to prospect for, mine and remove the same pursuant to the provisions and limitations of the Act of December 29, 1916 (39 Stat. 862), being the same as excepted and reserved in the Patent issued by The United States of America to William H. Nehls, dated July 2, 1937, and recorded September 14, 1944, in Book 25 of Patents at page 13, under Recorder's File No. 5316, Humboldt County Records.

ALSO EXCEPTING THEREFROM Lot 1, all the coal and other minerals as excepted and reserved in the patent to Emmett E. Lewis, recorded January 6, 1925, in Book 23 of Patents at page 426.

SECTION 20:

ENTIRE

~~The North Half of the Northeast Quarter;
The Southwest Quarter of the Northeast Quarter;
The West Half.~~

~~The Southeast Quarter of the Southwest Quarter.~~

EXCEPTING THEREFROM, The South Half of the Southwest Quarter of said Section 20, all the coal and other minerals in said land, together with the right to prospect for, mine and remove the same, pursuant to the provisions and limitations of the Act of December 29, 1916, (39 Stat. 862), being the same as excepted and reserved in the Patent issued by The United States of America to James Singleton, dated July 14, 1926, and recorded November 10, 1926, in Book 24 of Patents at page 118, under Recorder's File No. 4483, Humboldt County Records.

ALSO EXCEPTING THEREFROM, The North Half of the Southwest Quarter; The Southeast Quarter of the Northwest Quarter; The Southwest Quarter of the Northeast Quarter and The North Half of the Northwest Quarter of said Section 20, all the coal and other minerals in said land, together with the right to prospect for, mine and remove the same pursuant to the provisions and limitations of the Act of December 29, 1916 (39 Stat. 862), being the same as excepted and reserved in the Patent issued by The United States of America to William H. Nehls, dated July 2, 1937, and recorded September 14, 1944, in Book 25 of Patents at page 13, under Recorder's File No. 5316.

SECTION 29:

The Northeast Quarter;
The ^{*North east*} Southwest Quarter of the ^{*South*} Northeast Quarter; and
The West Half.

EXCEPTING THEREFROM, The South Half of the Northwest Quarter and The Southwest Quarter of said Section 29, all coal and other minerals in said land, together with the right to prospect for, mine and remove the same pursuant to the provisions and limitations of the Act of December 29, 1916 (39 Stat. 862), being the same as excepted and reserved in the Patent issued by The United States of America to James Singleton, dated July 14, 1926, and recorded November 10, 1926, in Book 24 of Patents at page 118, under Recorder's File No. 4483, Humboldt County Records.

ALSO EXCEPTING THEREFROM, The Southwest Quarter of the Northeast Quarter of said Section 29, all the coal and other minerals in said land, together with the right to prospect for, mine and remove the same

pursuant to the provisions and limitations of the Act of December 29, 1916 (39 Stat. 862), being the same as excepted and reserved in the Patent issued by The United States of America to William H. Nehls, dated July 2, 1937, and recorded September 14, 1944, in Book 25 of Patents at page 13, under Recorder's File No. 5316.

SECTION 30:

ENTIRE

EXCEPTING THEREFROM, The East Half of the Northeast Quarter of said Section 30, all coal and other minerals in said land, together with the right to prospect for, mine and remove the same pursuant to the provisions and limitations of the Act of December 29, 1916 (39 Stat. 862), being the same as excepted and reserved in the Patent issued by The United States of America to James Singleton, dated July 14, 1926, and recorded November 10, 1926, in Book 24 of Patents at page 118, under Recorder's File No. 4483, Humboldt County Records.

SECTION 31: ENTIRE

SECTION 32:

The West Half.

EXCEPTING THEREFROM, The Northeast Quarter of the Northwest Quarter of said Section 32, all coal and other minerals in said land, together with the right to prospect for, mine and remove the same pursuant to the provisions and limitations of the Act of December 29, 1916 (39 Stat. 862), being the same as excepted and reserved in the Patent issued by The United States of America to James Singleton, dated July 14, 1926, and recorded November 10, 1926, in Book 24 of Patents at page 118, under Recorder's File No. 4483, Humboldt County Records.

A right of way in perpetuity over and across those portions of the following described property which lie south of the existing County Road crossing said lands:

Lots 3 and 4 and the West half of the East Half of the Southwest Quarter of Section 7, Township 3 North, Range 4 East, Humboldt Meridian.

The East Half of the Southeast Quarter; The East Half of the Southwest Quarter of the Southeast Quarter and The Southeast Quarter of the Northwest Quarter of the Southeast Quarter of Section 12,

and

The Northeast Quarter of the Northwest Quarter of the Northeast Quarter of Section 13, Township 3 North, Range 3 East, Humboldt Meridian,

for such purposes as may be desired, providing that any road construction will lie generally adjacent to and parallel with the present County Road on the premises.

The right to use existing roads on the last above-described property for general use and the right to construct a road across those portions of Sections 12 and 13, as may be needed for access to the northeast quarter of the northeast quarter of Section 13 of Township 3 North, Range 3 East, Humboldt Meridian, the use of said roads shall be non-exclusive.

The above rights of way being the same as Granted in Deed from L. C. Bliss, Jr., and Dorothy M. Bliss, his wife, to Simpson Redwood Company, a Washington corporation, dated July 1, 1959, and recorded August 6, 1959, in Book 547 of Official Records at page 232, under Recorder's File No. 12964.

EXCEPTING AND RESERVING UNTO GRANTOR ALL OF THE TIMBER NOW STANDING, LYING AND CONTAINED ON THE REAL PROPERTY DESCRIBED BELOW TOGETHER WITH THE RIGHT TO ENTER SAID REAL PROPERTY AND REMOVE TIMBER THEREFROM.

TOWNSHIP 3 NORTH, RANGE 3 EAST,
HUMBOLDT BASE AND MERIDIAN

SECTION 1:

The Southwest Quarter of the Southwest Quarter;
The East Half of the Southwest Quarter;
The Southeast Quarter and
The North Half.

EXCEPTING THEREFROM that portion of the Southwest Quarter of the Southwest Quarter of said Section 1, which lies Westerly of Wilson Creek, as said Creek existed on July 2, 1929.

SECTION 11:

The Southeast Quarter of the Northeast Quarter and
The East Half of the Southeast Quarter.

EXCEPTING THEREFROM that portion thereof, which lies Westerly of Wilson Creek, as said Creek existed on July 2, 1929.

SECTION 12:

ENTIRE

EXCEPTING THEREFROM the Northwest Quarter of the Northwest Quarter of Section 12, that portion thereof which lies Westerly of Wilson Creek, as said Creek existed on March 20, 1947, being the date of the deed from Robert Hunter to Clifton C. Wilson and recorded March 21, 1947, under Recorder's File No. 2749.

ALSO EXCEPTING THEREFROM, The East Half of the Southwest Quarter of the Southeast Quarter and The Southeast Quarter of the Northwest Quarter of the Southeast Quarter and That portion of the East Half of the Southeast Quarter of said Section 12, which lies southerly of the Existing County Road, as said County Road existed on July 1, 1959, being the date of the deed from L. C. Bliss, Jr., and Dorothy M. Bliss, his wife, to Simpson Redwood Company, a Washington corporation, and recorded August 6, 1959, in Book 547 of Official Records at page 232 under Recorder's File No. 12964.

SECTION 13:

The North Half of the Northeast Quarter and
The North Half of the Northwest Quarter.

EXCEPTING THEREFROM, The Northeast Quarter of the Northwest Quarter of the Northeast Quarter of said Section 13.

SECTION 14:

The Northeast Quarter of the Northeast Quarter.

TOWNSHIP 3 NORTH, RANGE 4 EAST,
HUMBOLDT BASE AND MERIDIAN

SECTION 5:

The Southeast Quarter of the Southwest Quarter and
The Southeast Quarter.

SECTION 6:

The Southeast Quarter of the Southwest Quarter;
The South Half of the Southeast Quarter and
Lots 3, 4, 5, 6 and 7.

SECTION 7:

The West Half of the Southeast Quarter;
The Northeast Quarter;
The East Half of the West Half and
Lots 1, 2, 3 and 4.

EXCEPTING THEREFROM, that portion thereof described as follows:

COMMENCING at the Southwest corner of Southeast Quarter of
Northwest Quarter of Section 7;

and running thence North 418 feet;

thence East 418 feet;

thence South 418 feet;

and thence West 418 feet to the point of beginning.

ALSO EXCEPTING THEREFROM, those portions of Lots 3 and 4 and The West
Half of the East Half of the Southwest Quarter of said Section 7, which
lies Southerly of the existing County Road crossing said lands, as said
County Road existed on July 1, 1959, being the date of the deed from L. C.
Bliss, Jr., and Dorothy M. Bliss, his wife, to Simpson Redwood Company, a
Washington corporation, and recorded August 6, 1959, in Book 547 of
Official Records at page 232, under Recorder's File No. 12964; Humboldt
County Records.

SECTION 8:

The North Half of the Southwest Quarter and
The North Half.

EXCEPTING THEREFROM The Southwest Quarter of the Northwest Quarter of said Section 8, all the coal and other minerals, together with the right to prospect for, mine and remove the same pursuant to the provisions and limitations of the Act of December 29, 1916 (39 Stat. 862), being the same as excepted and reserved in the Patent, issued by The United States of America to Charles O. Johnson, dated June 29, 1926, and recorded August 20, 1926, in Book 23 of Patents at page 100 under Recorder's File No. 3259, Humboldt County Records.

SECTION 9:

Southwest Quarter of the Northwest Quarter.

EXCEPTIONS

EXCEPTING FROM the forgoing described real property located in Township 3 North, Range 5 East, Humboldt Meridian, the following:

- Section 18: That portion which lies within the Grouse Creek drainage.
- Section 19: That portion which lies within the Grouse Creek drainage.
- Section 20: That portion which lies within the Grouse Creek drainage.

Wiggins Ranch

IN TOWNSHIP 3 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

- Section 4: All that portion of Northwest Quarter, the Northeast Quarter of the Southwest Quarter, and the Northwest Quarter of the Southeast Quarter which lies East of the Mad River.
- Section 4: The North Half of the Northeast Quarter.

IN TOWNSHIP 4 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

- Section 1: ALL
- Section 2: ALL
- Section 3: ALL
- Section 4: ALL
- Section 5: The East Half; and the South Half of the Southwest Quarter.

EXCEPTING THEREFROM That portion thereof which lies West of Maple Creek Road.

- Section 7: The Southeast Quarter of the Southeast Quarter.
- Section 8: The West Half; the Southeast Quarter of the Northwest Quarter; the Northeast Quarter of the Southwest Quarter; and the South Half of the Southwest Quarter.
- Section 9: The North Half; and the Southeast Quarter.
- Section 10: ALL
- Section 11: ALL
- Section 12: ALL
- Section 13: The North Half; the North Half of the Southeast Quarter; the Northeast Quarter of the Southwest Quarter; and the Southwest Quarter of the Southwest Quarter.
- Section 14: The North Half; the Southwest Quarter; and the East Half of the Southeast Quarter.
- Section 15: ALL

Section 36: The West Half; and
the Northeast Quarter.

IN TOWNSHIP 5 NORTH, RANGE 3 EAST, HUMBOLDT MERIDIAN:

Section 34: The East Half of the Northeast Quarter;
the Southwest Quarter of the Northeast Quarter;
the Southeast Quarter of the Northwest Quarter;
the West Half of the Northwest Quarter; and
the South Half.

EXCEPTING THEREFROM that portion thereof which lies in the Southeast Quarter of the Southwest Quarter of the Southwest Quarter; and the Southwest Quarter of the Southeast Quarter of the Southwest Quarter.

Section 35: The West Half;
the Southwest Quarter of the Northeast Quarter; and
the West Half of the Southeast Quarter.

IN TOWNSHIP 4 NORTH, RANGE 4 EAST, HUMBOLDT MERIDIAN:

Section 5: The Southwest Quarter of the Southwest Quarter.

Section 6: The Southwest Quarter; and
the South Half of the Southeast Quarter.

Section 7: The West Half;
the East Half of the Northeast Quarter; and
the Southwest Quarter of the Southeast Quarter.

Section 8: The West Half of the Northwest Quarter; and
the Southeast Quarter of the Northeast Quarter.

Section 17: The Northwest Quarter of the Southwest Quarter.

Section 18: The Northwest Quarter;
the West Half of the Northeast Quarter;
the Southeast Quarter of the Northeast Quarter;
the North Half of the South Half; and
the Southwest Quarter of the Southwest Quarter.

Section 19: The West Half of the West Half;
the Southeast Quarter of the Northwest Quarter; and
the Northeast Quarter of the Southwest Quarter.

EXCEPTING FROM the forgoing described real property located in Township 4 North, Range 4 East, Humboldt Meridian, the following:

Section 5: That portion which lies east of the divide between the Mad River and
Creek drainages.

Redwood

- Section 16: ALL
- Section 17: The East Half; and
the North Half of the Northwest Quarter.
- Section 18: The Northeast Quarter of the Northeast Quarter.
- Section 20: The East Half; and
the Northeast Quarter of the Southwest Quarter.
- Section 21: ALL
- Section 22: ALL
- Section 23: The Northwest Quarter;
the South Half of the Northeast Quarter;
the Northeast Quarter of the Northeast Quarter; and
the South Half.
- Section 24: The Southwest Quarter of the Northeast Quarter;
the West Half of the Northwest Quarter;
the Southwest Quarter;
the East Half of the Southeast Quarter; and
the Northeast Quarter of the Southeast Quarter.
- Section 25: The West Half;
the Northwest Quarter of the Northeast Quarter; and
the West Half of the Southeast Quarter.
- Section 26: ALL
- Section 27: ALL
- Section 28: The Northwest Quarter;
the West Half of the Northeast Quarter;
the North Half of the Southwest Quarter;
the Southeast Quarter of the Southwest Quarter; and
the South Half of the Southeast Quarter.
- Section 29: The East Half of the Northeast Quarter.
- Section 33: The East Half of the West Half; and
the East Half.
- Section 34: The North Half; and
the North Half of the South Half.
- Section 35: The North Half;
the North Half of the Southwest Quarter; and
the Southeast Quarter.

- Section 6: That portion which lies east of the divide between the Mad River and Creek drainages. Redwood
- Section 7: That portion which lies east of the divide between the Mad River and Creek drainages. Redwood
- Section 8: That portion which lies east of the divide between the Mad River and Creek drainages. Redwood

EXHIBIT C

FUNDING AND STAFFING

Pursuant to the Implementation Agreement between Simpson Timber Company and the U.S. Fish and Wildlife Service, (the "Service"), this Exhibit describes the means by which Simpson will ensure that it will carry out and fully fund all the measures it has committed to in the HCP and Section 10(a) permit. As the following discussion indicates, Simpson's resources and existing organization are well-suited to implement this program. In general, these measures fall into four categories:

1. Designation and maintenance of 39 set-asides where no timber harvesting will be allowed and the establishment of a 36,500-acre special management area where no take of northern spotted owls will be allowed.

2. Measures that will be implemented directly through Simpson's timber harvest planning ("THP") system on a site-by-site basis and overall resource planning. These measures include, where feasible, retaining resource values that provide a core for future owl habitat (e.g., snags and patches of hardwoods and conifers) and planning harvesting operations to increase protection for the owl and wildlife generally (e.g., retention of 50 to 70 percent canopy and 50 percent ground cover along Class I and large Class II streams; retention of 30 to 50 percent canopy and 50 percent ground cover along small Class II streams; design, construction and maintenance of roads to minimize impacts and the number of stream crossings through riparian areas).

3. Measures that will be implemented under the direction of a Simpson wildlife biologist and resource manager (e.g., provide annual updates on owl sites for inclusion in the Simpson's GIS data base; prepare annual reports for review by the Service that include the information specified in the HCP; provide the data and analysis required to conduct the 10-year comprehensive review).

4. Measures that will be implemented by or under the supervision of a Simpson wildlife biologist and in consultation with the Service (e.g., nest site monitoring; continued banding of northern spotted owls where appropriate to facilitate population estimates and gathering of demographic data; study of the abundance and distribution of key prey species among stands of different ages and cover types; continued study of nest site and habitat mosaic characteristics).

Unlike the circumstances involved in the implementation of other Section 10(a) permits (particularly those involving short-term development projects) none of these measures requires expenditures for land acquisition, equipment, personnel, or con-

tractors that are not already part of Simpson's ongoing timber operations. For example, maintenance of the set-asides and the Special Management Area are perhaps the most significant of the measures in terms of mitigation and minimization of impacts. Although these commitments represent a heavy burden in terms of opportunity costs to Simpson, they do not require Simpson to acquire the land needed to carry them out.

Likewise, the resource management measures and timber harvest planning measures described in the second category do not require additional financial commitments to implement. These measures will be implemented as part of the existing process of planning, laying out and carrying out timber harvest operations and related activities. In addition, rather than requiring affirmative actions, these measures largely involve limiting activities which would otherwise be carried out as part of normal operations.

Finally, Simpson's commitments to conduct owl surveys, biological studies, GIS data base management, contingency plan preparation, record-keeping, and annual reporting all will be carried out through Simpson's existing organization. This organization, consisting of wildlife biologists, geographic resource information specialists, professional foresters and resource planners, is currently maintained to comply with the Endangered Species Act Northern spotted owl taking prohibition and California's "no-take" regulations (including survey requirements) and to address many other endangered species and general wildlife issues which arise in the timber harvesting process. In fact, the same or similar level of staffing and equipment would be required for Simpson to continue operations without a Section 10(a) permit, provided that no take of Northern spotted owls occurred.

Accordingly, while minor adjustments will be required, virtually no significant expenditures or changes in staffing or equipment necessary to the implement the HCP. Consequently, separate or additional funding for plan implementation is not required. Moreover, if Simpson ceased operations prior to the 10-year comprehensive review, any take that occurred prior to that point would have already been minimized and mitigated through the THP planning process, the maintenance of the set-asides, the establishment of the special management area, and, with the cessation of operation and the Section 10(a) permit, the protection of all remaining habitat on Simpson's property under Section 9 of the Endangered Species Act. Consequently, Simpson's operations and commitments to carry out the measures provide adequate assurances that the Section 10(a) permit and HCP will be fully implemented and financed.